



Fibabanka

Annual Report 2021

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Contact and Branches

From day one, Fibabanka has played a leading role in digital banking by investing in financial technologies with an approach that goes beyond traditional banking. We have recorded numerous successful initiatives in Service Banking as a result of our investments.

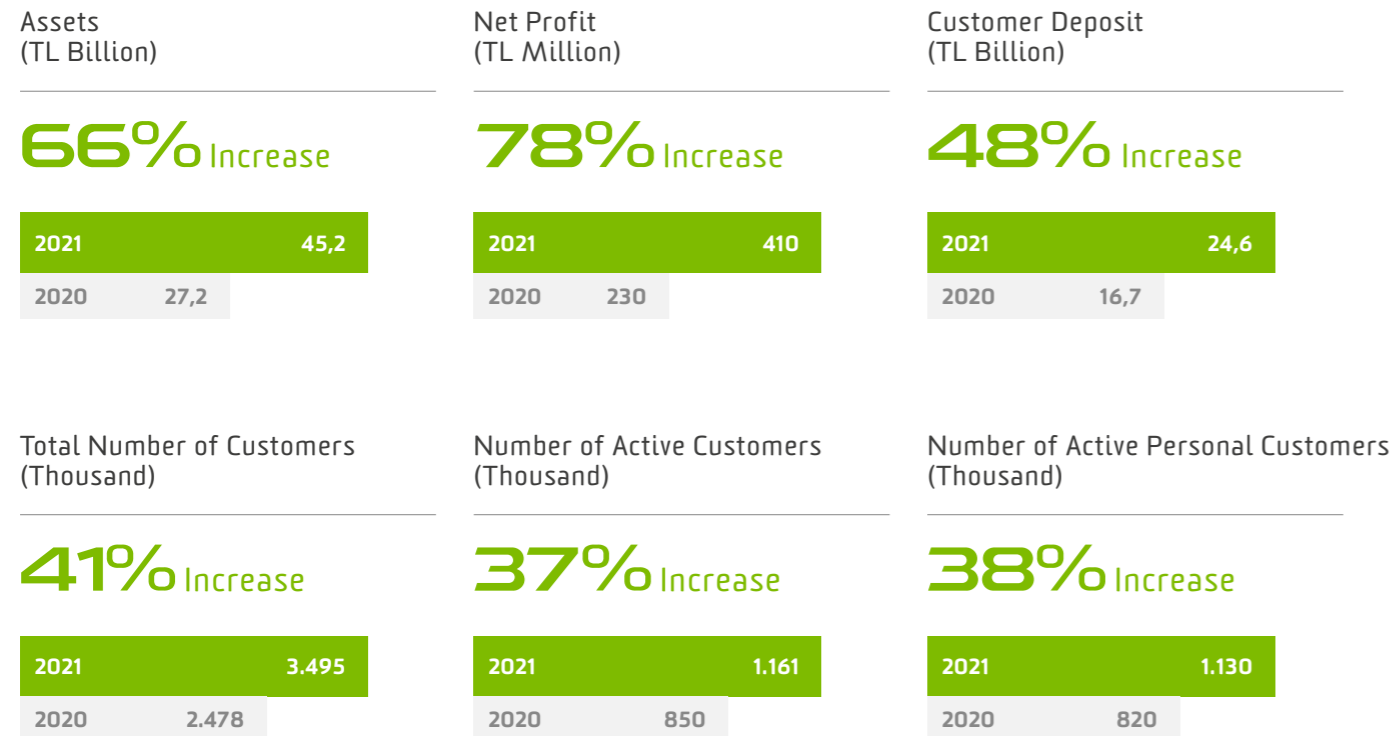
As a bank that already had the technology of the next five years, Fibabanka is developing financial solutions that its customers may need in the future while achieving successful results.

FIBABANKA IN BRIEF

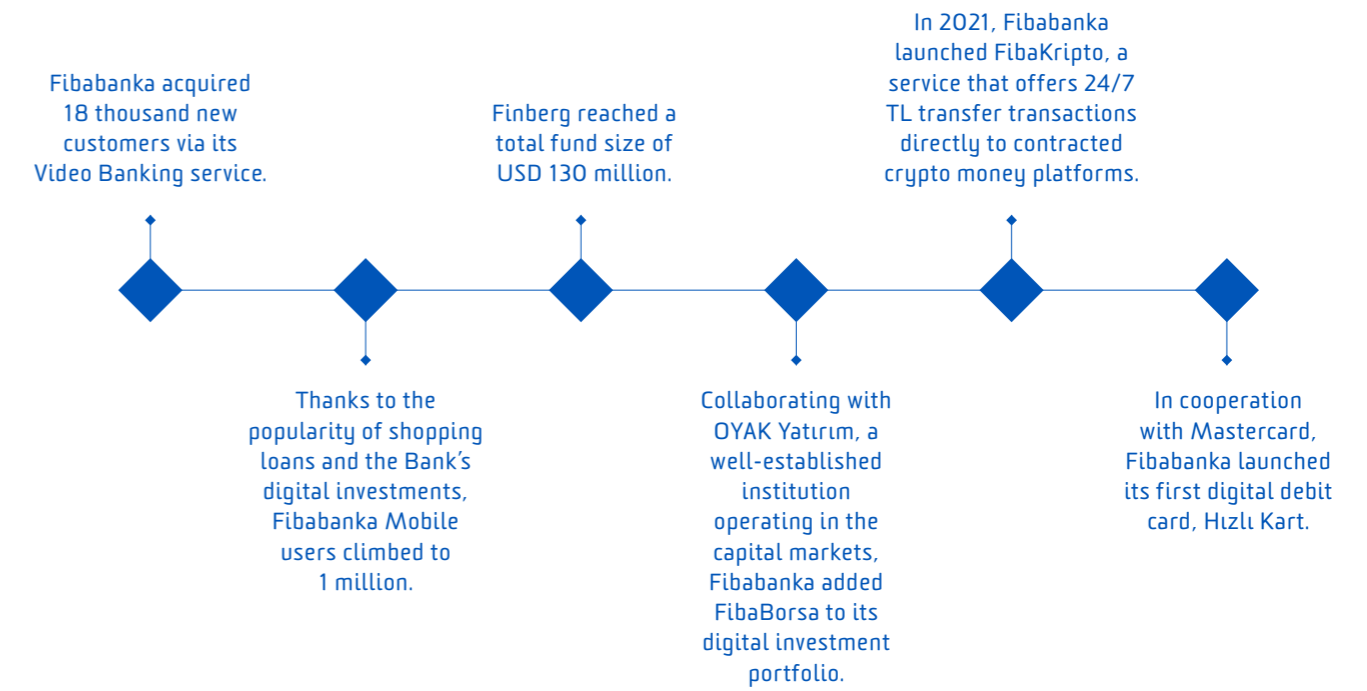
FIBABANKA CREATES SUSTAINABLE VALUE WITH ITS ADVANCED TECHNOLOGY INVESTMENTS AND ITS DIVERSIFIED CUSTOMER BASE.

Designing effective business processes with the vision of becoming the "Most Loved Bank of Turkey" and the "Agile thinking, agile solutions" approach, Fibabanka operates in the Corporate, Commercial, Enterprise, Agriculture, Retail and Private Banking segments.

FIBABANKA IN FIGURES



DEVELOPMENTS IN 2021



FIBABANKA IN FIGURES



ANNUAL REPORT COMPLIANCE OPINION

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

Qualified Opinion

We have audited the annual report of Fibabanka Anonim Şirketi (the "Bank") for the period between 1 January 2021 and 31 December 2021, since we have audited the complete set consolidated and unconsolidated financial statements for this period.

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 presentation.

The Basis for Qualified Opinion

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 2021 and 31 December 2021 dated 28 February 2022; the complete set of consolidated and unconsolidated financial statements of the Bank as at 31 December 2021 includes a general provision of a total of TL 337.000 thousand, of which TL 186.000 thousand was recognized as expenses within the current period and TL 151.000 thousand had been recognized as expenses in prior periods; with a deferred tax asset amounting to TL 77.510 thousands of which TL 47.310 thousand was recognized within the current period and TL 30.200 thousand had been recognized in prior periods; for the possible effects of the negative circumstances which may arise in the economy or market conditions.

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 ("POA") ("Standards on Auditing issued by POA"). 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 (including the Independence Standards) (POA's Code of Ethics) and the ethical requirements in the regulations issued by the POA that are relevant to the 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 a qualified opinion on the complete set of consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2021 and 31 December 2021 on 28 February 2022.

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 annual report:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- 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 indicate 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 report.
- 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 salaries and bonuses paid to the board members and those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

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 is 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 is 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 the 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 is consistent with the consolidated and unconsolidated financial statements and the information obtained during the audit and provide a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM
Partner

28 February 2022
Istanbul, Turkey

AGENDA OF ORDINARY GENERAL ASSEMBLY

- Opening and Formation of the Meeting Council,
- Reading and discussion of the 2021 Annual Report prepared by the Board of Directors,
- Reading and discussion of the Independent Auditor's Reports,
- Reading, discussion and approval of the Balance Sheet, Income Statements,
- Release of Board Members and Independent Auditor,
- Determination of use of the accrued profit, rate of dividend and dividend shares to be distributed, based on the 2021 balance sheet,
- Determination of Board Member rights such as remuneration, attendance payment, premium and bonus,
- Election of the Independent Auditor,
- Reading and discussion of the 2021 Affiliation Report,
- Granting permission to Board Members, pursuant to Article 395 and 396 of TCC,
- Wishes and conclusion.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No amendments were made to the Bank's Articles of Association in 2021.

ABOUT FIBA GROUP

FIBA GROUP HAS MORE THAN 12 THOUSAND EMPLOYEES FROM 43 DIFFERENT NATIONS IN 11 COUNTRIES.

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.

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 11 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 for 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, mining, 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 GROUP 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)

Portfolio Management

Fiba Portföy Yönetimi A.Ş.

Leasing

Credit Europe Leasing LLC (Russia), 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 Plus Gulf (Dubai)

Other

Ofishane

MAJOR INVESTMENTS OF FIBA GROUP 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

Fiba Yenilenebilir Enerji Holding A.Ş. (Wind and Solar Energy)

Mining

Polyak Eynez Enerji Üretim Madencilik Sanayi ve Ticaret A.Ş.

Hotel Investment

Swissotel the Bosphorus, Istanbul

Transportation

Fiba Air Turkey

OVERVIEW OF FIBA GROUP'S INVESTMENTS IN 2021

Capitalizing on attractive domestic and international investment opportunities, Fiba Group focuses on achieving efficient growth and a balanced investment distribution in both the financial and non-financial sectors. The Group aims to ramp up its investments in digitalization, especially in financial services and retail, with a focus on investing in start-ups and forging strategic collaborations. Fiba Group prioritizes investments with high growth and synergy potential across all sectors where it operates.

Energy is a strategic focus area of the Group. In 2021, Fiba Group commissioned four wind power plants located in Van, Balıkesir, Yalova, and Istanbul Çatalca. The total value of these renewable energy investments is USD 220 million. With the addition of these four WPPs that feature a total installed capacity of 200 MW, Fiba Group's total WPP installed capacity rose to 550 MW. The Group's renewable energy capacity totaled 580 MW in 2021.

Fiba Group's wind power plant in Gevaş/Van has the distinction of being Turkey's highest altitude and most eastern WPP. The Group is proud to expand Turkey's total installed wind power to 10,000 MW with this investment.

Following the public offering of Gelecek Varlık, which operates in the asset management sector, Fiba Group started to trade on Borsa Istanbul for the first time in 15 years.

Fiba Group is committed to adding value to society and maintaining its social investments while growing rationally and deliberately.

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. With the Rural Development Program, which reached a total of 4,000 people in 14 villages of Bitlis and Kilis, Hüsnü M. Özyeğin Foundation contributed to social and economic development in rural areas.

Mother Child Education Foundation (AÇEV)

Since its founding in 1993, Mother Child Education Foundation has strived to ensure that every child in Turkey is safe, healthy, happy and learning. AÇEV develops and implements scientific educational programs for children, parents and young women in need across Turkey. Reaching 1,6 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 fieldwork, 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. As one of the founders of the global Early Childhood Peace Consortium (ECPC), AÇEV continues to contribute to the development of policies in this area by collaborating with global networks including stakeholders such as the World Forum Alliance, UNESCO, ECOSOC, The Consultative Group on Early Childhood Care and Development, Yale University Child Study Center and Harvard University Center on the Developing Child.

Özyeğin University (OzU)

Özyeğin University was founded in 2007 by Hüsnü M. Özyeğin with the aim of providing world-class higher educational opportunities. OzU is committed to producing, developing and spreading knowledge while innovating to benefit humanity and society. The University serves as a model institution for Turkey and the region with its innovative structure, industry-oriented educational approach, original course programs, and academic research activities. Boasting the first LEED Gold Certified buildings in Turkey, OzU Istanbul Çekmeköy Campus was built on an area spanning 216,545 square meters. In 2021, OzU operated with a total of 8,861 students; 23 undergraduate, 36 graduate, 10 doctorate and 23 sub-branch programs under six faculties; two academies; and three institutes. In line with its mission to be accessible to talented and successful young people, the scholarship rate of undergraduate students enrolled at Özyeğin University in the 2021-2022 academic year was 90.4%. Under the Equal Opportunity in Education Scholarship Program (EFEB), launched by Özyeğin University in 2015 to provide equal opportunities in education to every student, a total of 105 students were awarded EFEB scholarships in the 2021-2022 academic year.

ABOUT FIBABANKA

FIBABANKA SHAPES ITS ACTIVITIES BASED ON ITS VISION OF BECOMING THE "MOST LOVED BANK OF TURKEY."

Through collaborations with the leading brands in Turkey and the momentum generated with the ecosystem and platform banking services, Fibabanka continues to increase the number of its customers and diversify its customer base.

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, Enterprise, Retail, Agricultural and Private Banking, Fibabanka delivers services with a young, dynamic workforce consisting of 1.766 employees at a total of 47 branches as of year-end 2021. Through collaborations with the leading brands in Turkey and the momentum generated with the ecosystem and platform banking services, Fibabanka continues to increase the number of its customers and diversify its customer base. 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 Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.

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. 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 reached TL 941.160.553,25. Fiba Group continues to retain the majority stake in Fibabanka, with 69,47% of the Bank's share capital as of year-end 2021. 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 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.

OUR AWARDS

FIBABANKA WAS DEEMED WORTHY OF MANY MAJOR AWARDS AND ACHIEVEMENTS IN 2021.

FibaFX – Fibabanka's FX and precious metals transaction platform – received an award in the "Customer Experience" category at the Finance Technology Awards 2021 held by IDC Turkey.

Fibabanka Risk Management team won SimRisk 2020 – Winter Edition, an interactive business competition by Experian, which conducts major events to highlight innovative solutions.

Fibabanka 2020 Annual Report

Recognized with International Awards Fibabanka 2020 Annual Report received the Honors Award in the "Online Reports Interactive" category at the 35th ARC Awards. This global competition is organized by the independent award organization MerComm which recognizes the world's best annual reports for their excellence.

Fibabanka 2020 Annual Report won the Silver Award in the "Banking – Online/Digital Report" category from LACP and ranked 59th in the Top 80 Online-Digital Reports of the EMEA Region. Fibabanka was also presented with the Gold Award for the PDF version of the report.

With the PDF version of the 2020 Annual Report, Fibabanka ranked 35th among the Top 80 Reports of the EMEA Region.

Experian SimRisk 2020 – Winter Edition Winner: Fibabanka

Fibabanka Risk Management team won SimRisk 2020 – Winter Edition, an interactive business competition by Experian, which conducts major events to highlight innovative solutions.

SimRisk is an interactive business competition held periodically to share knowledge and best practices between global risk experts from various European banks and Experian consultants in a competitive and secure environment. At SimRisk 2020, 12 teams of credit and risk specialists from eight countries competed for the championship title.

3 Awards from IDC DX Summit Turkey

Winning second prize in the "Future Enterprise Project of 2021" category with its Omnia project, Fibabanka was also deemed worthy of the runner-up prize in the "Future of Digital Infrastructure Project of 2021" category with its Help-Desk IVR Solution initiative.

Serdar Yılmaz, Assistant General Manager in charge of Information Technologies and Banking Operations received the Best DX Leader of the Year 2021 award at the summit.

IDC Turkey Awards FibaFX

FibaFX – Fibabanka's FX and precious metals transaction platform – received an award in the "Customer Experience" category at the Finance Technology Awards 2021 held by IDC Turkey.

First Place at PRIDA Communication Awards

At the 4th PRIDA Communication Awards held in 2021, where outstanding communication initiatives are recognized, Fibabanka garnered First Prize for its employee value proposition (EVP) project "You Set the Rule!".

Among nearly 100 projects that advanced to the finals in 25 categories, Fibabanka's "You Set the Rule!" EVP was selected as the winner in the "Change Management & Internal Communication" category.



SUSTAINABILITY APPROACH

FIBABANKA SEES SUSTAINABILITY AS A KEY PART OF ADDING VALUE TO SOCIETY.

Fibabanka monitors and manages risks and opportunities related to significant environmental, social, ethical and economic issues that may arise in its products, services, and operations.

In 2021, Fibabanka achieved its corporate goals with its comprehensive sustainability approach.

Fibabanka operates in line with its Corporate, Social and Environmental Responsibility Policy. This framework includes the basic principles of the Bank's social and environmental management system. The Bank sets its business procedures in accordance with this policy. Seeing sustainability as a key part of adding value to society, Fibabanka monitors and manages risks and opportunities related to significant environmental, social, ethical and economic issues that may arise in its products, services, and operations. In 2021, Fibabanka achieved its corporate goals with its comprehensive sustainability approach.

Responsible and Transparent Management

Fibabanka aims to ensure sustainable growth, improve the quality of its banking services, use resources in the best way, and prevent unfair competition. Toward these ends, Fibabanka conducts its business operations by maintaining ethical relations with other banks and institutions, as well as with its customers, shareholders, and employees.

Management of Environmental Impacts

Fibabanka designs its operations with the aim of continuously increasing the value it provides to its customers, stakeholders, employees, society and the environment. The Bank acts in accordance with an inclusive strategy that encompasses all its employees, suppliers and customers in this process.



Based on the mission adopted by Hüsnü M. Özyeğin, the Chairman of the Board, Fibabanka consistently supports investments in areas that benefit society, particularly education.

As part of waste management efforts at the Bank, recyclable paper, plastic, metal and glass wastes are collected by licensed companies. Fibabanka prefers recyclable packaging for consumer products.

Social Investments

Based on the mission adopted by Hüsnü M. Özyeğin, the Chairman of the Board, Fibabanka consistently supports investments in areas that benefit society, particularly education. As an active supporter of the Mother Child Education Foundation (AÇEV), one of Turkey's leading educational foundations, Fibabanka has implemented numerous joint social responsibility initiatives.

Fibabanka Women's Working Group (SheBa)

Organized by Fibabanka to emphasize gender equality, SheBa is a volunteer women's working group that aims to create environments where Fibabanka employees can work safely. This innovative effort sets an example for other institutions with its exceptional career and development programs. SheBa aims to provide a business environment where the place of women and men in social and business life is more balanced and equitable.

"İşimiz Eşitlik" Ambassadors

Fiba Group launched a working platform under the name "İşimiz Eşitlik." This platform includes volunteer employees from all companies within the Group and defends the principle of justice and equality in all areas of society. Challenging gender-based discrimination, the working platform supports equality of opportunity and aims to implement initiatives that will be developed and managed by employees. The ambassador group established by Fibabanka develops internal projects and initiatives in collaboration with AÇEV.

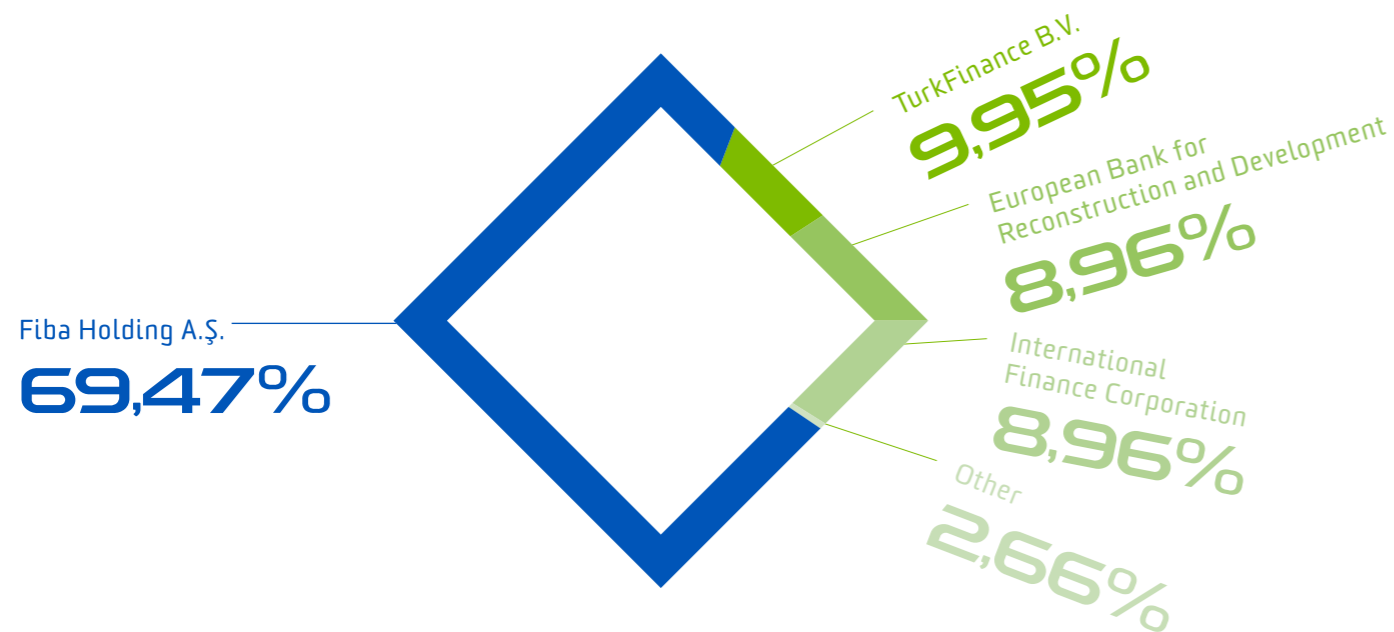
SHAREHOLDER STRUCTURE

FIBABANKA GIVES CONFIDENCE TO ALL ITS STAKEHOLDERS WITH ITS ROBUST PARTNERSHIP STRUCTURE.

The largest shareholder of Fibabanka is Fiba Holding A.Ş. with a share of 69,47%.

Shareholders	Amount of Capital (TL)	Number of Shares	Share Ratio (%)
Fiba Holding A.Ş.	653.807.731,27	65.380.773.127	69,47
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	25.051.846,37	2.505.184.637	2,66
Total	941.160.553,25	94.116.055.325	100,00

The Chairman and Members of the Board of Directors, the General Manager, Assistant General Managers and other executives currently hold 2.505.184.637 equity shares in the Bank, amounting to TL 25.051.846,37 as of 2021.



KEY FINANCIAL AND OPERATIONAL INDICATORS

IN 2021, FIBABANKA RECORDED **SUCCESSFUL FINANCIAL AND OPERATIONAL RESULTS.**

While boosting its total assets to TL 45,2 billion, Fibabanka reported net profit of TL 410 million as of end-2021, an increase of 78% year-on-year.

UNCONSOLIDATED FINANCIAL RESULTS

(TL Million)	31.12.2019	31.12.2020	31.12.2021	Increase (%)
Assets	21.886	27.225	45.162	66
Loans (Net)	15.624	18.796	22.113	18
Customer Deposit	13.518	16.667	24.614	48
Equity	1.656	1.874	2.346	25
Net Profit	212	230	410	78

CONSOLIDATED FINANCIAL RESULTS

(TL Million)	31.12.2019	31.12.2020	31.12.2021	Increase (%)
Assets	21.889	27.238	45.185	66
Loans (Net)	15.624	18.796	22.113	18
Customer Deposit	13.518	16.667	24.614	48
Equity	1.659	1.884	2.364	25
Net Profit	215	237	418	76

KEY OPERATIONAL INDICATORS

	31.12.2019	31.12.2020	31.12.2021	Increase (%)
Number of Employees	1.541	1.550	1.766	14
Number of Branches	63	50	47	-6
Number of ATMs	74	58	56	-3
Number of Active Customers (thousand)	788	850	1.161	37
Total Number of Customers (thousand)	1.735	2.478	3.495	41

Investing in the technologies of the future as part of its digital transformation journey and striving to make its employees and customers happy, Fibabanka continued to make a difference in the sector in 2021.

HÜSNÜ M. ÖZYEĞİN
Chairman of the Board of Directors



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

FIBABANKA IS TAKING MAJOR STEPS FORWARD IN THE BANKING INDUSTRY.

Driven by the long-standing experience of Fiba Group in the finance sector, Fibabanka is taking major steps forward in the banking industry.

Throughout 2021, the Turkish economy demonstrated a strong performance in terms of growth, current account deficit, and the national budget balance.

Esteemed Stakeholders,

2021 was a year in which normalization steps to eliminate the negative effects of the Covid-19 pandemic on the economy and social life started to be taken after the world had gained experience in combatting the pandemic. Following the rollout of mass vaccination programs and the gradual lifting of restrictions, the manufacturing and service sectors in particular bounced back. According to IMF projections, the global economy is expected to grow by 5,9% in 2021, after contracting by 3,1% in 2020. This projected growth did not occur equally across the world. Due to widely varying capacities in fighting the pandemic and the divergence in access to vaccines, inequality increased both among and within countries. The future of economic growth still poses downside risks such as potential restrictions due to new variants of the coronavirus, ongoing supply shortages, and rising energy prices.

Supportive fiscal and monetary policies implemented by governments around the globe in 2021 accelerated normalization in many of the world's economies and had a positive impact on demand. However, these expansionary policies coupled with a supply-demand imbalance caused by issues in the supply chain caused a rapid increase in inflation in many countries. As the problematic issues in the supply chain persisted, the

uptrend in commodity and energy prices increased upward pressure on prices. The effect of price rises revealed the threat of significantly higher inflation in both developing and developed countries. In particular, the central banks of advanced economies believed that the reasons for the rapid uptick in inflation throughout the year were temporary factors and caused by the Covid-19 pandemic. By year's end however, many central banks had accepted that the higher inflation environment will be more enduring than expected. While some central banks began to tighten their monetary policies through interest rate hikes in the face of inflationary pressures, the Fed signaled that it would withdraw its monetary support much faster than initially expected in 2022.

Meanwhile, the Turkish economy demonstrated a strong performance in terms of growth, current account deficit, and the national budget balance throughout 2021. Domestic demand maintained its buoyancy driven by the monetary expansion that occurred the previous year. Ongoing support to the domestic economy and recovery in the global economy, especially in the European Union, also positively affected foreign demand. This environment significantly contributed to Turkey's economic growth. Strong domestic demand, as well as higher tax revenue and the boost from tax restructuring had a positive impact on the national budget. In 2021, the

Assets

45,2
TL Billion

Return on Equity

19,6%

Capital Adequacy Ratio

23,5%

current account deficit improved by USD 20,7 billion compared to the previous year and amounted to USD 14,9 billion. The current account deficit/GDP ratio was 1,9%. Turkey's budget deficit/GDP ratio came in at 2,9%, below the Medium-Term Program Target of 3,5%. The Turkish economy is projected to register more than 10% growth in 2021. The negative impact of supply constraints due to the Covid-19 pandemic increased inflation throughout the year. Due to robust domestic demand, public price/tax adjustments, an interest rate cut of 500 basis points under the New Economic Model announced by the government and the increasing volatility of the Turkish lira, the inflation rate accelerated further and rose to 36,08% by the end of the year.

Thanks to new practices and measures taken by the Ministry of Treasury and Finance and the Central Bank of the Republic of Turkey to prevent dollarization and further depreciation of the TL, a portion of the depreciation in TL was quickly recovered. The real sector also supported the new practices. The Treasury & Finance Ministry's new practices are expected to prevent volatility by balancing the demand toward foreign currencies. Their effects on the national budget balance will also be monitored closely. Steps and measures planned to reduce inflation will be of great importance in 2022.

Investing in the technologies of the future as part of its digital transformation journey and striving to make its employees and customers happy, Fibabanka continued to make a difference in the sector in 2021. Recording the benefits of this strategy on its balance sheet, Fibabanka expanded its customer base to 3,5 million in 2021. As of year's end, Fibabanka reported net profit of TL 410 million and total assets of TL 45,2 billion. Fibabanka posted a return on equity of 19,6% and a capital adequacy ratio of 23,5%.

Recording successful results driven by the long-standing history of Fiba Group, Fibabanka is committed to continuously improving its service quality. Fibabanka is taking major steps forward in the banking sector in line with its vision of becoming the "Most Loved Bank of Turkey."

Taking this opportunity, we would like to thank our devoted employees, our business partners, our esteemed customers and all our stakeholders for their unwavering support.

Kind regards,



HÜSNÜ M. ÖZYEGİN
Chairman of the Board of Directors



In 2021, Fibabanka once again provided its customers with innovative solutions thanks to further investments in its advanced technology infrastructure. During the year, we launched many important products and services on our Fibabanka Mobile and Internet Banking channels.

ÖMER MERT
General Manager and Member of the
Board of Directors

MESSAGE FROM THE GENERAL MANAGER

FIBABANKA REACHED 3,5 MILLION CUSTOMERS THANKS TO THE SYNERGY OF THE PARTNERSHIPS IT HAS ESTABLISHED.

At Fibabanka, we aim to establish long-term and sustainable customer relations. We develop our product and service offering in this regard, while ensuring excellent customer satisfaction.

Fibabanka is growing rapidly by expanding its customer base as part of its ecosystem and platform banking activities.

Retail Loans

6,2
TL Billion

Net Profit

410
TL Million

Esteemed Stakeholders,

Fibabanka has exited another successful year despite the negative effects of the pandemic. In 2021, once again our top priority was the well-being of our employees and customers. We operated without interruption by bringing our fast and easy banking services to our customers.

As in many sectors of the economy, the pandemic accelerated digitalization in the banking industry. Banks that are open to change, flexible, and have a solid operational and information infrastructure adapted to this environment more quickly. Digitalization also speeded the development of some areas, such as remote working and even boosted certain enterprises in this regard. As the importance of the logistics and e-commerce sectors grew in this new landscape, efforts related to digitalization and financing of supply chain systems were speeded up. To ensure healthy cash flow, solutions for fast access to finance and fintech investments for collection channels proliferated during the pandemic.

In line with these market conditions, Fibabanka grew rapidly by expanding its customer base as part of its ecosystem and platform banking activities. Thanks to the synergy

provided by the business partnerships established with Turkey's leading brands, Fibabanka reached 3,5 million customers in 2021. While our retail loans increased by 135% to TL 6,2 billion, our customer numbers in digital channels rose by 129% to 1 million. By boosting the number of our brand partnerships, we will stand beside our customers whenever and wherever they need us and make their lives easier.

We are proud to develop and introduce difference-making solutions for our customers and solution partners thanks to our digital transformation investments. With the positive impact of this approach on our financial performance, Fibabanka reported total assets of TL 45,2 billion and net profit of TL 410 million in 2021. Thanks to brand partnerships and digital investments we developed as part of our ecosystem banking efforts, Fibabanka's total loan portfolio grew to TL 22 billion. Loans accounted for 49% of total assets. In the same period, our customer deposit volume reached TL 25 billion, making up a 55% share of total liabilities.

Backed by the sound capital structure of its main shareholder, Fiba Holding, Fibabanka recorded a capital adequacy ratio of 23,5% and a return on equity of 19,6% as of end-2021.

Our Digital Transformation Journey Continues

In 2021, Fibabanka once again provided its customers with innovative solutions thanks to further investments in its advanced technology infrastructure. During the year, we launched many important products and services on our Fibabanka Mobile and Internet Banking channels. Thanks to our focused efforts, we expanded our digital customer base by 2,5 times. Our more than 1 million digital customers had the opportunity to perform many transactions easily via our Fibabanka Mobile and Internet Banking channels. Fibabanka customers were also able to carry out many investment transactions on our digital channels. These included 24/5 FX and precious metal transactions via FibaFX, opening Kiraz Accounts with advantageous interest rates, trading shares via FibaBorsa, and 24/7 direct TL transfers to contracted crypto money platforms via FibaKripto.

With the introduction of new regulations during the year, Fibabanka launched its Video Banking service – an end-to-end digital customer onboarding process for potential customers. This new service facilitates prospective customers to join Fibabanka simply by having a chip-enabled T.R. ID card and a mobile phone with the NFC feature.

At Fibabanka, we provide tailor-made digital solutions to meet customers' financial needs thanks to our advanced technology investments. During the present remote communication era, we are investing in big data technology and data science infrastructure. Our objective is to deliver the best user experience to Fibabanka customers for all their financial needs.

Fibabanka – the Leader in Service Banking

With the Regulation on the Operation Principles of Digital Banks and Service Model Banking issued at the end of 2021, the Turkish banking and finance world entered a new era. With this major development, financial innovation is poised to be promoted much more in the banking sector.

Fibabanka focuses on understanding its customers and providing them with solutions by blending digital banking and conventional banking. We are committed to this approach using decision mechanisms based on data rather than predictions. Fibabanka aims to deliver a unique banking experience by combining its banking services with its strong digital infrastructure. In effect, we are digitizing the banking needs of our customers. As the bank that best implements ecosystem banking, we built our core strategy around Ecosystem and Platform Banking. As a role model in the sector, we offer shopping loans as an offline and online payment option, providing an alternative to credit cards. Launching financial services at the right time with a robust infrastructure significantly boosted our sales and customer brand satisfaction.

With our banking talent, well-qualified human resources and financial technologies, Fibabanka plans to provide its Service Banking solution to all its customers once again in 2022.

Entrepreneurship is a Strategic Priority

Fibabanka set off on its digital transformation journey with a strategic focus on entrepreneurship. Our goal is to become a bank that operates with the spirit of a technology company. As a result, we address various business disciplines with a holistic approach. In 2021, Fibabanka assumed a dual role: We both cooperated with and invested in startups this year. All our shareholders, especially our main partner Fiba Holding, and our senior management share this entrepreneurial spirit. This fact greatly contributed to our success in this dual role.

At Fibabanka, it was very important for us to support the entrepreneurial ecosystem and create value with our employees in this arena. We were delighted to be a part of Fiba Fikir Fabrikası, an in-house entrepreneurship program held by Fiba Holding in 2021.

In addition to entrepreneurship programs, Fibabanka leads the finance sector in digital transformation. In 2021, we introduced innovative products and services from 10 different R&D projects that originated in our R&D Center. Starting its operations in 2018 and employing over 200 qualified professionals today, Fibabanka R&D Center is certified by the Ministry of Industry and Technology.

Finberg's Transformational Year

Our corporate venture capital firm Finberg is a 100% subsidiary of our Bank. Today, Finberg is one of the leading venture capital companies in Turkey. Unlike a traditional investment capital company, Finberg's investment strategy is to invest in ventures that will create synergy and contribute to all companies of Fiba Group, especially Fibabanka. Investing in these areas was among the most important goals in 2021. Focusing on fintech and retail tech, Finberg has recorded 14 investments since its founding. Today, Finberg has a total fund size of USD 130 million. With the investments made through Finberg, Fibabanka aims to grow further by leveraging major collaborations and developing alternative financial solutions in the coming year.

At Fibabanka, we aim to establish long-term and sustainable customer relations. We develop our product and service offering in this regard, while ensuring excellent customer satisfaction with our innovative approach and digital infrastructure investments.

I would like to extend my gratitude to all my colleagues at Fibabanka, who worked with great dedication during this challenging year. In addition, I give my deepest thanks to our shareholders and all our stakeholders for their ongoing support.

Kind regards,



ÖMER MERT
General Manager and
Board Member

CORPORATE BANKING / COMMERCIAL BANKING /
CASH MANAGEMENT AND FOREIGN TRADE

FIBABANKA SUPPORTS THE TURKISH REAL SECTOR WITH ITS CORPORATE/COMMERCIAL BANKING SEGMENT.

The Fibabanka Commercial Banking segment achieved a growth of 69% in the number of registered customers and a 49% increase in cash loans in 2021.

Increase in the Treasury Income of the Corporate Banking Segment

2,5 Times

Growth in the Number of Registered Commercial Banking Customers

69%

CORPORATE BANKING

Fibabanka continued to offer products and services that make a difference through its Corporate Banking segment in 2021. Aiming to develop boutique products in line with the needs and expectations of its customers, the Bank offers products such as cash and non-cash loans; financial consulting on investment financing; mergers & acquisitions; and project finance loans; 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.

Long-Term Customer Relationship Goal, Fast and Boutique Service-Oriented Approach

The Fibabanka Corporate Banking segment aims to establish long-term relationships with its customers. Developing fast and solution-oriented services with a customer-first approach, the segment has a total of 6.853 registered customers. Continuing its support to the Turkish real sector in 2021, the Bank achieved a loan size of TL 10,6 billion in the Corporate Banking segment.

In 2021, the Fibabanka Corporate Banking segment 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; therefore, the treasury transaction volume increased and accordingly, the treasury revenues of the Corporate Banking segment increased 2,5 times compared to the previous year. With the synergy established with customers, the capacity to generate TL demand resources increased, and the share of the Corporate Banking segment in the Bank's total TL demand amounted to 36%.

Even though it is a new service, 1% of the Corporate Banking segment treasury transactions were carried out through FibaFX, a platform where foreign exchange and precious metal trading transactions are carried out at advantageous rates.

In 2022, Fibabanka aims to meet the funding needs of its corporate customers with its innovative products and services developed by investing in technology, and to maintain its strong support to the Turkish real sector.

COMMERCIAL BANKING

Fast, Innovative, Proactive Approach

With fast and innovative solutions offered in 2021, Fibabanka's Commercial Banking segment identified the current and potential needs of its customers in a timely manner and displayed a solution-oriented, flexible and proactive approach to its customers. Despite the coronavirus pandemic, the Bank focused on customer satisfaction and continued its activities in line with the principle of establishing long-term cooperation with the necessary support steps and being the first bank that comes to mind for its customers.

Growth Strategy Based on Diversification

The diversification-based growth strategy of the Fibabanka Commercial Banking segment continued in 2021 by increasing efficiency in existing customers and accelerating new customer acquisitions. Despite the

coronavirus pandemic, Fibabanka achieved a growth of 69% in the number of registered customers and a 49% increase in cash loans. During this period, Fibabanka focused on being more active in the cash flow cycles of customers and the amount of Fibabanka checks used by commercial customers for their payments increased by more than 100%.

The Fibabanka Commercial Banking segment adapted to the rapidly changing banking approach and market conditions due to the pandemic period and continued to be the solution partner of its customers. Fibabanka supports its customers with cash management products and services that will make the life of companies easier, such as cash and non-cash loans, treasury transactions for currency and commodity fluctuations, deposits and investment products, and especially credit funding.

Sustainable Growth with Digital Transformation

In line with its sustainable growth target, the Fibabanka Commercial Banking segment implemented analytical methods for early detection of customers' financial needs from open and accessible sources and for identifying potential customers that comply with the Bank's strategy. In 2022, it is aimed to use alternative non-branch financial service channels more effectively in order to increase productivity.



CORPORATE BANKING / COMMERCIAL BANKING /
CASH MANAGEMENT AND FOREIGN TRADE

FIBABANKA CONTINUED ITS OPERATIONS WITH THE AIM OF OFFERING THE BEST BANKING SOLUTIONS TO ITS CUSTOMERS IN CASH MANAGEMENT AND FOREIGN TRADE AREAS.

In 2021, Fibabanka mediated the funding of TL 678 million through the Supplier Financing System and TL 1 billion through its e-invoice financing product.

Focusing on being more active in the cash flow cycles of customers, Fibabanka increased its checkbook volume by 36% compared to 2020, achieving a market share of 1,69% in the sector.

CASH MANAGEMENT AND FOREIGN TRADE

With a focus on offering products to simplify customers' lives, Fibabanka carried on operations driven by its motto of delivering the best banking solutions to customers in the area of Cash Management and Foreign Trade in 2021.

To support the operating capital management of its corporate customers who are suppliers, Fibabanka mediated the funding of TL 678 million through the Supplier Financing System and TL 1 billion through its e-invoice financing product.

Focusing on being more active in the cash flow cycles of customers, Fibabanka increased its checkbook volume by 36% compared to 2020, achieving a market share of 1,69% in the sector.

USD 1,87 billion in Supplier Financing Provided to the Real Sector

In 2021, Fibabanka mediated foreign trade transactions worth USD 1,87 billion. Creating a new foreign trade menu in the corporate mobile and internet banking channels with the aim of providing an end-to-end holistic service to its customers, Fibabanka introduced the bulk payment menu in its digital channels for fast and easy multi-currency transfers.

Operating with the principle of offering innovative products to its customers, Fibabanka uses the FAST infrastructure of the Central Bank of the Republic of Turkey, which is an instant payment system. Fibabanka launched the QR code payment transfer product in Fibabanka Mobile for personal banking customers. With this product, customers are able to transfer TL easily and quickly 24/7 by scanning the QR code of the recipient with their mobile devices.

Increasing the number of bill and game of chance payments by 88% and finalizing the Istanbul Kart integration, Fibabanka continued to offer products and services to meet customer needs in every aspect of life in 2021.

RETAIL BANKING

THE FIBABANKA RETAIL BANKING SEGMENT MAINLY FOCUSED ON MICRO CUSTOMERS AND FARMERS. THE SEGMENT CONTINUED ITS OPERATIONS WITH THE AIM OF GROWING ITS CUSTOMER BASE AND INCREASING LOAN VOLUME AND NON-INTEREST INCOME.

With improvements and innovations made in Fibabanka Mobile and Internet Banking channels, the Retail Banking segment offered customer onboarding, loan utilization and loan payment functions to its customers.

The Fibabanka Retail Banking segment continued its operations with the aim of growing its customer base and increasing loan volume and non-interest income.

In 2021, the Fibabanka Retail Banking segment mainly focused on micro customers and farmers. The segment continued its operations with the aim of growing its customer base and increasing loan volume and non-interest income.

In 2021, the segment acquired 20 thousand active customers, thus growing in this department by 34%. Achieving a total deposit volume of TL 768 million in 2021, the segment achieved a total loan volume of TL 2,27 billion and a total commission income of TL 25,6 million. The Retail Banking segment completed 2021 successfully with a realization rate above its targets.

Thanks to technology investments made in the micro customer segment, the Bank's evaluation processes accelerated and an improvement was achieved especially in loans against checks.

With improvements and innovations made in Fibabanka Mobile and Internet Banking channels, the Retail Banking segment offered customer onboarding, loan utilization and loan payment functions to its customers. Fibabanka aims to finalize the development process of the Video Banking channel for the acquisition of sole proprietor owners and to increase the number of legal customers through this channel.

The Union Of Sugar Beet Growers Cooperatives became the most important business partner in the agriculture department of the Fibabanka Retail Banking segment in 2021. In line with this partnership, the Bank's loan volume rose by 113% in 2021, thanks to the advantageous loans provided to farmers.

In 2021, the Fibabanka Retail Banking segment made life easier for both micro customers and farmers, and provided them with quick access to financing. Fibabanka introduced SMS loan access to its micro customers via various parent company collaborations and also started to provide services through digital channels.

The Retail Banking segment aims to grow in both digital channels and non-branch channels with new products and services in 2022.

Increase in Loan Customers

34%

Loan Growth with Advantageous Loans Offered to Farmers

110%

PERSONAL BANKING

THANKS TO PARTNERSHIPS ESTABLISHED IN 2021, FIBABANKA'S NUMBER OF CUSTOMERS ROSE TO 3,5 MILLION.

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 2021.

Thanks to collaborations made with online platforms and stores, Fibabanka is establishing an ecosystem where all customers can meet all their needs.

The Fibabanka Personal Banking segment continued its operations with its products and services aiming to meet all the needs of its customers. Developing its service infrastructure consistently Fibabanka delivers services to its customers via Fibabanka 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, Fibabanka took major steps forward in Personal Banking in 2021. The Bank significantly expanded its personal customer base thanks to business partnerships, reaching 3,5 million customers, of which 1,1 million is active. Fibabanka has reached 6 thousand 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.

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 2021. Having developed effective projects very quickly after closing deals with its business partners, the Bank has become preferred for both business partners and clients.

Strong Consumer Financing Network

Created with Business Partnerships Despite the negative effects of the coronavirus pandemic In 2021, Fibabanka continued to serve its customers at approximately 6 thousand points throughout the country thanks to the collaborations established with Turkey's leading national brands and the dealers of these brands.

Thanks to collaborations made with online platforms and stores, the Bank is establishing an ecosystem where all customers can meet all their needs. Offering multiple products including instant loans and next-generation payment solutions offered to customers at stores, Fibabanka increased the number of customers and their satisfaction with great momentum.

Reaching a total of approximately 817 thousand active loans in 2021 with a double growth in store platforms and online loans, Fibabanka extended TL 4,4 billion in loans, achieving a growth rate of 98%.



Number of Customer Contact Stores/Points

6 Thousand

Number of Loans Provided via Store Platforms and Online Loans

817 Thousand

With the "Shopping Loan" product that includes different operating models, Fibabanka develops an infrastructure that will respond quickly to the financial needs of both its customers and business partners, and regularly improves its technological infrastructure in order to provide solutions to ever-changing needs.

Instant Shopping Loan service makes it possible for customers to draw a loan only with their ID and mobile numbers. The service accelerates business processes significantly and designs its development procedures in a customer-oriented manner according to customer needs, taking into account customers satisfaction scores.

Continuing to expand the sectors it provides loans to include electronic, retail, clothing, consumer durables and e-commerce sites in 2021, Fibabanka made contact with numerous customers through these services.

Fibabanka continues to respond to the needs of customers with additional products such as Kiraz Account, Overdraft Account and Digital Debit products other than shopping loans.

Taking into consideration the rapidly rising trend of digital transformation projects throughout the world, Fibabanka made technology infrastructure investments to offer innovative solutions and to offer new online sales channels together with its business partners.

Fibabanka aims to improve its financial and digital solution alternatives further and continue its operations in line with its vision of supporting its customers.

PERSONAL BANKING

WITH THE AIM TO FACILITATE ACCESS TO PRODUCTS AND SERVICES THROUGH SHOPPING LOANS, FIBABANKA LAUNCHED THE "DIGITAL MARKET" IN THE MOBILE BANKING APPLICATION.

In 2021, Fibabanka continued to stand by its customers whenever and wherever they need it, with the motto, "Agile thinking, agile solutions."

With the new regulation in Turkey regarding digital banking and service banking, the transformation of traditional banking gained momentum.

Innovation and Entrepreneurship Strategy of Fibabanka

Financial Supermarket Services with Fibabanka Service Banking

With the new regulation in Turkey regarding digital banking and service banking, the transformation of traditional banking gained momentum. Introducing numerous successful projects in the field of digital banking by investing in financial technologies, Fibabanka continued to stand by its customers whenever and wherever they need it, with the motto, "Agile thinking, agile solutions."

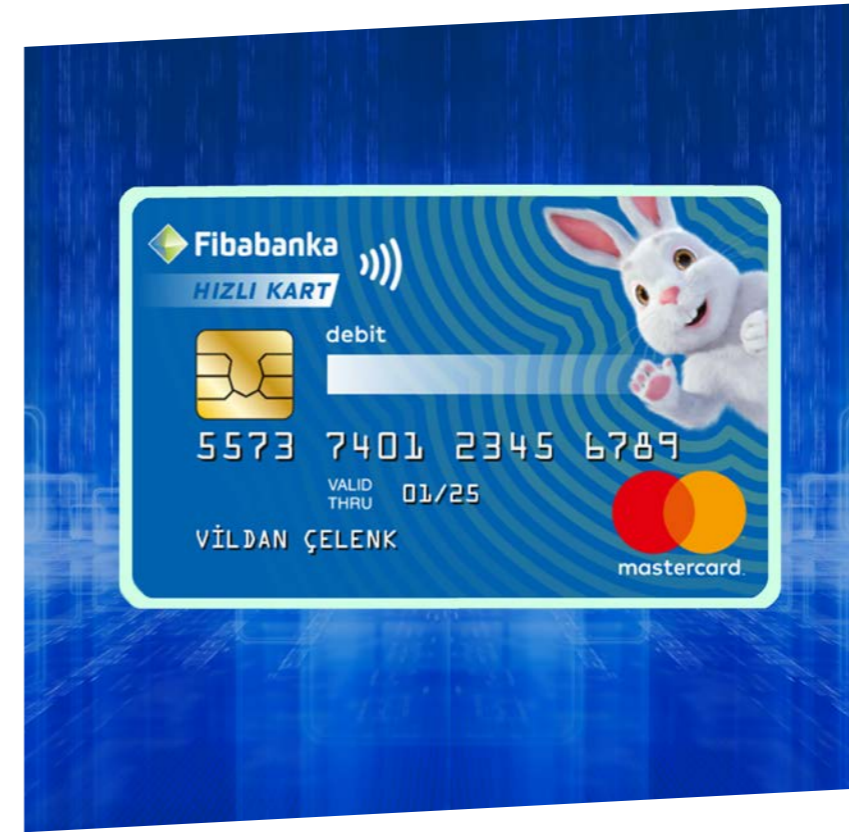
Showing major retail brands that there can be an option other than credit cards for both online and in-store purchases, Fibabanka offered its customers the opportunity to make payments to Turkey's most popular brands and stores via shopping loans.

With the infrastructure it continues to develop for Service Banking, Fibabanka offered the opportunity to institutions, platforms and applications who want to provide financial services to their customers to quickly and securely complete their integration, and offer Fibabanka financial supermarket services to their customers.

Constantly renewing its technological infrastructure, Fibabanka continues working on financial solutions its customers may need.

Digital Market is in Fibabanka Mobile!

Thanks to collaborations with Turkey's leading brands, Fibabanka continues to improve its services via shopping loans. In line with these services, Fibabanka launched new features via the Digital Market such as in-store shopping loans, compulsory traffic insurances and second-hand product purchases with loans in accordance with customer scores.



FibaKredi is the Solution!

Fibabanka focuses on innovative added-value projects in light of current developments in technology. In 2021, 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 pre-approved consumer loans and KrediPlus products, loan offers continued to be offered with different alternatives according to customer preference.

Fibabanka customers can draw loans via Fibabanka Mobile and Internet Banking channels without having to go to the branch. 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."

As of 2021, Fibabanka started to offer the KrediPlus product, which was designed to meet the extra cash needs of customers while providing the chance to make payments from a single point, via Fibabanka Mobile. In 2021, pre-approval loan and KrediPlus utilization reached 1.500 transactions with a volume of approximately TL 51 million on a daily basis and 27 thousand transactions with a volume of TL 750 million on a monthly basis. 74% of these loans were provided via Fibabanka Mobile. In addition to loans provided through business partners, the balance of active consumer loans rose to TL 4,4 billion with 817 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 2022, Fibabanka aims to further boost the number of transactions and loan amounts for its consumer loan products in the coming year. For this purpose, Fibabanka aims to combine the limits offered to its customers using consumer loans in a single limit in the upcoming period. Through all channels including partnerships, it is aimed to make it possible to use these limits want whenever they want as long as these limits are active.

The New Digital Way of Payment 'Fibabanka Hızlı Kart'

Focusing on digital infrastructure investments in 2021, Fibabanka continued to develop innovative products to meet the changing needs of its customers. In this regard, Fibabanka launched the 'Hızlı Kart' product, which is the Bank's first digital card in cooperation with Mastercard.

With Hızlı Kart, which can be used both digitally and physically, banking and shopping transactions can be done quickly and securely. With the Hızlı Kart product, which features Europay, Mastercard and Visa (EMV) chip, Fibabanka customers can make contactless payments and save their card information to the digital payment solution Masterpass. Thus, Hızlı Kart provides users with the opportunity to log in to Fibabanka Mobil from their mobile devices, create a digital card and use it for e-commerce shopping transactions without waiting for a courier. Customers who register their digital debit cards with Masterpass can make transactions quickly and securely with Hızlı Kart on many e-commerce platforms registered with Masterpass.

As of the end of 2021, digital Hızlı Kart holders reached 349 thousand while physical Hızlı Kart holders reached 58 thousand. In 2021, Hızlı Kart holders made a total of TL 35 million shopping transactions.

PERSONAL BANKING

FIBABANKA CONTINUES TO OPERATE WITH A VARIETY OF PRODUCTS AND ITS PROFESSIONAL INVESTMENT STAFF.

Total Kiraz Account balance, which was TL 7,7 billion as of the end of 2020, reached TL 14,5 billion with an increase of 89% in 2021.

At the end-2021, Fibabanka launched the Installment Overdraft Account product.

Credit Card with Contactless Capability

Upon the introduction of contactless capability to Fibabanka credit cards in 2021, cardholders can make contactless payments up to TL 350* per transaction, without the need for a password.

* The limit for contactless transactions may vary, the upper limit amount is determined by the Interbank Card Center (BKM) according to the needs of the sector.

Developments in Payment Systems

QR Code Payments

Within the scope of the QR Code Payment Project, the Bank customers can make QR transfers via FAST, QR payments via POS devices and ATM with Fibabanka debit and credit cards and receive QR payments via member merchants and Fibabanka ATMs.



Customers can access Fibabanka's deposit and investment products with different risk distributions and interest rates around-the-clock through digital channels, branches and the call center.

Overdraft Account

With its digital-oriented approach and the mission of providing the fastest banking service that will make life easier for customers, Fibabanka continues to develop loan products through its digital channels. At the end-2021, Fibabanka launched the Installment Overdraft Account product. With the Installment Overdraft account product, customers can withdraw cash for their POS purchases with a QR Code, within Overdraft Account limits, and can use credit in installments of up to 12 months.

Focusing on the pre-approved Overdraft Account product, Fibabanka continues to stand beside its customers in 2022.

Deposit & Investment Products

Fibabanka continues to operate with a variety of products that will meet the investment needs of its customers with its professional investment staff. Customers can access Fibabanka's deposit and investment products with different risk distributions and interest rates around-the-clock through digital channels, branches and the call center.

As the most preferred product among Fibabanka's deposit products, Kiraz Account is an overnight deposit product whereby the customers can perform all their banking transactions from a demand deposit account. Kiraz Account continued to generate profits for customers who evaluate their savings in different investment products in 2021.

Total Kiraz Account balance, which was TL 7,7 billion as of the end of 2020, reached TL 14,5 billion with an increase of 89% in 2021. The total number of active accounts exceeded 370 thousand, rising 60% 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.

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

With Kiraz Plus, customers with a deposit amount between TL 1 and 2 million are able to invest 50% of their savings in overnight 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.

Regular Income Account, another deposit product launched by Fibabanka for its personal customers, is preferred by customers who especially want to invest their deposits in the long term. While providing a withholding advantage on 1-year maturity deposits, the Regular Income Account allows customers to earn interest income on a monthly or quarterly basis.

The standard deposit product, e-Deposit, is offered via Fibabanka Mobile and Internet Banking channels as an alternative for customers who want to invest their entire balance as time deposits, with interest rates varying according to the investment amount.



Kiraz Account Balance Growth

89%

Number of Kiraz Accounts

370 Thousand+

PERSONAL BANKING

AT THE END-2020, FIBABANKA INTRODUCED ITS NEW SERVICE, "FIBAFX," WHERE FX AND PRECIOUS METAL TRANSACTIONS CAN BE PERFORMED OUT SAFELY AND AT ADVANTAGEOUS RATES.

Fibabanka added FibaBorsa, a platform where stock transactions can be performed safely and easily, to its investment products in mobile and internet banking channels.

In 2021, Fibabanka continued to offer investment products to its customers in different risk groups as an alternative to deposit products. Customers can access the mutual fund products offered by the Bank quickly and easily, either at their branches or through digital channels.

In 2021, Fibabanka continued to offer investment products to its customers in different risk groups as an alternative to deposit products. Customers can access the mutual fund products offered by the Bank quickly and easily, either at their branches or through digital channels. The investment funds offered by Fibabanka reached TL 4,1 billion from TL 1,2 billion with successful efforts in 2021. Among the funds established by Fiba Portfolyo in 2021, "Fiba Portföy 1. Fon Sepeti Fonu" reached a volume of TL 480 million and "Fiba Portföy Meltem Serbest" funds reached a total volume of TL 1,7 billion. On the other hand, the total volume of funds managed by Fiba Portföy A.Ş. reached TL 7,6 billion.

At the end-2020, Fibabanka introduced its new service, "FibAFX," where FX and precious metal transactions can be performed out safely and at advantageous rates via Fibabanka Mobile and Internet Banking channels. Although it is a new service, FibaFX reached 60 thousand customers in a short time. 90% of the total foreign exchange transactions carried out by retail customers were made via FibaFX. With its features renewed in 2021, Fibabanka customers can now trade in precious metals in Silver and Platinum, and in foreign currency in Rubles, Swedish krona, Canadian dollars, Danish krone, via FibaFX.

Features of FibaFX:

- Fibabanka customers can track the exchange rates instantly with the live rate feature and make transactions 24 hours a day on business days.
- With the "Add Alarm" feature of FibaFX, you can receive notifications when the exchange rate reaches the desired level without having to follow the exchange rate.
- FibaFX users can perform transactions when a rate reaches a specified target level using the "Add Order" button even when they are not logged in to the Mobile and Internet Banking channels.
- The latest market news can be viewed in the "News" section of FibaFX. With the "FX Piyasam" service, which was launched in the final quarter of 2021, customers are able to trade in FX and gold 24/7 by creating their own markets.
- With the aim to provide a competitive product for users who want to continue trading at the weekends, FX Piyasam offers Fibabanka customers the opportunity to match their target FX rates mutually.

Number of FibaFX Customers

60 Thousand

FibaFX's Usage Rate for Retail Customers' FX Transactions

90%



Number of FibaKripto Customers

40 Thousand+

FibaKripto Transfer Transaction Volume

TL 12 Billion

Aiming to diversify its customer base in terms of deposits and provide high-quality service to customers of different risk profiles through accurate products, Fibabanka launched FibaBorsa, a platform where stock transactions can be carried out safely and easily through mobile and internet banking channels.

With FibaBorsa, customers can open investment accounts online, transfer money to their investment accounts anytime, trade stocks in Borsa Istanbul and participate in IPOs. Fibabanka customers can monitor stock market news and Borsa Istanbul data live and free of charge via FibaBorsa, even if they do not have an investment account. As of the end of the year, the number of investors in FibaBorsa exceeded 5 thousand.

In 2021, Fibabanka launched FibaKripto, a service that offers 24/7 TL transfer services directly to contracted crypto money platforms. The number of customers making transactions via FibaKripto exceeded 40 thousand and the total amount of money transfers made to crypto money platforms reached TL 12 billion.

Bancassurance Services from Fibabanka

In line with its cooperation with Fiba Emeklilik ve Hayat A.Ş in the Life Insurance and Private Pension segment, and with Sompo Sigorta ve HDI Sigorta in the Non-Life Insurance segment, Fibabanka continued to offer numerous products to its customers in 2021.

The changing customer needs and service approach as a result of Covid-19 pandemic encouraged Fibabanka to provide its customers with different services and solutions. In this context; instead of the unemployment insurance coverage provided in life insurances related to loans, a daily hospital coverage started to be offered. The scope of supplemental health insurance was extended. The range of products related to corporate loans was expanded, and global and corporate solution offers started to be provided to Corporate/Commercial segment customers in line with their non-life insurance needs.

In 2021, high penetration rates in insurance products related to loans were maintained in order to meet the protection needs of its customers. As part of the efforts to increase the number of non-credit-related insurance products and to deliver these products to our customers through every channel, Compulsory Traffic Insurance and Personal Accident Insurance products started to be offered via Fibabanka Mobile and the Call Center.

As a result of these efforts, Fibabanka generated an insurance income of TL 250 million in 2021. The share of the Bank's insurance commission income in net fee and commission income increased from 43% to 54%. According to the sector data for December 2021, life and personal accident insurance premium production grew by 126%, reaching a market share of 2,3% in the Bank's total production volume.

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

THE FIBABANKA PRIVATE & PRESTIGE BANKING SEGMENT OPERATES WITH THE AIM TO OFFER TAILOR-MADE ALTERNATIVES.

The Fibabanka Private & Prestige Banking segment serves through 105 Private & Prestige Banking Customer Representatives in 35 branches, 15 of which are in Istanbul.

The segment operates with many products thanks to the support of the Deposit and Investment Products Management, Treasury Department and Fiba Portfolio Management, in addition to the cooperation with OYAK Investment.

In 2021, the Fibabanka Private & Prestige Banking segment continued its operations with the aim to offer tailor-made alternatives in line with the customer's risk profile and ROI expectations. The Bank serves through 105 Private & Prestige Banking Customer Representatives in 35 branches, 15 of which are in Istanbul.

Sustainable Growth Strategy

The Fibabanka Private & Prestige Banking segment operates with many products thanks to the support of the Deposit and Investment Products Management, Treasury Department and Fiba Portfolio Management, in addition to the cooperation with OYAK Investment. While customers can invest in products such as time deposits, treasury notes, government bonds, private sector bills/bonds, investment funds and stocks, they can also trade in derivatives, FX and precious metals quickly and easily in over-the-counter markets.

The Fibabanka Private & Prestige Banking segment increased its number of active customers by 60% from 14.009 customers to 23.279 customers in 2021. In the same period, the size of assets under management rose by 77%, reaching TL 23 billion.

Fibabanka Private & Prestige Banking Active Customer Growth

60%

In addition to the services it provides through customer representatives, the Fibabanka Private & Prestige Banking segment also offers its customers the opportunity to trade FX and stocks at live prices via FibaFX and FibaBorsa.

Adopting a sustainable growth strategy, the 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 2022 as well.

TREASURY

FIBABANKA TREASURY DEPARTMENT ADOPTED A SUSTAINABLE AND TRANSPARENT APPROACH IN LINE WITH DEVELOPMENTS IN DOMESTIC AND INTERNATIONAL MARKETS.

In 2021, the FX and derivatives transaction volume and income of the Treasury Marketing Unit grew in line with Fibabanka's growth strategies.

The organizational structure of the Fibabanka Treasury Department consists of three main functions including ALM Department, Trading Department, and Treasury Marketing and Strategy Department.

- The Department aims to offer treasury products for the needs of customers with a customer-oriented approach, make a difference in the sector with its service quality, adopt a Strategy and Asset Management approach that provides support to the field and branch in terms of market fluctuation.
- 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 combining Sales and Trading activities in compliance with the Bank's strategy.

The ALM Department is responsible for the management of liquidity and the assets-liabilities. The Department 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 interest-maturity management during the determination of policies and strategies.

The Treasury Asset-Liability Management Department 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. It also determines the Bank's fund transfer pricing.

The Trading Department is responsible for determining the prices of all Treasury transactions by monitoring domestic and international money and capital markets. The department carries out all market transactions other than those related to Assets & Liabilities Management and manages market risk. Within the framework of the limits determined by the Risk Management Department, the department aims to earn returns by holding positions in FX, bond/bill and derivative markets.

The Treasury Marketing and Strategy Department 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 Department closely monitors developments in the global investment world and capital markets and shares scenarios regarding

customers' financial positions. The Department also 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, structured within this department 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.

The Department prepares periodic bulletins and reports on macroeconomic indicators and meets with internal and external customers at various events.

CUSTOMER EXPERIENCE MANAGEMENT AND COMMUNICATION ACTIVITIES

FIBABANKA DEVELOPS SMART SOLUTIONS TAKING INTO CONSIDERATION THE CUSTOMER RESEARCH IT CONDUCTS AND CUSTOMER REVIEWS FROM VARIOUS CHANNELS.

In 2021, Fibabanka continued its activities with the vision of standing by its customers in their financial journeys.

Since the day it began to measure NPS, Fibabanka has been tracking the NPS of customer journeys, mostly with a transaction-based measurement structure. However, in 2021, Fibabanka implemented an NPS measurement structure, that does not only make measurements based on transactions, but also customers' relations with the bank.

With its qualified human resources, advanced technology and wide product range, Fibabanka continued its activities in 2021 with the vision of standing by its customers in their financial journeys.

Taking into account the rapid progress of technology and the constant change in customer needs and expectations, Fibabanka provides smart solutions by taking into account the customer research it conducts and customer comments from various channels. In this context, Fibabanka identified more than 200 actionable experience findings since April 2019, when it started to assess the experiences of its customers with NPS surveys. Initiatives have been developed with relevant product/channel owners and IT teams with the aim to improve these findings with a design thinking approach. Through NPS surveys, end-to-end tracking of more than 15 critical customer journeys was performed in more than 250 contact points.

Since the day it began to measure NPS, Fibabanka has been tracking the NPS of customer journeys, mostly with a transaction-based measurement structure. However, in 2021, Fibabanka implemented an NPS measurement structure, that does not only make measurements based on transactions, but also customers measured relations with the bank. Thus, the experiences of dormant customers and customers whose relations with the Bank are gradually decreasing became measurable. Fibabanka aims

to touch all points of the experience throughout the Bank by increasing its relational measurement points in 2022. Performing the measurement of unfinished transactions as well as its transaction-based experience measurement structure, Fibabanka identifies problematic stages in customer journeys and designs easier and smoother experiences for its customers. It plans to measure NPS for all unfinished steps in 2022 and improve its experience on all journeys offered.

In line with its customer-oriented service strategy, Fibabanka continued to develop all its processes in consideration of customer needs and expectations through Customer Centricity workshops held with the participation of all internal stakeholders.

In line with its strategy of digitalization in customer experience, Fibabanka launched the Video Banking feature in 2021, which makes it possible to become a Fibabanka customer without the need for customers to go to the branch. At the same time, Get/Forgot Password, FibaAnahtar setting and SIM card unblocking processes were also made available to customers via Fibabanka Mobile as self-service transactions. With technological integrations aimed to be made in the future, Fibabanka aims to increase its transactional diversity and significantly increase the number of customer acquisitions via Video Banking.

Görüntülü Bankacılık İle Dilediğiniz Yerden Fibabankalı Olun!

Evrak, İmza ve Kurye Yok

Fibabanka Mobil ile anında müşterimiz olun, size özel ayrıcalıklardan yararlanın.

Fibabanka Mobil'i HEMEN İNDİR

App Store'dan | Google Play | AppGallery

In 2021, Fibabanka launched the first phase of the project to improve the Asset and Debt Statement displays directly in line with customer comments. From now on, bank customers will be able to track their assets and debts instantly, including main and sub-product details, and the TL/USD/EUR distribution of assets and debts. Fibabanka plans to make a similar feature available in 2022 for cash flow in the upcoming phases of the project. With these forecasting models, the Bank aims to share insights about the future cash flow of its customers and to improve their display so that they can manage their investments more effectively and smartly.

With the text analysis model developed together with the Data Management Office in 2021, customer comments started to be categorized automatically. Thus, the customer comments are interpreted more quickly and instantly determined on which subjects they are grouped within. In 2022, Fibabanka aims to automate customer experience actions based on comment categories. Thanks to this model, the issues customers have experienced are determined based on their categories and it will be possible to direct them to the solution (with SMS, free transaction definitions, automatic complaint tickets, etc.) created for the relevant issue.

In addition to the projects initiated in 2021, Fibabanka aims to focus on customer research and develop faster actions by interpreting NPS scores and comments via instant analyses in 2022.

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

Standing by its customers whenever and wherever they need it, Fibabanka operates like a technology company with a banking license with its advanced technological infrastructure. Fibabanka continued its operations in 2021 with the aim of providing uninterrupted, fast and on-site banking services to its customers. Adopting a "respectful," "sincere" and "result-oriented" approach towards its customers, Fibabanka shared this vision with intensive and regular communications via TV, radio and outdoor channels in addition to digital channels.

In 2021, Fibabanka achieved successful results in terms of accessibility and visibility thanks to its communication efforts regarding deposit and investment products as well as loan products and services.

Easy Transactions via Fibabanka Mobile and Internet Banking

Continuing to invest in technological infrastructure with the aim to achieve the technology of the future, Fibabanka continued its product and service development and channel experience efforts in 2021 with the vision of providing a perfect banking experience.

Fibabanka Mobile and Internet Banking channels continue to serve 24/7 with features designed in line with customer feedback to meet their financial needs. For this purpose, Fibabanka continued its performance improvement efforts in 2021 and offered products and services that will make life easier for its customers through its interactive channels.

Frontend changes and performance improvements were made in the Fibabanka Mobile application with the aim to provide a better experience. In order to inform customers of Fibabanka products, the Stories feature, which customers are accustomed to from social media applications, was made available on the login screen of the app. The areas in Fibabanka Mobile for easy access to My Accounts and Most Frequently Used Transactions menus and platforms such as FibaFX, FibaBorsa, Digital Market, FibaKripto as well as special offers for customers and contract approvals have been renewed.

Fibabanka started to develop an application that will enable customers to view their assets and debts on a single graphic and to track their assets in other currencies via Fibabanka Mobile and Internet Banking channels.

CUSTOMER EXPERIENCE MANAGEMENT AND COMMUNICATION ACTIVITIES

MAKING USE OF THE ADVANTAGES OF DIGITAL BANKING, FIBABANKA AIMS TO CONSOLIDATE CUSTOMER ENGAGEMENT.

In 2021, Fibabanka increased its number of mobile banking users by 139% to 1 million users and its internet banking users by 62% to 141 thousand users.

Making use of the advantages of digital banking, Fibabanka aims to consolidate customer engagement with the next-generation markets in Fibabanka Mobile Banking and Internet Banking channels.

In 2022, Fibabanka aims to continue its efforts to improve the user experience and functional development in Mobile and Internet Banking channels.

1 Million Digital Customers

In 2021, Fibabanka increased its number of mobile banking users by 139% to 1 million users and its internet banking users by 62% to 141 thousand users. The Bank aims to be the choice of its customers with modern and innovative services and products.

Making use of the advantages of digital banking, Fibabanka aims to consolidate customer engagement with the next-generation markets in Fibabanka Mobile Banking and Internet Banking channels.

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

In 2021, Fibabanka Call Center continued its efforts to provide customers with uninterrupted service. During this period, the necessary hardware and transaction set were expanded and call center staff continued to work remotely. In 2020, Fibabanka Call Center answered a monthly average of 177 thousand calls from customers who preferred to receive service from digital channels and the Call Center instead of branches due to the restrictions introduced. Fibabanka Call Center continued to provide high-quality service by answering an average of 170 thousand calls in 2021 on a monthly basis. The response ratio, which was 97% in 2020, rose to 98% in 2021.

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 continued to finalize all requests of Fibabanka customers within an average of one day.

Fibabanka Call Center expanded its service portfolio with the Video Banking team formed in January 2021 and acquired around 30 thousand customers through video calls.

In 2021, Fibabanka initiated a new screen design project, which aims to increase the satisfaction of both representatives and customers by making it easier and faster to carry out their transactions during the video call. Fibabanka Call Center focuses on improving its service portfolio with innovative projects in the future.

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. In 2022, 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!

Fibabanka's artificial intelligence chat assistant, Fi'bot, continued to provide services via fibabanka.com.tr, Facebook Messenger and Google Assistant in 2021 as well. With ongoing review and analysis of all messages on a monthly basis, Fi'bot's training and learning process continuously improves. In 2021, Fi'bot responded to 100.970 messages from 48.924 users with a coverage rate of 98% and a success rate of 93%. In 2021, Fibabanka started to monitor user satisfaction with instant NPS measurement through the messages sent to Fi'bot and continued to make improvements and organize training in line with visitor feedback.

Marketing Communication Activities

Considering marketing as the first step of the long-term relationships it wants to establish with its customers, Fibabanka continued its marketing communication activities intensively in 2021. Within the scope of its periodic and regular communication activities, the Bank continued to increase its brand awareness and promote its products and services through advertisements in news and economy channels as well as the most popular national channels, digital advertisements, outdoor activities, radio communication, press releases, interviews and special news activities.



DIGITAL TRANSFORMATION

FIBABANKA CONTINUED TO INCREASE ITS PRODUCT DIVERSITY WITH ITS ADVANCED MOBILE AND INTERNET BANKING CHANNELS.

With the aim to provide uninterrupted service to its customers, Fibabanka established integrated monitoring and warning platforms to be aware of any problem in the system immediately.

Fibabanka R&D Center carried out 10 successful projects and spent TL 16 million on R&D activities.

Robust Operations with Operational Excellence

With the aim to provide uninterrupted service to its customers, Fibabanka established integrated monitoring and warning platforms to be aware of any problem in the system immediately. Renewing all information technologies processes with the best practices that are globally accepted, Fibabanka operates these processes effectively with new tools and operational models. Realizing a technological and cultural transformation in the field of Information Technologies, Fibabanka continues to handle system outages, change management processes and root cause analysis while providing permanent solutions in line with the best practices.

Transparency and Traceability

In line with the principle of prioritizing its customers, Fibabanka determined service commitments for IT processes of strategic importance and adopted a transparent management approach that can be monitored internally.

Agility With DevOps and Automation

Establishing the DevOps infrastructure and conducting automation studies to meet the expectations of its customers in the fastest and highest quality manner, Fibabanka continues its product and service developments along with technology platforms, test automations, performance tests and agile delivery process.

Innovations in Products and Platforms

- In 2021, Fibabanka continued to expand its in-store lending system with new business partnerships.
- Focusing on technological investments in 2021, Fibabanka launched many innovative products and services in digital channels (FibaBorsa, FX Piyasam, FibaKripto, Video Banking, FAST integration, Hızlı Kart, QR code transactions, TarımKart with new features and improvements in Corporate, Commercial and Micro segment loans).
- Retail Banking services



Fibabanka R&D Center carries out more and more projects every day within the framework of industry-university collaborations.

R&D Activities

Fibabanka R&D Center was approved by the Ministry of Industry and Technology in 2018 and is the fourth R&D Center operating in the Banking and Finance sector. After commencing operations with 84 employees, Fibabanka R&D Center continues its journey with 250 employees today.

Fibabanka R&D Center focuses on digital transformation by conducting innovative research that will serve the banking and finance sectors and carries out more and more projects every day within the framework of industry-university collaborations. In 2021, Fibabanka R&D Center carried out 10 successful projects on behavior prediction, credit scoring, text analysis, IoT, big data, artificial intelligence, microservice architecture, customer experience, payment systems, open banking and gamification and spent TL 16 million on R&D activities.

In 2021, Fibabanka took important steps towards the adoption of in-house innovation culture, which is an integral part of R&D activities. Having a widespread innovation culture within the company, Fibabanka established a strong infrastructure in order to be a pioneer in this field in the sector. By organizing a hackathon competition, Fibabanka achieved cost savings by optimizing the business processes that were the subject of the competition. This competition is considered the first step of the in-house entrepreneurship program to be introduced in 2022. Thanks to the program, more Fibabanka employees will be able to realize their ideas and have the chance to experience the process of innovation-oriented R&D projects from the idea stage to commissioning.

Fibabanka continues its activities with the aim to design new products and services, reach new talents and new markets and increase the ROI of its R&D projects.

DIGITAL TRANSFORMATION

IN 2021, FIBABANKA TOOK IMPORTANT STEPS TOWARDS THE ADOPTION OF IN-HOUSE INNOVATION CULTURE.

Fibabanka increased its efficiency by combining customer complaints from all channels in a single platform and is able to respond to customer problems more quickly.

Fibabanka commissioned a structured process with the aim to standardize the lifecycle of projects and to strengthen its cooperation with business lines.

CRM and Quality Management Studies

Fibabanka increased its efficiency by combining customer complaints from all channels in a single platform and is able to respond to customer problems more quickly. Following the Data Transformation program it started in 2019, Fibabanka focused on IT transformation in 2020 with the aim of supporting business model transformation. In 2020, Fibabanka redesigned its value proposition, HR processes and development programs for IT employees and reshaped its organization in line with its IT strategy. In 2021, Fibabanka launched a digital transformation program (Phoenix), which focuses on processes that will create comprehensive technology modernization and stable infrastructures.

Thus, Fibabanka increases customer satisfaction with the products and services it offers with efficient processes as well as applications and infrastructures compatible with new technologies.

A Transaction Data Center project was initiated with the aim to enable analysis over all contact points. With this project, Fibabanka plans to make all financial and non-financial transactions of the customer, customer communication history and digital footprints available to power users. Therefore, the Bank will be able to monitor the change in customer behavior in real-time and take actions accordingly. With the Transaction Data Center Project, Fibabanka aims to further improve customer experience by making changes and additions to channel frontends by analyzing customer likings and expectations in digital channels.

Structuring the Analytical Project Lifecycle

Fibabanka commissioned a structured process with the aim to standardize the lifecycle of projects and to strengthen its cooperation with business lines. The stages of problem definition, data analysis and modeling were identified as milestones within this process. Studies carried out up to these milestones started to be transformed into corporate information with documentation, and online tools were developed for the use of business units for Explainable ML.



Report Governance

Designing the Report Governance process as an extension of data governance studies, Fibabanka identified the reports used by the entire institution and senior management and designated them as "approved reports." Report standards were determined for both approved reports and those created by the teams themselves and issued in reporting environments. Visual standards, technical standards, performance standards, quality standards and authorization standards were determined as reporting standards and the certification process was initiated for approved reports.

Continuing its competence development activities within its entire organizational structure in 2021, Fibabanka initiated the "Data Analyst" certificate program for all super data users in collaboration with Özyeğin Finance Center.

Fibabanka Data Management Office published the article titled "On the Distributed Software Architecture of a Data Analysis Workflow: A Case Study" in the magazine named Concurrency and Computation: Practice and Experience, as the output of its R&D studies on the "Next best action recommendation system" and "Sentiment and topic detection with short text." The Data Management Office also took part in the "2021 29th Signal Processing and Communications Applications Conference (SIU)" with the article titled Sentiment Analysis of Customer Comments in Banking using BERT-based Approaches.

ATM Systems Infrastructure Upgrades

As part of the efforts to expand its ATM network, Fibabanka placed ATMs in its business partners' stores and served its customers through over 10.000 ATMs for quick and simple banking transactions through ATM agreement collaborations. Therefore, 20% of the ATMs in Turkey can be used by Fibabanka customers.

As of year-end 2021, the Bank has a total of 56 ATMs: 10 at remote locations and 46 at branches. A total of 329.536 financial transactions were carried out through ATMs, and the total transaction volume was TL 331.388.807.

DIGITAL TRANSFORMATION

IN 2021, FINBERG REACHED A FUND SIZE OF USD 130 MILLION.

Established by Fibabanka in 2018 to support the entrepreneurial ecosystem, Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. invested USD 34 million in 14 startups.

Finberg

In 2021, Finberg expanded its fintech-based investment approach to include retail technologies and innovative business models and focused on fund management.

Number of Finberg Investments

14

Total Amount Invested by Finberg

34

USD Million

Finberg's Transformation Year

Established by Fibabanka in 2018 to support the entrepreneurial ecosystem, Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. invested USD 34 million in 14 startups and increased its fund size to USD 130 million as of 2021.

Finberg invested in the rising stars of the Turkish startup ecosystem such as Birleşik Ödeme, BizimHesap and GarajSepeti until 2021 by considering innovative fintech products and Fibabanka synergy. Finberg successfully exited these ventures in a short period of 3 years. In collaboration with Oyak Portföy, which bought the majority share of Birleşik Ödeme, Finberg reinforced this collaboration with additional joint investments.

After successfully exiting from its initial investments, Finberg expanded its fintech-based investment approach to include retail technologies and innovative business models in 2021. In line with the experience it has gained and the changing strategy of Fibabanka, Finberg focused on fund management.

Having 9 investments in 2021, Finberg expanded abroad and pioneered the transfer of knowledge from abroad to Turkey with investments in successful startups such as Invstr, Plum and Bits of Stock. After the Revo I fund, Finberg invested in the Revo II fund and reinforced its "fund of funds" approach.

Finberg's major investments steps in 2021 are as follows:

- Developed by Getir Perakende Lojistik A.Ş., Getir is on its way to becoming the second decacorn of Turkey by reaching a valuation of USD 7,56 billion in the final investment round. It is the largest investment agreement of Finberg.
- With the acquisition of Garaj Sepeti and its dealers, one of Finberg's initial investments, by Mexico-based Kavak Intermediate Holding, the second exit was made after Birleşik Ödeme.



Finberg aims to provide value-added services that will meet the needs of its customers with its investments and the synergy it will create in the future.

- Finberg's first international investment was in Invstr, a game and training platform for the field of investment. Invstr offers the opportunity to make real investments and is the competitor of the world-famous Robin Hood application. With this investment, a comprehensive understanding has been gained regarding the investment approach of the young generation.
- Keeping a close eye on the developments in the field of blockchain and crypto technology, Finberg made his first investment in this field with BiAltın. BiAltın is Turkey's first cryptocurrency platform that offers cryptocurrencies equal to 1 gram gold and was established by 100% Turkish partners.
- Finberg also invested in Easycep, a licensed company that sells refurbished electronic products; Figopara, a supplier financing platform; Mobilet, an entertainment and event application; and Colendi, which offers B2B and B2C financial services, especially consumer loans. With these investments, Finberg supported Fibabanka in terms of mobile application transformation and the provision of different financial services to SMEs.
- Finberg is the founder of an ecosystem that reaches thousands of SMEs and personal customers, thanks to the enterprises it invests in. Finberg aims to provide value-added services that will meet the needs of its customers with its investments and the synergy it will create in the future.

In addition to the Venture Capital Investment Funds it developed with different investments in 2021, it develops different business partnerships and investment networks with different funds with the GSYF it established with Oyak Portföy.

FINANCIAL INSTITUTIONS

FIBABANKA CONTINUES TO DEVELOP ITS CORRESPONDENT BANK NETWORK.

In 2021, Fibabanka Financial Institutions continued to evaluate counterparty bank risks associated with local and foreign banks and established treasury and commercial limits.

As of the end of 2021, Fibabanka's Tier 2 bond amounted to USD 279,1 million, senior Eurobond amounted to USD 193,6 million, and the total funding it has provided from international financial institutions amounted to USD 37,2 million.

In its Financial Institutions Department, Fibabanka focuses on expanding its correspondent bank network in parallel with the foreign trade demands of its customers. Furthermore, Financial Institutions Department 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 micro-enterprises willing to grow its business. As the first and only bank to implement this program in Turkey since 2018, Fibabanka has extended loans to more than 4.000 micro-enterprises under this guarantee program as of the end of 2021.

Medium and Long Term Loans/ Securities from Abroad

Since joining Fiba Group, Fibabanka prioritized expanding cooperation with international financial institutions. Loans borrowed from these institutions helped expand the Bank's access to long-term loans and to diversify its funding sources. As of the end of 2021, Fibabanka's Tier 2 bond amounted to USD 279,1 million, senior Eurobond amounted to USD 193,6 million, and the total funding it has provided from international financial institutions amounted to USD 37,2 million.

Correspondent Banking

With the aim to become the bank of choice for its customers' international transactions, 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.

Financial Institutions Counterparty Risk

In 2021, Fibabanka Financial Institutions Department continued to evaluate counterparty bank risks associated with local and foreign banks and established treasury and commercial limits.

**"Dream job"
dedikleri bu olsa gerek!**

Şimdi Türkiye'nin her yeri
Fibabanka Bilgi Teknolojileri ve
Veri Yönetimi Departmanı.

Fibabanka sınırları zorlamaya ve kuralları yeniden koymaya devam ediyor. Bilgi Teknolojileri ve Veri Yönetimi ekiplerimiz artık diledikleri yerden çalışıyor. Bu deneyime sen de hazırsan, Fibabanka LinkedIn Hesabı İş İlanları'ndan hemen başvurunu yap, ekibimize katıl.

[LinkedIn.com/company/fibabanka](https://www.linkedin.com/company/fibabanka)

HUMAN RESOURCES

FIBABANKA PRIORITIZES EMPLOYEE SATISFACTION.

Fibabanka employees are able to send feedback to their managers and receive feedback from their managers through the performance system and the Symphony application at any time.

HUMAN RESOURCES PROFILE

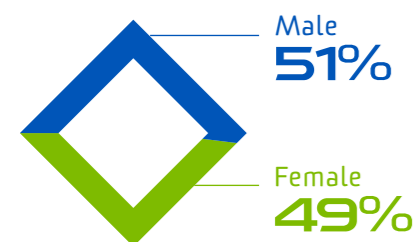
Educational Background

PhD	5
Post Graduate	210
Graduate	1.153
Associate Degree	192
High School	197
Middle School	5
Elementary School	4
Total	1.766

Seniority Rate (Years)

'21	4,4
'20	4,5
'19	3,7

Female-Male Employment Breakdown (%)



Fibabanka continuously improves its human resources processes thanks to digitalization. In 2021, 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 taking measures,
- 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 take the training-development planning initiative,
- Initiating the digital human resources transformation,
- Focusing on increasing the employee engagement ratio.

In light of these policies, Fibabanka rapidly implemented changes in HR practices in the 2021 operating period.

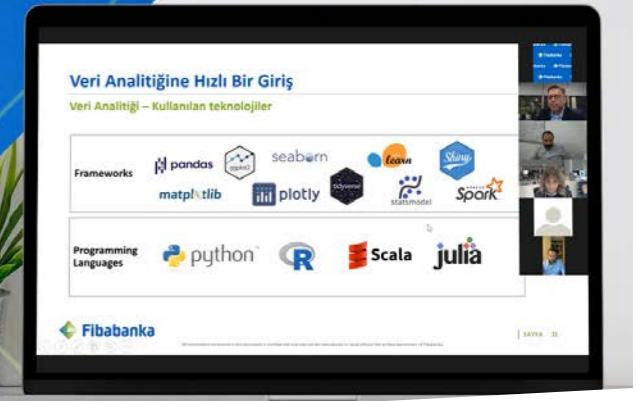
Fibabanka prioritizes the health and well-being of its employees. In line with this approach, Fibabanka quickly implemented the remote working model. As the headquarters staff continued working from home in 2021, branch personnel continued to work from home and from branch locations alternately.

Applying a dynamic target structure within its performance system, Fibabanka kept the target system open throughout the year for headquarters staff and allowed the target to be evaluated by the manager when necessary.

In order to promote the feedback culture, Fibabanka started using instant feedback forms. In line with the importance placed on internal communication, Fibabanka employees are able to send feedback to their managers and receive feedback from their managers through the performance system and the Symphony application at any time.

Always focusing on employee satisfaction, Fibabanka Human Resources started to measure employee NPS at every stage such as recruitment, performance evaluation, and internal transfer. With the pulse survey including engagement questions held in July and the general employee engagement survey conducted in January, the Bank continued to shape its HR policies with employee feedback.

Özyeğin Üniversitesi Finans Mühendisliği Merkezi ile uygulamalı "Data Analyst" eğitimi veriyoruz.



Updating the title-based competencies in the performance system in line with the Bank's strategy, Fibabanka switched to a new promotion model and subjected all promotion candidates to the evaluation/exam process for promotions to the title of director and higher.

Fibabanka continued its efforts in 2021 with the vision of guiding the development of its employees. For this purpose, manager evaluation forms aiming to identify the development areas of managers were put into practice, and all employees were given the opportunity to evaluate their managers. In order to assess the potential of its employees, all managers were sent employee potential evaluation forms.

In line with its employee planning for the future, Fibabanka identified critical positions in the Bank and conducted alternative placement studies accordingly.

A resource utilization strategy and a management procedure were established, and the annual leave target reminder system was put into practice in order to achieve the Bank's annual leave targets.

Updating its HR practices in order to shape the future of financial technologies, Fibabanka uses Fintern, an innovative recruitment process. In the Information Technologies recruiting process, tests to measure leadership and technical competencies started to be administered to recruits.

Fibabanka changed the organizational and title structure of Information Technologies and established a feedback mechanism where employees can also assess their managers.

Taking the programs organized to promote a data-based decision-making culture within the scope of the Data Transformation Program one step further, Fibabanka launched the "Data Analyst" training program together with Özyeğin University Financial Engineering Center. With this program, it is aimed to equip Fibabanka employees with the necessary competencies to generate action suggestions using data.

Human Resources and Training Practices

Information Technologies Development Center

Within the scope of the Evaluation Center Application created for Information Technologies teams, Fibabanka carries out programs focused on the development of technical and leadership competencies for the relevant teams. Classroom trainings and workshops on behavioral competence areas and training sessions on technical competencies are organized through the online training platform. At Fibabanka, Information Technologies and Data Management Office employees meet on a weekly basis and make 45-minute presentations on different topics such as products, screens and the systems they use.

HUMAN RESOURCES

PRIORITIZING THE HAPPINESS OF ITS EMPLOYEES, FIBABANKA CARRIES OUT MANY INTERNAL PROJECTS TO REFLECT THE VALUE IT PLACES ON ITS EMPLOYEES.

Fibabanka aims to train new generation leaders with the mixed education model carried out in the digital platform and virtual classroom environment.

In order to train trainers who can use new technologies, are competent in the fields of education, design and presentation, can teach face-to-face and online, and have a command of the digital world, Fibabanka launched the Internal Trainer Program.

New Generation Internal Trainer Program

In order to train trainers who can use new technologies, are competent in the fields of education, design and presentation, can teach face-to-face and online, and have a command of the digital world, Fibabanka launched the Internal Trainer Program. The program can be taken as online training and is supported by live workshops and group studies.

Data Science Education Programs

Fibabanka conducts Data Science Education Programs in order to promote data-based decision-making culture and improve data literacy among business teams. For this purpose, the Bank focuses on advanced mathematics, statistics and programming skills through classroom training, and aims to adapt these skills to business life with the micro-learning platform.

Leadership Academy

Fibabanka launched its Leadership Academy programs, which include digital content of trainers and faculty members from the world's most prestigious leadership schools. Within the scope of these programs, the Bank aims to train new generation leaders with the mixed education model carried out in the digital platform and virtual classroom environment.

Fintern MT Program

The Fintern MT group, which began its internship period with 2-week training sessions, was offered a 3-week development program consisting of banking products and practices as well as personal development trainings.

Internal Communication Activities that Boost Internal Synergy

Prioritizing the happiness of its employees, Fibabanka carries out many internal projects to reflect the value it places on its employees. Aiming to bring Fibabanka employees in different locations together with online internal communication tools and focusing on togetherness and the synergy it creates, Fibabanka supports its employees with insight-oriented and highly interactive activities.



“YOU SET THE RULE” MANIFESTO

- A Fibabanka employee;
- Sees opportunities that add value to the lives of customers.
- Changes the rules of the game by using technology.
- Focuses on the 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 45,2 billion as of December 31, 2021, on consolidated and solo bases. From the same period, solo total equity amounted to TL 2,3 billion, consolidated total equity amounted to TL 2,4 billion and paid-in capital stood at TL 941 million. The current year's net profit was TL 418 million according to consolidated financial statements, and TL 410 million according to solo financial statements.

The Bank's total loans amounted to TL 22,1 billion in 2021, according to consolidated and unconsolidated financial statements, while the share of loans in total assets was 49%. The Bank's non-performing loans ratio was 3,9%.

As of 31 December 2021, the Bank's solo capital adequacy ratio was 23,5% and the consolidated capital adequacy ratio was 23,6%.

BOARD OF DIRECTORS

HÜSNÜ M. ÖZYEGİN 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. 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.

FEVZİ 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, Committee and Substitute Member of the Credit Committee

Born in 1928, İsmet 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, İsmet Kaya Erdem is a Member of the Board of Directors at Fibabanka A.Ş.

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

Born in 1962, Mehmet Güleşçi graduated from Boğaziçi University, Department of Business Administration, where he later obtained a Master's degree. From 1984 to 1996, Güleşçi 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, Güleşçi 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.

FAİK ONUR UMUT Member of the Board of Directors, Member of the Audit Committee and Credit Committee

Born in 1962 in Istanbul, Faik Onur Umut graduated from Boğaziçi University, Department of Industrial Engineering in 1986. He started his professional banking career at İktisat Bankası, where he worked between 1986 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. Following his graduation from the Wharton School, University of Pennsylvania, Department of Economics Management in 1999, Umut served as the General Manager of Finansbank A.Ş. between 1999-2003. He is currently a Member of the Board of Directors at Fiba Group overseas banks, Fiba Holding A.Ş., Fiba Emeklilik Hayat A.Ş. and Fibabanka A.Ş.

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.Ş.

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.

SEYFETTİN 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 Çimsa 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.

ERMAN KALKANDELEN Member of the Board of Directors

Erman Kalkandelen holds a BA degree in Faculty of Political Sciences, Department of Labor Economics from Ankara University and an MBA degree from Sabancı University. Erman Kalkandelen is the CEO of Franklin Templeton Türkiye Danışmanlık A.Ş. for Turkey. He serves on the board of directors of Defacto Perakende Ticaret A.Ş., ŞOK Marketler Ticaret A.Ş. and Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. Kalkandelen has been a Member of the Board of Directors at Fibabanka A.Ş. since July 2021.

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 at Fiba Emeklilik ve Hayat A.Ş.

CHAIRMAN AND MEMBERS OF THE BOARD

Full Name	Duty	Appointment Date	Educational Background	Professional Experience in Banking and Business Administration
Hüsnü M. ÖZYEĞİN	Chairman of the Board of Directors	27.12.2010	Post Graduate	47
Fevzi BOZER	Deputy Chairman of the Board of Directors	27.12.2010	Post Graduate	39
İsmet Kaya ERDEM	Member of the Board of Directors	11.02.2013	Graduate	71
Mehmet GÜLEŞCİ	Member of the Board of Directors	27.12.2010	Post Graduate	37
Faik Onur UMUT	Member of the Board of Directors	23.01.2019	Graduate	36
Memduh Aslan AKÇAY	Member of the Board of Directors	13.04.2016	Post Graduate	31
Hülya KEFELİ	Member of the Board of Directors	15.05.2017	Graduate	36
Seyfettin Ata KÖSEOĞLU	Member of the Board of Directors	23.01.2020	Post Graduate	32
Erman KALKANDELEN	Member of the Board of Directors	02.07.2021	Post Graduate	15
Ömer MERT	General Manager and Member of the Board of Directors	19.01.2017	Post Graduate	26

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 at Fiba Emeklilik ve Hayat A.Ş.

**ELİF 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. She 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 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 serves as a Deputy General Manager 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 an Assistant General Manager in charge of Financial Institutions and Project Finance at Fibabanka A.Ş.

SENIOR MANAGEMENT



GÖKHAN ERTÜRK
Assistant General Manager

Born in 1970, Gökhan Ertürk completed his bachelor's degree in Political Science and International Relations at Boğaziçi University after completing the Departments of Electronics and Business Administration at the same school with a double major program. Starting his career as a Project Manager in the IT Department of Türk Hava Yolları A.Ş. In 1993, Gökhan Ertürk worked as an Assistant Manager at İktisat Bankası Cash Management and Electronic Banking Department between 1996 and 1997. He worked as the Cash Management Department Manager at Türk Ekonomi Bankası between 1997 and 2002. As of 2002, he served as the head of Akbank's SME Banking Department, and between 2006 and 2014, he served as the Deputy General Manager of Retail Banking at DenizBank. In the same period, he worked as a member of the board of directors at Kredi Kayıt Bürosu, Deniz Emeklilik and Deniz Yatırım. He worked as an Assistant General Manager of Retail Banking at Şekerbank, a Board Member at Şeker Faktoring, and Chairman of the Board of Directors at the Kredi Kayıt Bürosu between 2014 and 2019. He later served as the General Manager at Türk Finansman A.Ş., and as a Board Member and Executive Committee Member responsible for Marketing and Sales at Türk Elektronik Para A.Ş. Having joined Fibabanka in 2021, Gökhan Ertürk is currently an Assistant General Manager in charge of Ecosystem and Platform Banking.



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 an Assistant General Manager in charge of Credits.



KERİM 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.Ş. 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 the 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 in 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.Ş. 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 an Assistant General Manager, 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.



İBRAHİM 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 he is currently an Assistant General Manager in charge of Treasury. In addition, he is a Member of the Board of Directors at Fiba Portföy Yönetimi A.Ş.

SENIOR MANAGEMENT


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 a 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 Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.


SEZİN 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 served as an Assistant General Manager in charge of Retail Banking and Resource Management, as well as a Board Member at Fiba Portföy Yönetimi A.Ş. during her tenure. In addition, she was a Member of the Board of Directors at Fiba Portföy Yönetimi A.Ş.

* Sezin Erken resigned from her duties as of 06.09.2021.

GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS

Full Name	Duty	Appointment Date	Educational Background	Professional Experience in Banking and Business Administration
Ömer MERT	General Manager and Member of the Board of Directors	19.01.2017	Post Graduate	26
Elif Alev UTKU ÖZBEY	Deputy General Manager - Financial Control and Financial Reporting	07.01.2011	Post Graduate	27
Ahu DOLU	Assistant General Manager - Financial Institutions, Project Finance and Investor Relations	01.12.2015	Graduate	24
Gökhan ERTÜRK	Assistant General Manager - Ecosystem and Platform Banking	11.05.2021	Graduate	25
Turgay HASDIKER	Assistant General Manager - Loans	01.12.2015	Graduate	30
Kerim L. KURIŞ	Assistant General Manager - Corporate and Commercial Banking	01.12.2015	Graduate	23
Gerçek ÖNAL	Assistant General Manager and Chief Legal Counsel	01.02.2016	Post Graduate	21
İbrahim TOPRAK	Assistant General Manager - Treasury	01.04.2020	Post Graduate	20
Serdar YILMAZ	Assistant General Manager - Information Technologies and Banking Operations	01.09.2020	Post Graduate	26
Sezin ERKEN*	Assistant General Manager - Personal Banking and Resource Management	10.08.2017	Post Graduate	21

* Sezin Erken resigned from her duties as of 06.09.2021.

MANAGERS IN INTERNAL SYSTEMS

AHMET CEMİL 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.

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.Ş. 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.

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 T.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. Serdal Yıldırım is the Head of Legislation, Compliance and Fraud Prevention units at Fibabanka A.Ş. He is also a Member of the Board of Corporate Governance.

Full Name	Duty	Appointment Date	Educational Background	Professional Experience in Banking and Business Administration
Ahmet Cemil BORUCU	Head of Department - Inspection Board	07.02.2011	PhD	24
Kansu PULULAR	Head of Department - Internal Control and Operational Risk	02.01.2017	Post Graduate	18
Ayşe TULGAR AYÇA	Head of Department - Risk Management	15.03.2011	Post Graduate	22
Serdal YILDIRIM	Head of Department - Legislation and Compliance	06.04.2011	Post Graduate	25

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 2021 and their duties are as follows:

1-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.

During the relevant accounting period, Audit Committee meetings were held on February 12, May 11, August 12 and November 9, December 24.

2-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 Information Security Committee convenes at least two times a year.

3-Credit Committee**Credit Committee Chair:**

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

Permanent Members:

2. Faik Onur Umut (Board Member)
3. 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 the 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-Remuneration Committee**Remuneration Committee Members:**

1. Fevzi Bozer (Deputy Chairman of the Board of Directors)
2. Mehmet Güleşçi (Board Member)

The Committee convenes at regular intervals a year.

5-Information Systems Strategy and Steering Committee**Information Technologies Strategy and Steering Committee Chair:**

1. Serdar Yılmaz (Assistant General Manager)

Members:

2. Ömer Mert (General Manager and Board Member)
3. Elif Alsev Utku Özbey (Deputy General Manager)
4. Ahu Dolu (Assistant General Manager)
5. Gökhan Ertürk (Assistant General Manager)
6. 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 Durdu (Executive Advisor to CEO)
11. Yavuz Çelik (Human Resources Director)
12. Rifat Deregözü (Information Security, Governance and Compliance Director)
13. Nazife Neslihan Erten (Project and Portfolio Management Office Department Manager)*
14. 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.

* Nazife Neslihan Erten resigned from her duties as of 31.12.2021.

6-Information Security Committee**Information Security Committee Chair:**

1. Mehmet Güleşçi (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)
6. Tolga Durdu (Executive Advisor to CEO)
7. Yavuz Çelik (Human Resources Director)
8. Rifat Deregözü (Information Security, Governance and Compliance Director)
9. Kansu Pulular (Head of the Internal Control and Operational Risk Department)
10. Özge Seyhan (Data Governance Director)
11. Serdal Yıldırım (Head of Legislation and Compliance)

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

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.

7-Information Systems Sustainability Committee

Information Systems Sustainability Committee Chair:

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

Members:

2. Gerçek Önal (Assistant General Manager and Chief Legal Counsel)
3. Serdar Yılmaz (Assistant General Manager)
4. Tolga Durdu (Executive Advisor to CEO)
5. Ayşe Akdaş (Financial Control and Financial Reporting Director)
6. Yavuz Çelik (Human Resources Director)
7. Rifat Deregözü (Information Security, Governance and Compliance Director)
8. Erman Eltut (Branch and Head Office Operations Director)*
9. Engin Eker (Customer Analytics, Campaign Management and Call Center Director)
10. Erkan Erdir (Corporate Banking Director)
11. Sertaç Polat (Corporate Loans Director)
12. Özge Seyhan (Data Governance Director)
13. 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.

* Erman Eltut resigned from his duties as of November 30, 2021.

8-Risk Committee

Chair of the Risk Committee:

1. Ömer Mert (General Manager and Board Member) (Committee Chair)

Members:

2. Elif Alsev Utku Özbey (Deputy General Manager) (Member)
3. Gökhan Ertürk (Assistant General Manager) (Member)
4. Turgay Hasdiker (Assistant General Manager) (Member)
5. Kerim L. Kuriş (Assistant General Manager) (Member)
6. 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 at least twice a year.

9-Assets and Liabilities Committee

Head of Assets and Liabilities Committee:

1. Ömer Mert (General Manager and Board Member) (Committee Chair)

Members:

2. Elif Alsev Utku Özbey (Deputy General Manager) (Member)
3. Ahu Dolu (Assistant General Manager) (Member)
4. Gökhan Ertürk (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 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 Company and defining 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.

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 and the Risk Committee held once a week, an analysis 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.

The Department is composed of three units, including Market Risk, Capital Planning and Modeling, and Validation and Retail Decision Support. The relevant units and their activities are as follows:

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 the Assets and Liabilities Committee and the Risk Committee meetings, 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.

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 Corporate, Retail and Agricultural 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.

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 9 people.

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.

Operational Risk Unit: 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.

Information Systems Internal Control Unit:

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.

AUDITOR

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

Duty: Auditor

Elected General Assembly: 26.03.2021

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

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 the 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 23 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 domestic 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: The unit is responsible for the security of all customer onboarding and financial product/service application procedures from branches, stores and remote customer acquisition 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 estimated 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

1.1 Volume of transactions related to 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		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables **	--	--	--	--	--	--
Opening Balance	--	--	--	20	635.851	70.760
Closing Balance	60.114	--	--	--	465.991	67.861
Income Received on Interests and Commissions	13.936	--	--	--	54.949	590

*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.

1.2 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		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Deposits						
Opening Balance	2.544	7.685	18.479	57.840	512.953	231.137
Closing Balance	224.366	2.544	2.204	18.479	399.459	512.953
Deposit Interest Expense	12.350	728	1.112	4.778	36.759	20.532

*As defined in Article 49 of the Banking Law no. 5411.

1.3 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, 2021.

1.4 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*	Subsidiaries, Affiliates and Jointly Controlled Subsidiaries		Bank's Direct and Indirect Shareholders		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	--	--	--	--	585.484	381.159
Closing Balance	--	--	--	--	404.723	585.484
Total Profit/Loss	--	--	--	--	54.382	578
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 66% to TL 45,2 billion as of year-end 2021 on solo and consolidated bases.

According to consolidated and unconsolidated financial statements, the volume of loans amounted to TL 22,1 billion as of year-end 2021, up from TL 18,8 billion in 2020. The share of loans in total assets is 49%.

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 2021 amounted to TL 889 million, for which a provision of TL 383 million was set aside.

According to consolidated and unconsolidated financial statements, the securities portfolio was TL 5,5 billion at 2021 year-end, while the ratio of securities to total assets was 12%.

The consolidated and unconsolidated customer deposit volume totaled TL 24,6 billion as of year-end 2021.

As per the consolidated financial statements, there was a pre-tax profit of TL 482,6 million in 2021. Following a tax provision of TL 64,3 million, net profit increased by 76% on a year-on-year basis, climbing to TL 418,3 million.

The Bank's net interest income for 2021 was TL 1.043,3 million and its operating gross profit was TL 1.987,6 million, with an increase of 49%.

These figures were TL 1.043,3 million and TL 2.007,4 million, respectively, on a consolidated basis.

Operating expenses for 2021, including personnel expenses, were TL 815,0 million on a solo basis, and TL 823,8 million on a consolidated basis.

In 2021, a total provision expense of TL 701 million was written off on a solo and consolidated basis.

As of 31 December 2021, the Bank's solo capital adequacy ratio was 23,5% and the consolidated capital adequacy ratio was 23,6%. 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 2021 is included in the independent audit reports. The decision on dividend distribution for 2021 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. As of 31 December 2021, the amount subject to market risk is TL 508 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 December 2021, the Bank carried a long foreign currency position of TL 188 million.

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

Five-Year Summary of Unconsolidated Financial Information (TL Thousand)	2017	2018	2019	2020	2021
Total Assets	20.116.206	20.618.271	21.885.760	27.224.995	45.162.259
Loans (Net)	15.088.157	14.121.417	15.624.411	18.796.219	22.112.555
Deposits	12.272.743	11.313.226	13.566.698	17.667.425	31.000.392
Fund Borrowed	2.084.851	1.339.212	859.381	1.155.142	523.577
Securities Issued	1.255.066	1.842.585	1.718.332	1.480.900	2.646.236
Subordinated Loans and Borrowing Instruments	1.194.561	1.596.143	1.789.018	2.127.599	3.790.148
Equity	1.464.590	1.321.872	1.655.804	1.873.904	2.345.613
Profit Before Tax	200.386	237.823	250.130	316.169	471.514
Net Profit	167.002	196.659	212.044	229.835	409.967

Five-Year Summary of Consolidated Financial Information (TL Thousand)	2017	2018	2019	2020	2021
Total Assets	20.111.668	20.619.176	21.889.207	27.237.631	45.184.808
Loans	15.088.157	14.121.417	15.624.411	18.796.219	22.112.555
Deposits	12.267.905	11.313.141	13.565.688	17.667.408	31.000.365
Fund Borrowed	2.084.851	1.339.212	859.381	1.155.142	523.577
Securities Issued	1.255.066	1.842.585	1.718.332	1.480.900	2.646.236
Subordinated Loans and Borrowing Instruments	1.194.561	1.596.143	1.789.018	2.127.599	3.790.148
Equity	1.464.612	1.322.249	1.659.092	1.884.412	2.364.475
Profit Before Tax	200.545	238.278	253.866	325.455	482.600
Net Profit	167.129	197.014	214.956	237.055	418.346

CREDIT RATINGS

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

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

IMPORTANT DEVELOPMENTS REGARDING 2021 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 from being taken nor any loss incurred by our Bank in this context. As a result of the 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 from 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 from 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 2021;

- The total amount of financial benefits such as attendance fee, premium, bonus, profit share, etc. provided to the Board of Directors and to senior managers of the Bank, is TL 27.130.645 on a solo basis, and TL 28.234.563 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 2.343.805.

Investments Made during the Accounting Period

The Bank's transactions related to investments in 2021 are on Articles 7 and 8 of the Independent Auditor's Report-Section 5/I. Explanations and Disclosures Related to the Assets.

Subsidiaries and Shares Held in Them
The Bank has no subsidiaries as of 31 December 2021.

Affiliates and Shares Held in Them

1. "Fiba Portföy Yönetimi Anonim Şirketi" has the share capital of TL 5.445.000, 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 regulations.

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 2.421.682.

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

The Bank reached its targets and executed General Assembly resolutions in 2021.

Extraordinary General Assembly

Meetings Held in the Reporting Period
In 2021, in order to assign Erman Kalkandelen as a Member of the Board of Directors and to renew the terms of office of the Board Members, one Extraordinary General Assembly Meeting was held.

Aid and Donations

The total amount of donations and aid made by the Bank in 2021 and the expenses incurred under social responsibility projects are TL 4.104.880.

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.	Application service
Basistek Bilgi Teknolojileri San. ve Tic. A.Ş.	License and installation service
Bilgi Birikim Sistemleri Elektronik ve Bilgisayar Endüstrisi Mühendislik Hizm. San. ve Tic. Ltd. Şti.	System maintenance and support services
Compay Ödeme Çözümleri A.Ş.	Software service
DDI Teknoloji ve Bilişim Çözümleri Araştırma ve Geliştirme Hizmetleri Ltd. Şti.	Software service
Dengage Interaktif Dijital Teknoloji Hizmetleri ve Pazarlama A.Ş.	Application service
Bentego Teknoloji A.Ş.	System maintenance and support services
Eretim Bilgisayar Hizm. ve Danışmanlık Ltd. Şti.	Application service
Finastra Global Limited	Software service
Fineksus Bilişim Çözümleri Ticaret A.Ş.	SWIFT service
Globit Global Bilgi Teknolojileri A.Ş.	Software service
Kyndryl Global Services İş ve Teknoloji Hizmetleri ve Ticaret Limited Şirketi (IBM)	Emergency system maintenance and support services
IDVLABS Yazılım ve Danışmanlık Hizmetleri A.Ş.	Software service
IHS Kurumsal Teknoloji Hizmetleri A.Ş.	Application service
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.	Software service
JForce Bilişim Teknolojileri A. Ş.	System monitoring and management, software and consulting services
Mapa Global Bilgisayar Yazılım Dan. San. Ltd. Şti.	Application and maintenance services
Netsec Bilişim Çözümleri San. ve Tic. Ltd. Şti.	Application service
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.	Application service
Postkom Basım Posta ve İletişim Hizmetleri A.Ş.	Account statement printing and enveloping service
Secure Future Bilgi Teknolojileri ve Hizmetleri Ticaret A.Ş.	Application and maintenance services
Soitron Siber Güvenlik Servisleri A.Ş.	Firewall services
Servicium Bilgisayar Hizm. San. ve Dış Tic. A.Ş.	Core banking analysis consulting
Superonline İletişim Hizmetleri A.Ş.	Data center hosting service
Telcoset İleri Teknoloji Stratejik İş Geliştirme Dan. A.Ş.	Application and maintenance services
Tümsaş Teknolojik End. Bilgisayar Ürün. Müh. ve Paz. A.Ş.	Application and maintenance services
Codevo Bilişim Yazılım ve Danışmanlık Hizmetleri Tic. A.Ş.	Application services
Infosec Bilgi Teknolojileri	Software service
SesTek Ses ve İletişim Bilgisayar Teknolojileri	Software service
BTRisk Bilgi Güvenliği ve BT Yönetişim Hiz.	Testing service
SoftwareONE Turkey Bilişim Teknolojileri Ticaret A.Ş.	Software service
Destel Bilişim Çözümleri A.Ş.	Software service
Agra Fintech Yazılım Çözümleri A.Ş.	Software service

Trade Name of the Company	Services Procured/Field of Activity
Bilin Yazılım Danışmanlık	Software service
32 Bit Bilgisayar Hizmetleri San. Tic. Ltd. Şti.	Software service
Payten Türkiye	Virtual POS and software service
Foreks Bilgi İletişim Hiz. A.Ş.	Software Service
Bntpro Bilgi Ve İletişim Hizmetleri Anonim Şirketi	Software Service
ProEx Bilişim Teknolojileri Limited Şirketi	Software Service
Veriskop Bilişim Ve Danışmanlık Hizmetleri A.Ş.	Data Masking
Acedemand Bilgi Teknolojileri Hiz. Dan. San. Tic. Ltd. Şti.	Software service
CRM Akademi Bilişim Sistemleri Ltd. Şti.	Software service
Netsmart Bilişim Sistemleri A.Ş.	Software, 2021 license and installation service
Cyberwise Siber Güvenlik Ticaret Anonim Şirketi	Software service
Modera Bilişim ve Danışmanlık Ltd. Şti	System maintenance and support services
ODYA Bilgisayar ve Teknoloji Ürünleri San. ve Tic. Ltd. Şti.	Software 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 Danışmanlık Hizm. Tic. A.Ş.	Internet banking software and operating systems services

4) Services Other Than Information Technologies

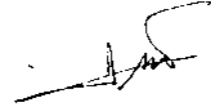
Trade Name of the Company	Services Procured/Field of Activity
Austria Card Turkey Kart Operasyonları A.Ş.	Debit card printing and enveloping services
Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş.	Intermediary services for “Transfer on Duty” services
Brinks Güvenlik Hizmetleri A.Ş.	Precious goods transportation services
DESMER Güvenlik Hizmetleri Tic. A.Ş.	Money transportation services
Figo Ticari Bilgi ve Uygulama Patformu A.Ş.	Software service
FU Gayrimenkul Yatırım Danışmanlık A.Ş.	Execution of legal transactions by proxy
Key İnternet Hizmetleri Bilgisayar Yazılım Donanım Mühendislik Müşavirlik San. ve Tic. Ltd. Şti.	Appraisal software services
Kurye Net Motorlu Kuryecilik ve Dağ. Hiz. A.Ş.	Debit/credit card distribution service
MTM Holografi Güvenlikli Basım ve Bilişim Teknolojileri San. ve Tic. A.Ş.	Check book printing services
NCR Bilişim Sistemleri Ltd. Şti.	ATM money depositing NCR banknote recognition template services
Reisswolf Doküman Yönetim Hizmetler A.Ş.	Secure document destruction and archiving service
Webhelp Çağrı Merkezi ve Müşteri Hizmetleri A.Ş.	Call center staff support
Comdata Teknoloji ve Müşteri Hizmetleri A.Ş.	Call center outbound service
Yaz Bilgi Sistemleri A.Ş.	Application service
Halıcıoğlu Yazılım Danışmanlık ve Tic. Ltd. Şti.	Application service
ATOS Müşteri Hizmetleri A.Ş.	Call center outbound service
Turkgen Yazılım San. ve Tic. A.Ş.	IT outsourcing service
Atlask Güvenlik Teknolojileri San. Tic. Ltd. Şti.	Alarm control center support
187 contracted firms	Customer contract signing and delivery

STATEMENT ON ANNUAL REPORT 2021

Fibabanka A.Ş. 2021 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 ÖZYEĞİN
Chairman of the Board of Directors



ÖMER MERT
General Manager and
Member of the Board of Directors



İSMET KAYA ERDEM
Member of the Board of Directors,
Member of the Audit Committee
and Credit Committee



FAİK ONUR UMUT
Member of the Board of Directors,
Member of the Audit Committee
and Credit Committee



ELİF ALSEV UTKU ÖZBEY
Deputy General Manager



AYŞE AKDAŞ
Head of Financial Control and
Financial Reporting

FİBABANKA ANONİM ŞİRKETİ

UNCONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2021 WITH INDEPENDENT AUDITORS' REPORT THEREON

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED
DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)



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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 2021 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 2021, 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 2021 include a general provision of total of TL 337.000 thousands, of which TL 186.000 thousands was recognized as expense within the current period and TL 151.000 thousands had been recognized as expense in prior periods; with a deferred tax asset amounting to TL 77.510 thousands of which TL 47.310 thousands was recognized within the current period and TL 30.200 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 (including *Independence Standards*) ("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	How the matter is addressed in our audit
<p>As of 31 December 2021, loans measured at amortised cost comprise 51% of the Bank's total assets.</p> <p>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").</p> <p>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.</p> <p>The significant assumptions and estimates of the Bank's management are as follows:</p> <ul style="list-style-type: none"> - 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. 	<p>Our procedures for testing the impairment of loans included below:</p> <ul style="list-style-type: none"> • 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 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, 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 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 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 2021 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 A.Ş.

Alper Güvenç, SMMM
Partner
28 February 2022
İstanbul, Türkiye




**THE UNCONSOLIDATED FINANCIAL REPORT OF
FİBABANKA A.Ş.
FOR THE YEAR ENDED 31 DECEMBER 2021**

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129 Şişli 34394 İstanbul-Türkiye
Telephone : (212) 381 82 82
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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 Mustafa Özyeğin	İsmet Kaya Erdem	Faik Onur Umut	Ömer Mert	Elif Alsev Utku Özbey	Ayşe Akdaş
Chairman of the Board of Directors	Member of the Audit Committee	Member of the Audit Committee	General Manager and Member of the Board of Directors	Deputy General Manager	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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FİBABANKA A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2021 - 31 DECEMBER 2021**

(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.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").

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. In 2013, there was the first sale of equity shares to the management of the Bank, and there has been changes over time. As of 31 December 2021 the total shares held by the Bank's Management represent 2,66% 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 2021, 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 2021 - 31 DECEMBER 2021**

(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

<u>Name Surname</u>	<u>Title</u>	<u>Assignment Date</u>
Board of Directors		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
İsmet Kaya Erdem	Member	11-Feb-13
Mehmet Güleşçi	Member	27-Dec-10
Faik Onur Umut	Member	23-Jan-19
Memduh Aslan Akçay	Member	13-Apr-16
Hülya Kefeli	Member	15-May-17
Seyfettin Ata Köseoğlu	Member	23-Jan-20
Erman Kalkandelen	Member	02-Jul-21
Ömer Mert	General Manager - Member	18-Jan-17
Audit Committee		
İsmet Kaya Erdem	Member	27-Dec-19
Faik Onur Umut	Member	14-Jan-20
Assistant General Managers		
Elif Alsev Utku Özbey	Deputy GM - Financial Control & Reporting	07-Jan-11
Kerim Lokman Kuriş	AGM - Corporate & Commercial Banking	01-Dec-15
Turgay Hasdiker	AGM - Credits	01-Dec-15
Ahu Dolu	AGM - Financial Institutions, Project Finance, and Investor Relations	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
Gökhan Ertürk	AGM - Ecosystem & Platform Banking	11-May-21

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 2021 - 31 DECEMBER 2021**

(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.	653.808	69,47%	653.808	--
Hüsni Mustafa Özyeğin (*)	647.287	68,78%	647.287	--

(*) States indirect share of Mr. Hüsni 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 2021, the Bank serves with 47 domestic branches and 1.766 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	: malikontrol@fibabanka.com.tr
Reporting Period	: 1 January 2021 - 31 December 2021

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**

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 1 JANUARY 2021-31 DECEMBER 2021

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

	CURRENT PERIOD (01/01/2021 - 31/12/2021)	PRIOR PERIOD (01/01/2020 - 31/12/2020)
I. CURRENT PERIOD PROFIT / LOSS	409.957	229.835
II. OTHER COMPREHENSIVE INCOME	82.522	3.479
2.1 Not Reclassified Through Profit or Loss	(1.579)	(3.010)
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurements Gain/Loss	(3.004)	(3.763)
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	1.425	753
2.2 Reclassified Through Profit or Loss	84.101	6.489
2.2.1 Foreign Currency Conversion Differences	-	-
2.2.2 Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other	109.542	7.958
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	(25.441)	(1.469)
III. TOTAL COMPREHENSIVE INCOME (I+II)	492.489	233.314

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

FIBABANKA A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE PERIOD BETWEEN 1 JANUARY 2021-31 DECEMBER 2021

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Certificates	Other Capital Reserves	Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss						Total Equity	
					1	2	3	4	5	6		
PRIOR PERIOD (31/12/2020)												
I. Balance at beginning of the period	941.161	126.678	-	81.575	-	-	-	-	284.348	212.044	-	1.465.004
II. Corrector made as per TAS 8	-	-	-	-	(7.777)	-	-	-	-	-	-	-
2.1 Effect of Conversion	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	(7.777)	-	-	-	-	-	-	-
III. Adjusted balance at beginning of the period (I+II)	941.161	126.678	-	81.575	(7.777)	-	-	-	284.348	212.044	-	1.465.004
IV. Total Comprehensive Income	-	-	-	-	(3.010)	6.489	-	-	-	229.835	-	325.314
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	(15.214)	-	-	-	-	-	-	(15.214)
VIII. Convertible Bonds	-	-	-	-	18.736	-	-	-	-	-	-	18.736
IX. Subordinated Debt	-	-	-	-	-	-	-	-	-	(18.736)	-	(18.736)
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	212.044	-	-	212.044
XI. Profit Distribution	-	-	-	-	-	-	-	-	212.044	-	-	212.044
1-1. Dividends	-	-	-	-	-	-	-	-	-	-	-	-
1-2. Shareholder reserves	-	-	-	-	-	-	-	-	-	-	-	-
1-3. Others	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period (III+IV+...+XI)	941.161	126.678	-	85.097	(10.787)	22.263	-	-	496.393	(18.736)	229.835	1.871.904
CURRENT PERIOD (31/12/2021)												
I. Prior period ending balance	941.161	126.678	-	85.097	(10.787)	22.263	-	-	496.393	(18.736)	229.835	1.871.904
II. Corrector made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Conversion	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balance (I+II)	941.161	126.678	-	85.097	(10.787)	22.263	-	-	496.393	(18.736)	229.835	1.871.904
IV. Total Comprehensive Income	-	-	-	-	(1.579)	84.101	-	-	-	-	409.467	497.495
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	(10.780)	-	-	-	-	-	-	(10.780)
IX. Subordinated Debt (*)	-	-	-	-	35.683	-	-	-	-	-	-	35.683
X. Increase / decrease due to other changes	-	-	-	-	-	-	-	-	-	(35.683)	-	(35.683)
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-
1-1. Dividends	-	-	-	-	-	-	-	-	-	-	-	-
1-2. Shareholder reserves	-	-	-	-	-	-	-	-	-	-	-	-
1-3. Others	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period (III+IV+...+XI)	941.161	126.678	-	100.000	(12.366)	106.364	-	-	707.492	(35.683)	409.467	2.345.612

(*) Full line denoting the additional TL 100,000 capital and its interests which has issued stock to the order of shareholders under "Shareholder Reserves" in the balance sheet.
 (**): Interest expense account under "Shareholder Reserves" in the balance sheet.
 1. Tradable and non-tradable securities.
 2. Accumulated gains/losses on investments in equity instruments.
 3. Other other comprehensive income items.
 4. Exchange differences on foreign currency translation of financial statements.
 5. Accumulated gains/losses due to revaluation of financial assets and liabilities.
 6. Other income and gains or losses on sale of non-current assets and liabilities.

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

FİBANKA A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD BETWEEN 1 JANUARY 2021-31 DECEMBER 2021

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

	Dipnot	CURRENT PERIOD (01/01/2021 - 31/12/2021)	PRIOR PERIOD (01/01/2020 - 31/12/2020)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2.024.586	1.156.772
1.1.1 Interest received (+)		3.299.978	2.080.456
1.1.2 Interest paid (-)		(2.260.924)	(1.180.251)
1.1.3 Dividend received (+)		197.009	-
1.1.4 Fees and commission received (+)		387.552	187.921
1.1.5 Other income (+)		897.658	222.844
1.1.6 Collections from previously written off loans and other receivables (+)		415.162	386.88*
1.1.7 Cash payments to personnel and service suppliers (-)		(815.131)	(548.629)
1.1.8 Taxes paid (-)		(148.280)	(80.452)
1.1.9 Other (+/-)		51.562	88.002
1.2 Changes in Operating Assets and Liabilities		7.827.515	2.012.548
1.2.1 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		(66.699)	1.914.300
1.2.2 Net (increase) / decrease in due from banks (+/-)		(1.830.831)	229.128
1.2.3 Net (increase) / decrease in loans (+/-)		1.804.757	(2.581.383)
1.2.4 Net (increase) / decrease in other assets (+/-)		(334.178)	(7.458)
1.2.5 Net (increase) / decrease in bank deposits (+/-)		5.385.745	951.422
1.2.6 Net (increase) / decrease in other deposits (+/-)		2.180.541	1.321.151
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 (+/-)		(659.009)	289.648
1.2.9 Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-)		1.347.149	(3.860)
I. Net Cash Provided from Banking Operations (+/-)		9.852.101	3.169.720
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Flow Provided from Investment Activities (+/-)		(2.819.410)	(1.039.176)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		-	(81.000)
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 (-)		(144.545)	(290.415)
2.4 Cash obtained from the sale of tangible and intangible assets (+)		5.427	82.906
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(1.076.507)	(205.382)
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 (-)		(1.510.567)	(493.935)
2.8 Cash obtained from the sale of financial assets at amortised cost (+)		-	-
2.9 Other (+/-)		(93.218)	(51.350)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities (+/-)		(8.727)	(668.477)
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash outflow from funds borrowed and securities issued (-)		-	(654.317)
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for financial leases liabilities (-)		(18.169)	(17.886)
3.6 Other (+/-)		9.442	3.726
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		1.786.611	(754.560)
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		8.810.575	707.507
VI. Cash and Cash Equivalents at the Beginning of the Period (+)		2.830.500	2.122.593
VII. Cash and Cash Equivalents at the End of the Period (V+VI)		11.641.075	2.830.500

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

FİBANKA A.Ş.

UNCONSOLIDATED PROFIT DISTRIBUTION TABLE
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

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

	CURRENT PERIOD (*) (01/01/2021-31/12/2021)	PRIOR PERIOD (01/01/2020-31/12/2020)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	471.514	316.169
1.2 TAXES AND DUTIES PAYABLE (-)	61.547	86.334
1.2.1 Corporate Tax (Income Tax)	202.682	224.323
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(141.135)	(137.989)
A. NET INCOME FOR THE YEAR (1.1-1.2)	409.967	229.835
1.3 PRIOR YEARS LOSSES (-)	-	18.736
1.4 FIRST LEGAL RESERVES (-)	-	10.555
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	409.967	200.544
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	-	200.544
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	0,00436	0,00244
3.2 TO OWNERS OF ORDINARY SHARES (%)	0,44%	0,24%
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 2021 will be given at the General Assembly.

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

FİBANKA A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2021 - 31 DECEMBER 2021

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

1. 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 XXVIII below.

3. Other

The new coronavirus disease (COVID-19), which emerged in Wuhan Province of Republic of China and spread to other countries in late December 2019, was declared a pandemic by the World Health Organization on 11 March, 2020. In order to keep the negative economic effects of the pandemic at minimum, a number of measures have been taken both in Turkey and 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 XXVIII "Other Issues".

According to the announcement made by Public Oversight Accounting and Auditing Standards Authority on 20 January 2022, since cumulative change in the general purchasing power according to Consumer Price Index ("CPI") of the last 3 years was 74.41%, it has been stated that entities that apply Turkish Financial Reporting Standards ("TFRS") do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 "Financial Reporting in Hyperinflationary Economies". In the accompanying financial statements, no inflation adjustment has been made in accordance with TAS 29.

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.

FİBANKA A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2021 - 31 DECEMBER 2021

(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)

2. Foreign currency transactions (continued)

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

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

	31 December 2021	31 December 2020
US Dollar	13,3290	7,3405
Euro	15,0867	9,0079

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.

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- 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 “IFRS 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.

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- 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.
- 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”.
- Calculation of expected credit loss**
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;
- Customer 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

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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 in calculations, models and model estimations 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), growth rate, and the unemployment rate. According to segmentation based on turnover, the unemployment rate is used in models including segments with a turnover of TL 20 million and below, on the other hand; the unemployment rate and the Gross Domestic Product (GDP) are used in models including segments with a turnover of over TL 20 million. 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 Medium Term Programme (MTP) 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 Scenario		Negative Scenario	
	Growth	Unemployment	Growth	Unemployment
1st year	5,00%	12,00%	3,70%	13,00%
2st year	5,50%	11,40%	2,90%	12,50%
3st year	5,50%	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.

In accordance with the BRSA Decision numbered 9624 dated 17 June 2021, they are considered as loans under close monitoring that are overdue for more than 90 days instead of 30 days until 31 December 2021. Based on the BRSA's Decision numbered 9795 dated 16 September 2021, loans with a number of days past due between 30 and 90 days after 31 December 2021 will be considered as loans under close monitoring overdue for more than 30 days. However, as at 1 October 2021, close monitoring delay days criteria for loans with a number of days past due between 30 and 90 days will be considered as loans overdue for 90 days. As of 31 December 2021, the Bank does not have loans within this scope.

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

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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.

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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:

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

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

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

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XIII. Explanations on tangible assets (continued)

Explanations about Leases Standard TFRS 16 (continued)

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

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:

- Increases the book value to reflect the interest on the lease obligation
- Reduces the book value to reflect the lease payments made and
- 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.

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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 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 2021, ceiling salary amount is considered as TL 8.284,51 (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

As of 31 December 2021, the current corporate tax rate is 25%. In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, starting from the declarations that must be submitted as of 1 July 2021 and to be valid for the taxation period starting from 1 January 2021, the corporate tax rate is 25% for the taxation period of 2021, this rate will be applied as 23% for the taxation period of 2022 and 20% for the taxation period of 2023 and beyond.

Corporate tax rate business income tax in accordance with the laws of the institutions to be added as unacceptable the reduction of costs in the tax laws, exemptions and reductions to the tax base found as a result of the reduction that will be applied. Additional tax is not payable unless the profit is distributed.

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. While dividends paid to individuals and corporations were subject to withholding tax at the rate of 15%, this rate has been changed to 10% with the Presidential Decision published in the Official Gazette dated 22 December 2021 and No. 31697. 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.

A 75% portion of the capital gains derived from the sale of equity investments and a 50% portion of the capital gains derived from the sale of immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

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 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.

Current tax, related to items recognized directly in equity is also credited or charged directly to equity.

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the regulation made with the Law No. 7352 dated 20 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this; TPL financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the TPL financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in VUK financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

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XVIII. Explanations on taxation (continued)

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 Article 11 of the Law No. 7316 on the Procedure for the Collection of Public Receivables and the Law on Amendments to Certain Laws published in the Official Gazette dated April 22, 2021, and with the temporary Article 13 added to the Corporate Tax Law, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022. In accordance with Article 14 of the Law, the rate to be applied for the year 2021 starts from the declarations to be submitted as of 1 July 2021 and it is valid for the taxation period starting from 1 January 2021. As of 31 December 2021, deferred tax rate for taxable temporary differences for the taxation period of 2022 is applied as 23%, and this rate is applied as 20% for the years after 2022.

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 losses.

As of 31 December 2021, the deferred tax asset is TL 308.819 (31 December 2020: TL 191.700 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; net deferred tax income is TL 141.135 for the current period (1 January - 31 December 2020: TL 137.989 net income). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 24.016 of expense (1 January - 31 December 2020: TL 716 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.

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XIX. Additional explanations on borrowings (continued)

Additional Tier I Capital

The Bank has recognised the issued Tier 1 securities of TL 100.000 nominal and related interest expenses for 2020 and 2021 as under "prior periods profit or losses" in the balance sheet. Interest expense for the period before 2020, which was recorded in the "prior periods profit or losses" account as of the end of last year, was transferred to the related equity accounts within the scope of yearly profit distribution.

The Bank recognised the issued Tier 1 in nominal value amounting to USD 30.000 and related interest expenses 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.

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 2021				
Operating Income	546.676	838.002	602.881	1.987.559
Operating Profit	80.332	249.820	141.361	471.514
Taxation				(61.547)
Net Profit/(Loss) for the Period				409.967
Current Period - 31 December 2021				
Segment Assets	8.473.595	13.641.125	23.047.539	45.162.259
Total Assets				45.162.259
Segment Liabilities	20.519.955	4.094.079	18.202.612	42.816.646
Shareholders' Equity				2.345.613
Total Liabilities				45.162.259

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period - 1 January - 31 December 2020				
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
Prior 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

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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 which was held on 26 March 2021, it was decided that the Bank would separate TL 10.555 as legal reserves and TL 200.544 as extraordinary reserves after deducting TL 18.736 (which is the interest expense related to the period before 2020 of the Tier1 security having capital characteristics, TL 100.000 nominal) from the net profit of TL 229.835 in 2020.

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 2021	31 December 2020
Net Profit / (Loss) distributable to Common Shares	409.967	229.835
Average Number of Issued Common Shares (Thousand)	94.116.055	94.116.055
Earnings Per Share (Amounts presented as full TL)	0,00436	0,00244

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 2021 (31 December 2020: 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.

XVII. Classifications

Collaterals given for derivative transactions with foreign banks, which are shown under the "Other Assets" item as TL (293.142) in the balance sheet of 31 December 2020, were classified under the "Banks" item as TL (47.105) in accordance with the amendments made within the scope of the Regulation on Uniform Chart of Accounts effective as of 1 January 2021.

XXVIII. 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.

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XXVIII. Other Disclosures (continued)

- 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.

The regulation was abolished with the decision dated 16 September 2021 and numbered 9795, but the loans evaluated within this scope were decided to be monitored in their current form (The Bank does not have loans within this scope as of 31 December 2021).

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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 2021, the Bank's total capital has been calculated as TL 6.090.650 and the capital adequacy ratio is 23,54% (As of 31 December 2020, the Bank's total capital amounted to TL 4.163.418 and the capital adequacy ratio was 19,39%).

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

	Current Period (31/12/2021) 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 (**)	785.503	
Other comprehensive income according to TAS	129.399	
Profit	409.967	
Current period profit	409.967	
Prior period profit	--	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
Tier I Capital Before Deductions	2.394.708	
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 (***)	71.084	--
Improvement costs for operational leasing	7.822	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	227.967	--
Excess amount arising from deferred tax assets from temporary differences	77.510	--
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 20% 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.

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	Current Period (31/12/2021) 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	30.278	--
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	414.661	--
Total Common Equity Tier I Capital	1.980.048	--
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	499.870	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
Additional Core Capital before Deductions	499.870	--
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	--	--

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	Current Period (31/12/2021) 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	499.870	--
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	2.479.918	--
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	3.320.707	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	290.025	--
Tier II Capital before Deductions	3.610.732	--
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	3.610.732	--
Total Equity (Total Tier I and Tier II Capital)	6.090.650	--

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	Current Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014 *
Total Tier I Capital and Tier II Capital (Total Equity)	6.090.650	--
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	6.090.650	
Total Capital (Total of Tier I Capital and Tier II Capital)	6.090.650	--
Total Risk Weighted Assets (****)	25.878.921	--
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	7,65	--
Tier I Capital Adequacy Ratio (%)	9,58	--
Capital Adequacy Ratio (%)	23,54	--
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,54	
a)Capital Conservation Buffer Requirement (%)	2,50	--
b)Bank-specific Counter-Cyclical Buffer Requirement(%)	0,04	--
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 calculation date.

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	Current Period (31/12/2021) 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	--	--
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)	517.534	--
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	290.025	--
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	--	--

* The amounts to be considered under the transitional provisions

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

	Prior 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		
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.

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	Prior 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 share capital	--	--

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	Prior 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 be 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)	2.056.630	--
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	--	--
Total Tier II Capital	2.106.788	--
Total Equity (Total Tier I and Tier II Capital)	4.163.418	--

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	Prior 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	--
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 calculation date.

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	Prior 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	--	--
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	--	--

* The amounts to be considered under the transitional provisions

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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 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)	3.320.707	100.000	399.870
Nominal value of debt instrument (Thousand TL)	3.998.700	100.000	399.870
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

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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%); afterwards current 5 years mid-swap rate+5,758%	Floating interest 8% additional return on TRLibor	Floating interest 10% additional return on Libor
Interest rate or index value of interest rate			
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	--	--	--
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 reduction			
		Under the condition that unconsolidated and/or consolidated Tier I capital adequacy ratio drop below BRSA's ratio	Under the condition that unconsolidated and/or consolidated Tier I capital adequacy ratio drop below BRSA's ratio
If there are a feature of value reduction, trigger incidents cause this reduction	--		
If there are a feature of value reduction, feature of full or partially reduction of value	--	Partially and totally	Partially and totally
If there are a feature of value reduction, feature of being constant of temporary	--	--	--
If there are a feature of value reduction, 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 conditions defined by 7th article.	Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.	Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.
Whether meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation			
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.

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Information on Article 5 of the Regulation on Equities of Banks:

	2021	2022
EQUITY ITEMS		
Common Equity	1.980.048	1.902.038
Common Equity if transition process not implemented ^a	1.902.038	1.902.038
Tier 1 Capital	2.479.918	2.401.908
Tier 1 Capital if transition process not implemented ^b	2.401.908	2.401.908
Total Capital	6.090.650	6.012.640
Equity if transition process not implemented ^c	6.012.640	6.012.640
TOTAL RISK WEIGHTED AMOUNTS		
Total Risk Weighted Amounts (*)	25.878.921	25.878.921
CAPITAL ADEQUACY RATIO		
Common Equity Adequacy Ratio (%)	7,65	7,36
Common Equity Ratio if transition process not implemented ^d (%)	7,36	7,36
Tier 1 Capital Adequacy Ratio (%)	9,58	9,29
Tier 1 Capital Adequacy Ratio if transition process not implemented ^d (%)	9,29	9,29
Capital Adequacy Ratio (%)	23,54	23,25
Capital Adequacy Ratio if transition process not implemented ^d (%)	23,25	23,25
LEVERAGE		
Leverage Ratio Total Risk Amount ^(*)	44.252.539	44.252.539
Leverage (%)	5,60	5,43
Leverage Ratio if transition process not implemented ^e (%)	5,43	5,43

^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.

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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 25% 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	15%
Tourism	15%
Wholesale and Retail Business	25%

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 45% and 50% of the total cash loan portfolio, respectively (31 December 2020: 59% and 69%, respectively).

The Bank's largest 100 and 200 non-cash loan customers compose 87% and 97% of the total non-cash loan portfolio, respectively (31 December 2020: 87% and 96%, respectively).

The Bank's largest 100 and 200 cash and non-cash loan customers represent 44% and 50% of the total "on and off balance sheet" assets, respectively (31 December 2020: 57% and 67%, respectively).

Expected credit loss for total credit risk (Stage 1 and Stage 2) amounts to TL 511.862 (31 December 2020: TL 447.960).

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II. Explanations on Credit Risk (continued)

	Current Period Risk Amount *	Average Risk Amount **
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	11.739.653	5.712.954
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	122.086	177.695
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	2.886.023	2.721.749
Conditional and Unconditional Exposures to Corporates	8.490.116	11.018.298
Conditional and Unconditional Retail Exposures	9.046.290	7.378.598
Conditional and Unconditional Exposures Secured by Real Estate Property	1.324.697	1.385.094
Past Due Receivables	505.014	399.261
Receivables Defined in High Risk Category by BRSA	2.325.567	762.690
Exposures in the Form of Collective Investment Undertakings	536.922	194.149
Equity share investments	11.444	10.647
Other Receivables	1.971.865	1.852.110
Total	38.959.677	31.613.245

(*) 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 Risk Amount *	Average 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.

(**) 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.

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II. Explanations on Credit Risk (continued)

6. Information on movements in value adjustments and provisions

Current Period Closing	Opening	Provision	Provision	Other	Balance
	Balance	for Period	Reversals	Adjustments (*)	
Specific Provisions(Stage 3)	388.750	374.252	(110.789)	(269.476)	382.736
General Provisions (Stage 1 and 2)	441.366	137.423	(70.646)	--	508.143

(*)Write-off items and the sales from the NPL portfolio are disclosed here.

Prior Period Closing	Opening	Provision	Provision	Other	Balance
	Balance	for Period	Reversals	Adjustments (*)	
Specific Provisions(Stage 3)	515.118	117.829	(1.784)	-- (242.413)	388.750
General Provisions (Stage 1 and 2)	288.992	164.426	(12.052)	--	441.366

(*)Write-off items and the sales from the NPL portfolio are disclosed here.

7. Exposures subject to countercyclical capital buffer

Current Period			
Country	RWAs of Banking Book for Private Sector Credit Exposures	RWAs of Trading Book	Total
Turkey	21.949.683	281.398	22.231.081
Russia	9.842	--	9.842
Malta	284.918	--	284.918
Marshall Islands	104.073	--	104.073
Avusturya	768	--	768
England	14.104	257.912	272.016
Germany	1.595	10	1.605
France	--	29.161	29.161
Others	77.185	46.657	123.842
Total	22.442.168	615.138	23.057.306

*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 Sector Credit Exposures	RWAs of 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.

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II. Explanations on 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	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	18.456.954	15.729.548	3.535.684	3.084.348
Secured by Cash Collateral	263.590	234.132	--	--
Secured by Mortgages	1.825.876	2.613.302	1.274.757	1.210.727
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)	16.367.488	12.882.114	2.260.927	1.873.622
Non-Secured Loans	117.643	191.983	4.995	1.031
Total	18.574.597	15.921.532	3.540.679	3.085.379

Details of collaterals for non-cash granted to individuals and corporates are as follows:

Non-cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	941.307	1.205.145	62.870	61.417
Secured by Cash Collateral	--	--	--	--
Secured by Mortgages	56.440	36.616	2.266	20.203
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)	884.868	1.168.529	60.604	41.214
Non-Secured Loans	--	--	--	--
Total	941.307	1.205.145	62.870	61.417

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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 2021, the Bank's net short position is TL 187.609 (31 December 2020: TL 260.388 net long position) resulting from long position on the balance sheet amounting to TL 459.765 (31 December 2020: TL 1.652.982 short position) and short position on the off-balance amounting to TL 647.374 (31 December 2020: TL 1.913.370 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 13,3290
Euro purchase rate as at the balance sheet date	TL 15,0867

Date	USD	EURO
27 December 2021	11,7278	13,2926
28 December 2021	11,3900	12,8903
29 December 2021	11,8302	13,4000
30 December 2021	12,2219	13,8011
31 December 2021	13,3290	15,0867

The US Dollar and EUR buying rates are TL 13,5438 and TL 15,3072 (in full TL amounts) respectively, according to simple arithmetic average on December 2021.

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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	2.481.643	9.344.698	151.692	11.978.033
Due From Banks	666.214	379.866	55.871	1.101.951
Financial Assets at Fair Value through Profit/Loss (*)	9.438	65.891	--	75.329
Money Market Placements	98.063	30.657	--	128.720
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	31.351	1.166.378	--	1.197.729
Loans and Receivables(**)	5.847.395	622.060	907	6.470.362
Investments in Assoc. Subsidiaries and Entities under Common Control	--	--	--	--
Financial Assets Measured at Amortized Cost	1.029.851	2.010.276	--	3.040.127
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	2.427	1.881	916	5.224
Total Assets	10.166.382	13.621.707	209.386	23.997.475
Liabilities				
Bank Deposits	75.228	21.295	44.925	141.448
Foreign Currency Deposits	2.345.788	10.655.545	2.516.961	15.518.294
Money Market Borrowings	--	412.623	--	412.623
Funds Provided from Other Financial Institutions	422.909	85.022	--	507.931
Securities Issued(****)	--	6.436.384	--	6.436.384
Sundry Creditors	56.410	397.554	7.329	461.293
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(*****)	30.031	29.656	50	59.737
Total Liabilities	2.930.366	18.038.079	2.569.265	23.537.710
Net Balance Sheet Position	7.236.016	(4.416.372)	(2.359.879)	459.765
Net Off-Balance Sheet Position	(7.429.918)	4.425.203	2.357.341	(647.374)
Financial Derivative Assets (*****)	2.992.261	16.787.982	4.852.259	24.632.502
Financial Derivative Liabilities (*****)	10.422.179	12.362.779	2.494.918	25.279.876
Non-Cash Loans (*****)	264.660	282.953	--	547.613
Prior Period				
Total Assets	8.106.764	3.975.142	178.526	12.260.432
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

(*) Accruals of trading derivative financial assets amounting to TL 3.406 are not included.

(**) Includes foreign currency indexed loans and accruals amounting to TL 32.595.

(***) TL 3.646 of prepaid expenses are not included.

(****) Securities issued as subordinated loan classified under "Subordinated debt instruments - Other debt instruments" in the balance sheet are included.

(*****) TL 3.398 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 2.463.711 (31 December 2020: TL 316.665), foreign currency sale commitments within the derivative financial liabilities amounted to TL 2.627.770 (31 December 2020: TL 294.748).

(***** There is no effect on the net off-balance sheet position.

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2021 and 2020 (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.

	Current Period		Prior Period	
	Profit/Loss	Equity	Profit/Loss	Equity
USD	883	(1.442)	5.856	7.085
Euro	(19.390)	(19.369)	14.875	15.486
Other FC	(254)	(254)	5.309	5.309
Total (Net)	(18.761)	(21.064)	26.039	27.880

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IV. Explanations on 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 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 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	10.731.219	--	--	--	--	2.183.441
Banks	558.333	--	--	--	--	941.978
Financial Assets at Fair Value Through Profit or Loss(*)	536.080	252.590	450.359	215.863	--	9.438
Interbank Money Market Placements	128.720	--	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	518.104	3.549	790.147	721.329	39.727	4.897
Loans(**)	5.682.057	4.114.802	7.861.092	4.201.518	255.252	(2.166)
Financial Assets Measured at Amortized Cost	127.799	--	33.927	3.068.223	--	--
Other Assets(***)	--	--	--	--	--	1.733.981
Total Assets	18.282.312	4.370.941	9.135.525	8.206.933	294.979	4.871.569
Liabilities						
Bank Deposits	2.331.032	3.911.953	--	--	--	143.373
Other Deposits	15.829.857	2.039.641	143.307	38.251	113.701	6.449.277
Interbank Money Market Received	712.740	--	--	--	--	--
Sundry Creditors(****)	--	--	--	--	--	943.756
Marketable Securities Issued(****)	66.373	69.459	3.320.707	2.579.975	399.870	--
Funds Borrowed From Other Institutions	1.336	371.598	150.643	--	--	--
Other Liabilities(****)	545.894	265.899	745.735	169.827	--	3.818.055
Total Liabilities	19.487.232	6.658.550	4.360.392	2.788.053	513.571	11.354.461
Balance Sheet Long Position	--	--	4.775.133	5.418.880	--	--
Balance Sheet Short Position	(1.204.920)	(2.287.609)	--	--	(218.592)	(6.482.892)
Off-Balance Sheet Long Position	2.333	40.000	1.543.401	862.021	--	29.542.547
Off-Balance Sheet Short Position	(2.333)	(40.000)	(1.543.403)	(862.019)	--	(30.003.316)
Total Position	(1.204.920)	(2.287.609)	4.775.131	5.418.882	(218.592)	(6.943.661)

(*) Includes derivative financial assets.

(**) Non-performing loans TL 888.713 net-off related stage 3 loans expected credit losses TL 382.736 and expected losses for stage 1 TL 159.887 and for stage 2 TL 348.256 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 74.064).

(***) Non-interest bearing column includes TL 117.945 investments in subsidiaries, TL 414.389 tangible assets, TL 106.531 intangible assets, TL 310.896 current and deferred tax asset, TL 182.161 assets held for sale, TL 603.498 other assets and TL 1.439 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 2.345.613 shareholders' equity, TL 1.722.639 other liabilities, TL 404.907 provisions and TL 288.652 tax liabilities.

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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	1.866.495	--	--	--	--	1.055.197
Banks	436.226	--	--	--	--	452.305
Financial Assets at Fair Value Through Profit or Loss(*)	287.554	24.185	102.834	416.930	--	--
Interbank Money Market Placements	412.231	--	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	192.033	22.533	356.369	411.077	35.151	10.363
Loans(**)	2.561.382	4.601.714	4.968.879	5.456.936	1.417.999	(210.691)
Financial Assets Measured at Amortized Cost	21.376	52.051	231.707	406.955	495.407	--
Other Assets(***)	--	--	--	--	--	1.139.797
Total Assets	5.777.297	4.700.483	5.659.789	6.691.898	1.948.557	2.446.971
Liabilities						
Bank Deposits	576.032	373.840	--	--	--	50.624
Other Deposits	11.963.450	2.574.787	90.603	3.136	86.968	1.947.985
Interbank Money Market Received	362.845	247.315	--	--	--	--
Sundry Creditors(****)	--	--	--	--	--	454.351
Marketable Securities Issued(****)	37.310	38.843	61	3.312.070	220.215	--
Funds Borrowed From Other Institutions	519	591.837	560.968	1.818	--	--
Other Liabilities(****)	384.731	263.522	129.222	383.419	--	2.568.524
Total Liabilities	13.324.887	4.090.144	780.854	3.700.443	307.183	5.021.484
Balance Sheet Long Position	--	610.339	4.878.935	2.991.455	1.641.374	--
Balance Sheet Short Position	(7.547.590)	--	--	--	--	(2.574.513)
Off-Balance Sheet Long Position	10.000	215.000	524.130	700.641	--	17.256.366
Off-Balance Sheet Short Position	(10.000)	(215.000)	(524.130)	(700.641)	--	(17.687.677)
Total Position	(7.547.590)	610.339	4.878.935	2.991.455	1.641.374	(3.005.824)

(*) 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 current and deferred tax assets, TL 102.748 assets held for sale, TL 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.

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IV. Explanations on interest rate risk (continued)

Average interest rates applied to financial instruments

Current Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	0,01	--	--	--
Financial Assets at Fair Value Through Profit/ Loss	--	4,40	--	23,31
Interbank Money Market Placements	0,01	0,05	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	5,39	5,55	--	15,79
Loans	5,40	6,15	--	19,93
Financial Assets Measured at Amortized Cost	4,89	5,56	--	15,62
Liabilities				
Bank Deposits	--	--	--	14,89
Other Deposits	0,46	0,28	--	17,77
Interbank Money Market Received	--	1,36	--	14,23
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	7,20	--	--
Funds Borrowed from Other Financial Institutions	2,26	0,83	--	15,86

(*) Includes subordinated debts, which are classified under "Subordinated Debts Other Debt Instruments" in Balance Sheet, as well.

Prior Period	EUR %	USD %	JPY %	TL %
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.

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IV. Explanations on interest rate risk (continued)

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 2021:

Current Period	Shocked Applied (+/- x bps)	Gains/ Losses	Gains/ Equity - Losses /Equity
TRY	500	(228.572)	-3,75%
TRY	-400	198.258	3,26%
USD Dollar	200	(89.470)	-1,47%
USD Dollar	-200	103.418	1,70%
Euro	200	(284.180)	-4,67%
Euro	-200	323.667	5,31%
Total (For Positive Shocks)		(602.222)	-9,89%
Total (For Negative Shocks)		625.343	10,27%

*% 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	Shocked Applied (+/- x bps)	Gains/ Losses	Gains/ Equity - 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%

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

V. Explanations on position risk of equity securities resulted from banking book

The Bank has position risk of equity shares amounting to TL 11.444 as of 31 December 2021 (31 December 2020: TL 9.764).

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.

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VI. Explanations on liquidity risk and liquidity coverage ratio (continued)

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.

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VI. Explanations on liquidity risk and liquidity coverage ratio (continued)

Current Period	Total Unweighted Value *		Total Weighted Value *	
	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)			8.888.136	7.666.173
CASH OUTFLOWS				
2 Deposits from natural persons and retail deposits	20.592.932	10.238.467	1.935.780	1.023.839
3 Stable deposits	2.470.034	--	123.500	--
4 Less stable deposits	18.122.928	10.238.467	1.812.280	1.023.839
5 Unsecured funding except for retail deposits and deposits from natural persons, of which:	5.171.424	2.840.653	3.293.914	1.561.379
6 Operational deposits	--	--	--	--
7 Non-Operational deposits	3.129.184	2.128.377	1.251.674	851.351
8 Other unsecured funding	2.042.240	712.276	2.042.240	710.028
9 Secured funding	--	--	263.453	263.453
10 Other cash outflows	3.506.274	939.291	667.113	426.034
11 Outflows related to derivative exposures and other collateral requirements	446.479	358.585	446.479	358.585
12 Outflows related to restructured financial instruments	--	--	--	--
13 Payment commitments granted for debts to financial markets and other off-balance sheet commitments	2.859.794	580.708	220.634	67.452
14 Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15 Other irrevocable or conditionally revocable off-balance sheet obligations	20.431	150	20.431	150
16 TOTAL CASH OUTFLOWS			6.180.692	3.274.856
CASH INFLOWS				
17 Secured receivables	24.022	24.022	21.663	21.663
18 Unsecured receivables	3.202.403	1.331.867	2.224.516	1.242.842
19 Other cash inflows	558.783	535.602	368.311	345.129
20 TOTAL CASH INFLOWS	3.785.208	1.891.491	2.614.290	1.609.435
21 TOTAL HQLA			8.888.136	7.666.173
22 TOTAL NET CASH OUTFLOWS			3.566.402	1.675.273
23 LIQUIDITY COVERAGE RATIO (%)			249,12	457,61

* The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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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.

As of 31 December 2021, Bank's unconsolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 6,25%. Minimum leverage ratio has to be 3% according to the regulation.

	Current Period(*)	Prior Period(**)
Balance sheet assets		
1 Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	32.827.168	23.568.598
2 (Assets deducted in determining Tier 1 capital)	(303.372)	(242.440)
3 Total balance sheet risks (sum of lines 1 and 2)	32.523.796	23.326.158
Derivative financial instruments and credit derivatives		
4 Replacement cost associated with all derivative financial instruments and credit derivatives	812.942	343.256
5 Potential credit risk associated with all derivative financial instruments and credit derivatives	214.940	188.771
6 Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	1.027.882	532.027
Securities or commodity financing transactions (SCFT)		
7 Risks from SCFT assets (except for on-balance sheet)	190.879	363.552
8 Risks from brokerage activities related exposures	--	--
9 Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	190.879	363.552
Off-balance sheet transactions		
10 Gross notional amounts of off-balance sheet transactions	7.149.514	3.556.402
11 (Adjustments for conversion to credit equivalent amounts)	--	--
12 Total risks of off-balance sheet items (sum of lines 10 and 11)	7.149.514	3.556.402
Capital and total risks		
13 Tier 1 capital	2.541.584	2.043.570
14 Total risks (sum of lines 3, 6, 9 and 12)	40.892.07*	27.778.139
Leverage ratio		
15 Leverage ratio	6,25	7,37

(*) 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 calculator date.

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VIII. 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	29.050.060	22.226.839	28.964.635	22.185.731
Money market placements	128.720	412.231	128.720	412.231
Due from banks	1.500.311	888.531	1.500.311	888.531
Financial assets at fair value through other comprehensive income	2.077.753	1.027.526	2.077.753	1.027.526
Financial assets measured at amortized cost	3.230.721	1.207.902	3.158.346	1.278.001
Loans	22.112.555	18.690.649	22.099.505	18.579.442
Financial liabilities	38.904.109	22.885.417	38.904.109	22.885.417
Interbank deposits	6.386.358	1.000.496	6.386.358	1.000.496
Other deposits	24.614.034	16.666.929	24.614.034	16.666.929
Funds provided from other financial institutions	523.577	1.155.142	523.577	1.155.142
Marketable securities issued (*)	6.436.384	3.608.499	6.436.384	3.608.499
Miscellaneous payables	943.756	454.351	943.756	454.351

(*) 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	1st Level TL		2nd Level TL		3rd Level 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	192.470	124.138	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.077.753	1.027.526	--	--	--	--
Derivative Financial Assets	--	--	1.271.860	707.365	--	--
Loans Measured at Fair Value through Profit and Loss	--	--	--	--	--	--
Total	2.270.223	1.151.664	1.271.860	707.365	--	--
Financial Liabilities						
Derivative Financial Liabilities	--	--	1.678.396	1.107.492	--	--
Total	--	--	1.678.396	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

None.

X. Explanations on securitisations positions

The Bank does not have any securitization positions as of balance sheet date.

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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 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.

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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 2021:

- 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 Amounts		Minimum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	21.905.246	18.542.915	1.752.420
2 Of which standardised approach (SA)	21.905.246	18.542.915	1.752.420
3 Of which internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	759.731	432.266	60.778
5 Of which standardised approach for counterparty credit risk (SA-CCR)	759.731	432.266	60.778
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	536.920	89.461	42.954
9 Equity investments in funds - mandate-based approach	--	--	--
10 Equity investments in funds - 1250% risk weighting approach	--	--	--
11 Settlement risk	148	--	12
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	507.688	596.750	40.615
17 Of which standardised approach (SA)	507.688	596.750	40.615
18 Of which internal model approaches (IMM)	--	--	--
19 Operational risk	2.169.187	1.811.306	173.535
20 Of which basic indicator approach	2.169.187	1.811.306	173.535
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)	25.878.920	21.472.702	2.070.314

* It is used simple approach of General Bank's foreign currency buying rate belonging to the last 252 business days from the calculation date.

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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 of items in accordance with Turkish Accounting Standards				Not subject to capital requirements or subject to deduction from capital
	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Subject to market risk (**)	
Current Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	12.914.660	12.914.660	--	--	--
Banks	1.500.311	1.500.311	--	--	--
Money Markets Placements	128.720	128.720	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	192.470	536.922	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.077.753	2.077.753	622.641	--	--
Financial Assets Measured at amortized cost	3.230.721	3.230.721	--	--	--
Derivative financial assets	1.271.860	--	703.298	1.271.860	--
Expected Credit Losses (-)	(2.211)	(2.211)	--	--	--
Loans (net)	22.112.555	22.112.555	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	182.161	182.161	--	--	--
Investment in Associates (net)	--	--	--	--	--
Investment in Subsidiaries (net)	117.945	117.945	--	--	--
Joint-Ventures (net)	--	--	--	--	--
Tangible Assets (net)	414.389	414.389	--	--	--
Intangible Assets (net)	106.531	--	--	--	106.531
Investment Property (net)	--	--	--	--	--
Tax Asset	310.896	310.896	--	--	--
Other Assets	603.498	482.853	--	--	120.645
Total Assets	45.162.259	44.007.675	1.325.939	1.271.860	227.176
Liabilities					
Deposits	31.000.392	--	--	--	31.000.392
Funds Borrowed	523.577	--	--	--	523.577
Money Market Funds	712.740	--	712.740	--	712.740
Securities Issued	2.646.236	--	--	--	2.646.236
Funds	--	--	--	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--	--
Derivative financial liabilities	1.678.396	--	--	1.678.396	1.678.396
Factoring Payables	--	--	--	--	--
Lease Payables	48.959	--	--	--	48.959
Provisions	404.907	--	--	--	--
Tax Liability	288.652	--	--	--	288.652
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--
Subordinated Debts	3.790.148	--	--	--	--
Other liabilities	1.722.639	--	--	--	1.722.639
Shareholders' Equity	2.345.613	--	--	--	2.345.613
Total Liabilities	45.162.259	712.740	712.740	1.678.396	40.967.204

(*) Since the accounting and legal consolidation scope of the Bank are identical, the financial statement information is shown in one column.

(**) Disclosed based on gross amounts of the securities.

(***) Disclosed based on gross position amounts subject to general market risk and specific risk.

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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 of items in accordance with Turkish Accounting Standards				Not subject to capital requirements or subject to deduction from capital
	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Subject to market risk (**)	
Prior Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	2.921.692	2.921.692	--	--	--
Banks	888.531	888.531	--	--	--
Money Markets Placements	412.231	242.147	170.084	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	124.138	96.655	--	--	--
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	--	--
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)	117.945	117.945	--	--	--
Joint-Ventures (net)	--	--	--	--	--
Tangible Assets (net)	359.768	359.768	--	--	--
Intangible Assets (net)	90.977	--	--	--	90.977
Investment Property (net)	--	--	--	--	--
Tax Asset	192.964	192.964	--	--	--
Other Assets	277.336	277.336	--	--	--
Total Assets	27.224.995	26.229.086	1.333.899	707.365	90.977
Liabilities					
Deposits	17.667.425	--	--	--	17.667.425
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	--	--	--	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--	--
Derivative financial liabilities	1.107.492	--	--	1.107.492	1.107.492
Factoring Payables	--	--	--	--	--
Lease Payables	53.402	--	--	--	53.402
Provisions	205.252	--	--	--	--
Tax Liability	186.711	--	--	--	42.840
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--
Subordinated Debts	2.127.599	--	--	--	--
Other liabilities	757.008	--	--	--	757.008
Shareholders' Equity	1.873.904	--	--	--	1.873.904
Total Liabilities	27.224.995	610.160	610.160	1.107.492	24.748.273

(*) Since the accounting and legal consolidation scope of the Bank are identical, the financial statement information is shown in one column.

(**) Disclosed based on gross amounts of the securities.

(***) Disclosed based on gross position amounts subject to general market risk and specific risk.

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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

	Total	Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
Current Period					
1 Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Statements"	45.162.259	44.007.675	--	1.325.939	1.271.860
2 Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	712.740	1.678.396
3 Total Net Amount	45.162.259	44.007.675	--	613.199	(406.536)
4 Off-balance sheet amounts(**)	25.593.447	7.238.636	--	18.354.811	18.354.811
5 Valuation differences	--	--	--	--	--
6 Differences due to different netting rules	--	--	--	--	(17.440.587)
7 Differences due to consideration of provisions	--	--	--	--	--
8 Differences resulted from the BRSA's applications	--	--	--	(18.139.686)	--
9 Differences due to risk mitigation	--	--	--	712.740	--
1 Risk Amounts	70.755.706	51.246.311	-	1.541.064	507.688

(*)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.

(***)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.

	Total	Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
Prior Period					
1 Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Statements"	27.224.995	26.229.085	--	1.333.899	707.365
2 Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	610.160	1.107.492
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	--
1 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.

(***)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.

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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.

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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.

Credit Quality of Assets

Current Period	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
	Defaulted	Non-defaulted		
1 Loans	888.713	22.114.721	890.878	22.112.556
2 Debt securities	--	5.496.047	4.768	5.491.279
3 Off-balance sheet exposures	7.467	9.050.839	9.566	9.048.740
4 Total	896.181	36.661.606	905.212	36.652.575

Prior Period	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
	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

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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	619.425	920.338
2 Loans and debt securities defaulted since the last reporting period	953.927	328.380
3 Receivables back to non-defaulted status	--	--
4 Amounts written off(*)	269.476	242.412
5 Other changes(**)	(415.163)	(386.881)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	888.713	619.425

(*) Sales of non-performing loan portfolios are disclosed.

(**) Other changes include collections during the period.

Breakdown of receivables by geographical area, sectors and outstanding maturity:

Breakdown by geographical area:

Loans and Other Receivables	Current Period	Prior Period
Domestic	21.552.903	18.080.629
European Union (EU) Countries	450.844	269.060
OECD Countries	5	60
Off-Shore Banking Regions	104.073	458.198
USA, Canada	9	29.644
Other Countries	6.887	169.320
Total	22.114.721	19.006.911

Sectoral Breakdown:

Loans and Other Receivables	Current Period	Prior Period
Agriculture	449.607	281.562
Farming and Stockbreeding	359.691	236.486
Forestry	89.916	45.076
Fishery	--	--
Manufacturing	4.350.293	4.071.734
Mining and Quarrying	864.797	559.653
Production	2.596.190	2.288.954
Electricity, Gas and Water	889.306	1.223.127
Construction	1.123.870	2.312.369
Services	9.085.066	8.818.018
Wholesale and Retail Trade	2.552.502	2.108.454
Accommodation and Dining	3.281.593	2.859.089
Transportation and Telecommunication	1.929.154	1.744.724
Financial Institutions	170.321	166.516
Real Estate and Rental Services	241.486	386.059
Self-Employment Services	452.823	961.846
Educational Services	112.896	227.415
Health and Social Services	344.291	363.915
Others	7.105.885	3.523.228
Total	22.114.721	19.006.911

Breakdown by outstanding maturity:

	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 years and over	Total
Current Period	3.387.990	4.667.221	7.093.417	5.765.699	1.200.394	22.114.721
Prior Period	2.122.272	3.731.833	6.664.467	5.713.625	774.714	19.006.911

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Exposures provisioned against by major regions and sectors and write-offs:

Current Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	888.713	382.736	269.476
European Union (EU) Countries	--	--	--
OECD Countries	--	--	--
Off-Shore Banking Regions	--	--	--
USA, Canada	--	--	--
Other Countries	--	--	--
Total	888.713	382.736	269.476

Prior 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

Current Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	31.828	22.219	10.198
Farming and Stockbreeding	26.330	18.154	7.940
Forestry	5.498	4.065	2.258
Fishery	--	--	--
Manufacturing	66.876	51.553	35.450
Mining and Quarrying	28.422	22.391	3.445
Production	33.454	24.928	30.726
Electricity, Gas and Water	5.000	4.234	1.279
Construction	448.364	118.952	27.530
Services	235.429	128.128	130.664
Wholesale and Retail Trade	63.362	50.459	60.082
Accommodation and Dining	10.622	7.820	4.456
Transportation and Telecommunication	141.349	52.943	17.440
Financial Institutions	245	141	73
Real Estate and Rental Services	7.026	6.916	2.788
Self-Employment Services	617	610	1.160
Educational Services	2.318	1.424	35.260
Health and Social Services	9.890	7.815	9.405
Others	106.216	61.884	65.634
Total	888.713	382.736	269.476

Prior 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	0	0	0
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
Accommodation and Dining	11.438	6.981	2.697
Transportation and Telecommunication	72.496	43.622	6.507
Financial Institutions	438	258	0
Real Estate and Rental Services	15.763	9.737	305
Self-Employment Services	3.040	1.690	354
Educational Services	8.991	5724	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

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Aging analysis:

Days past due	Current Period	Prior Period
	Amount	Amount
0-30	22.009.583	18.802.229
31-60	66.760	42.201
61-90	38.379	120.917
90+	888.713	660.989
Total	23.003.434	19.626.336

Breakdown of restructured receivables based on whether or not provisions are allocated:

Current Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	4.363
Not provisioned (*)	--	2.929.219	--
Total	--	2.929.219	4.363

(*) The Bank calculates Stage 1 provisions for performing loans and Stage 2 provisions for loans under follow-up.

Prior Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	4.305
Not provisioned (*)	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.

Credit risk mitigation techniques-Overview

Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1 Loans	19.158.552	1.462.995	1.445.712	17.283	17.283	--	--
2 Debt Securities	5.491.279	--	--	--	--	--	--
3 Total	24.649.831*	1.462.995	1.445.712	17.283	17.283	--	--
4 Of which defaulted	386.231	119.746	119.746	--	--	--	--

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

Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1 Loans	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 rates belonging to the last 252 business days from the calculation date.

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Credit risk exposure and credit risk mitigation techniques

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	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	11.735.831	--	11.735.924	--	--	0,00%
2 Exposures to regional and local governments	122.086	--	122.086	--	61.343	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	2.882.892	6.306	2.882.892	3.128	788.234	27,3%
7 Exposures to corporates	8.116.462	681.162	8.115.126	373.654	8.386.967	98,5%
8 Retail exposures	8.568.478	1.934.238	8.555.925	477.812	7.266.790	80,4%
9 Exposures secured by residential property	30.647	645	29.832	210	10.724	35,7%
10 Exposures secured by commercial property	1.288.589	8.708	1.286.006	5.251	908.778	70,4%
11 Past-due items	502.548	2.466	502.548	2.466	609.187	120,6%
12 Exposures in high-risk categories	2.325.005	1.115	2.325.005	558	3.455.032	149,9%
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 collateral investment undertakings	536.922	--	536.922	--	536.922	100,0%
16 Other exposures	1.869.867	4.603.992	1.869.867	10.998	1.812.785	51,3%
17 Equity share investments	11.444	--	11.444	--	11.444	100,0%
18 Total	37.994.640	7.238.636	37.994.640	985.077	23.057.386	59,2%

(*) Collateralized by real estate mortgages
(**) 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.
(****) 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	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	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	4.116.994	--	4.184.030	--	--	0,00%
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	3.029.395	84.034	3.029.395	47.490	746.851	24,3%
7 Exposures to corporates	11.638.049	987.347	11.615.811	579.733	11.984.454	98,2%
8 Retail exposures	5.050.226	1.440.118	5.013.682	364.891	4.032.652	75,0%
9 Exposures secured by residential property	152.068	1.815	15.639	528	118.854	78,1%
10 Exposures secured by commercial property	1.385.227	48.874	1.377.885	39.287	942.441	66,5%
11 Past-due items	246.257	1.340	240.405	1.340	203.283	84,0%
12 Exposures in high-risk categories	26.256	3.485	26.256	1.745	26.313	94,2%
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 collateral investment undertakings	89.461	--	89.461	--	89.461	100,0%
16 Other exposures	1.107.228	1.171.457	1.107.228	64.940	737.064	62,3%
17 Equity share investments	9.764	--	9.764	--	9.764	100,0%
18 Total	27.058.758	3.726.464	27.058.758	1.100.054	18.990.842	67,4%

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Exposures by asset classes and risk weights

Current Period	0%	10%	20%	35(*)	50%	50(**)	75%	100%	150%	200%	Total Risk Amount (**)
1 Exposures to sovereigns and their central banks	11.736.936	--	--	--	--	--	--	--	--	--	11.736.936
2 Exposures to regional and local governments	--	--	--	--	122.086	--	--	--	--	--	122.086
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	412.624	--	1.504.968	--	962.381	--	6.050	--	--	--	2.886.023
7 Exposures to corporates	121.812	--	--	--	--	--	8.366.968	--	--	--	8.488.780
8 Retail exposures	1.299	--	--	--	--	--	7.062.607	1.969.835	--	--	9.033.741
9 Exposures secured by residential property	--	--	--	29.720	--	--	--	322	--	--	30.042
10 Exposures secured by commercial property	--	--	--	--	--	764.959	--	526.298	--	--	1.291.257
11 Past-due items	--	--	--	--	100.279	--	--	96.109	308.626	--	505.014
12 Exposures in high-risk categories	--	--	--	--	2.604	--	--	1.429	2.321.534	--	2.325.567
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	--	--	--	--	--	--	--	536.922	--	--	536.922
16 Equity share investments	--	--	--	--	--	--	--	11.444	--	--	11.444
17 Other Exposures	959.680	--	--	--	--	--	--	1.012.185	--	--	1.971.865
18 Total	13.252.351	--	1.504.968	29.720	1.187.350	764.959	7.062.607	12.527.562	2.630.160	--	38.959.677

(*) Collateralized by real estate mortgages
(**) 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.
(****) 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	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
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	--	--	--	--	--	--	--	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

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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 * Current Period	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from Central Governments	11.756.936	--	--	17.283
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	122.086	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	2.886.023	412.624	--	--
Corporate Receivables	8.488.780	121.812	--	--
Retail Receivables	9.033.741	2.629	--	--
Receivables that are Collateralized by Residential Property	1.321.299	--	794.679	--
Past due Receivables	505.014	--	69.184	--
Receivables Defined in High Risk Category by BRSA	2.325.567	--	--	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	536.922	--	--	--
Equity Share Investment	11.444	--	--	--
Other Receivables	1.971.865	--	--	--
Total	38.959.677	537.065	863.863	17.283

(*) 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 * Prior Period	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from Central Governments	4.184.030	--	--	67.036
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	199.815	--	--	--
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 Investment	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.

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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)	703.298	215.125	--	(1,4)	918.423	573.135
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 and securities financing transactions)	--	--	--	--	622.641	42.003
4 Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	--	--
5 Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	--	--	--	--	--	--
6 Total	703.298	215.125	--	(1,4)	1.541.064	615.138

* 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	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 and securities financing transactions)	--	--	--	--	958.534	89.527
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	205.281	201.322	--	(1,4)	1.535.221	358.502

* 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.

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 3x multiplier)	--	--	--	--
2 (ii) Stressed VaR component (including the 3x multiplier)	--	--	--	--
3 All portfolios subject to the Standardised CVA capital obligation	918.423	144.593	406.603	73.764
4 Total subject to the CVA capital obligation	918.423	144.593	406.603	73.764

* 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.

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CCR exposures by risk class and risk weights - standardised approach

Current Period									Total
Risk weights	0%	10%	20%	50%	75%	100%	150%	Diğer	Credit Risk
Exposures to sovereigns and their central banks	7.993	--	--	--	--	--	--	--	7.993
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	412.624	--	271.477	566.685	--	--	--	--	1.250.786
Exposures to corporates	--	--	--	--	--	263.232	--	--	263.232
Retail exposures	29	--	--	--	19.024	--	--	--	19.053
Exposures secured by residential property	--	--	--	--	--	--	--	--	--
Past-due items	--	--	--	--	--	--	--	--	--
Exposures in high-risk categories	--	--	--	--	--	--	--	--	--
Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--
Securitized 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	420.644	--	271.477	566.685	19.024	263.232	--	--	1.541.064

*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									Total
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	--	--	--	--	--	--	--	--	--
Securitized 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

*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.

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Collaterals Used for Counterparty Credit Risk

Current Period	Collateral for derivative transactions				Collateral for other	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-local currency	--	--	--	--	--	--
Cash-foreign currency	29	--	--	--	412.624	--
Domestic sovereign debts	--	--	--	--	--	--
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	622.641
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
Total	29	--	--	--	412.624	622.641

*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	Collateral for derivative transactions				Collateral for other	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
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

*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.

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 and vs 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.

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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 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)	336.563		368.500	
2 Equity risk (general and specific)	--		--	
3 Foreign exchange risk	115.850		128.475	
4 Commodity risk	49.138		24.775	
Options				
5 Simplified approach	--		--	
6 Delta-plus method	6.138		75.000	
7 Scenario approach	--		--	
8 Securitisation	--		--	
9 Total	507.688		596.750	

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.

Current Period	Value	Risk Weights					Total RWA
		0%	20%	50%	75%	100%	
Interest-Rate Contracts (*)	--	--	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	215.126	8.022	58.176	76.411	5.050	67.467	121.095
Commodity Contracts	--	--	--	--	--	--	--
Equity-Shares Related Contracts	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Gross Positive Fair Values	703.297	--	3.283	490.274	13.975	195.765	452.040
Netting Benefits	--	--	--	--	--	--	--
Net Current Exposure Amount	--	--	--	--	--	--	--
Collaterals Received	29	--	--	--	--	--	--
Net Derivative Position (***)	918.423	8.022	61.459	566.685	19.025	263.232	573.135

(*) 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.

Prior Period	Value	Risk Weights					Total RWA
		0%	20%	50%	75%	100%	
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.

Explanations on operational risk

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 173.535 (31 December 2020: TL 144.904) represents also the minimum capital requirement to recover the risk amount.

Current Period	31 December 2018	31 December 2019	31 December 2020	Total/ No. of		Total
				Years of Positive	Gross Income	
Gross Income	1.034.587	1.149.263	1.286.849		1.156.900	15 173.535
Value at Operational Risk (Total*12,5)						2.169.187

Prior Period	31 December 2017	31 December 2018	31 December 2019	Total/ No. of		Total
				Years of Positive	Gross Income	
Gross Income	714.239	1.034.587	1.149.263		966.030	15 144.904
Value at Operational Risk (Total*12,5)						1.811.306

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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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	81.974	886.314	54.967	281.636
Balances with the Central Bank of Turkey	854.653	11.091.719	411.057	2.174.032
Other	--	--	--	--
Total	936.627	11.978.033	466.024	2.455.668

1.1 Information related to the account of the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	832.804	1.239.945	407.561	782.078
Unrestricted Time Deposits	21.849	6.996.263	3.496	--
Restricted Time Deposits	--	2.855.511	--	1.391.954
Total	854.653	11.091.719	411.057	2.174.032

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 3%-8% (31 December 2020: 1%-6%) for TL liabilities and at the rates varying from 5%-25% (31 December 2020: 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	94	--	2.796	--
Total	94	--	2.796	--

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 2021, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 192.376 (31 December 2020: TL 121.342).

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 2021, there are no loans recognized at fair value through profit or loss (31 December 2020: None).

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I. Explanations and disclosure related to the 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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	278.218	--	97.046	--
Swap Transactions	722.661	--	368.124	--
Futures Transactions	--	--	--	--
Options	267.575	3.406	231.789	10.406
Other	--	--	--	--
Total	1.268.454	3.406	696.959	10.406

3. Information on Banks

3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	397.803	658.294	465.103	39.805
Foreign	557	443.657	461	383.162
Foreign head-offices and branches	--	--	--	--
Total	398.360	1.101.951	465.564	422.967

3.2 Due from foreign banks

	Current Period		Prior Period	
	Unrestricted Balances	Restricted Balances	Unrestricted Balances	Restricted Balances
EU Countries	35.651	3.039	68.714	233.344
USA and Canada	329.485	--	8.447	--
OECD Countries	22.820	44.066	719	59.798
Off-Shore Banking Regions	--	--	--	--
Other	9.153	--	12.601	--
Total	397.109	47.105	90.481	293.142

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	196.700	944.749	2.929	717.544
Other	--	--	--	--
Total	196.700	944.749	2.929	717.544

As of 31 December 2021, the amount of financial assets at fair value through other comprehensive income not given as collateral or not blocked is TL 936.304 (31 December 2020: TL 307.053).

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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	2.098.634	1.017.163
Quotec on Stock Exchange	2.098.634	1.017.163
Unquoted on Stock Exchange	--	--
Share certificates	4.897	10.363
Quotec on Stock Exchange	4.897	10.363
Unquoted on Stock Exchange	--	--
Impairment provision (-)	25.778	--
Total	2.077.753	1.027.526

5. Information on Loans

5.1 Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Loans to Shareholders	--	--	--	20
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	20
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	6.805	--	6.497	--
Total	6.805	--	6.497	20

5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Non-restructured	Restructured	
			Revised Contract Terms	Refinanced
Loans	18.574.042	611.460	2.929.219	--
Working Capital Loans	5.802.602	276.690	1.951.747	--
Export Loans	--	--	--	--
Import Loans	--	--	--	--
Loans to Financial Sector	91.541	--	--	--
Consumer Loans	6.071.795	125.208	47.320	--
Credit Cards	11.514	1.046	--	--
Others	6.596.590	208.516	930.152	--
Specialization Loans	--	--	--	--
Other Receivables	--	--	--	--
Total (*)	18.574.042	611.460	2.929.219	--

(*) Amounting to TL 74.064 factoring receivables are also included.

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-months Expected Credit Losses	159.887	--	155.743	--
Significant Increase in Credit Risk	--	348.256	--	285.623
Total	159.887	348.256	155.743	285.623

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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 (continued)

The overdue analysis of close monitoring loans

Current Period	Commercial Loans	Consumer Loans	Total
1-30 days	7.031	25.446	32.477
31-60 days	7.748	56.310	64.058
61-90 days	7.887	30.488	38.375
Total	22.666	112.244	134.910

Prior 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

Maturity analysis of cash loans

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans and Other Receivables	8.532.620	148.700	14.964
Loans	8.532.620	148.700	14.964
Specialized Loans			
Other Loans			
Medium and Long-term Loans and Other Receivables	10.041.422	462.760	2.914.255
Loans	10.041.422	462.760	2.914.255
Specialized Loans			
Other Loans			

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I. Explanations and disclosure related to the assets (continued)

5.3 Information on consumer loans, individuals credit cards and credit cards given to personnel

	Short-Term	Medium or Long Term	Total
Consumer Loans-TL	1.780.734	4.324.699	6.105.433
Mortgage Loans	--	196.946	196.946
Vehicle Loans	--	1.971	1.971
General Purpose Loans	1.780.734	4.125.782	5.906.516
Other	--	--	--
Consumer Loans-Indexed to FC	--	1.786	1.786
Mortgage Loans	--	1.572	1.572
Vehicle Loans	--	--	--
General Purpose Loans	--	214	214
Other	--	--	--
Consumer Loans-FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	7.298	--	7.298
With Installment	1.636	--	1.636
Without Installment	5.662	--	5.662
Individual Credit Cards-FC	166	--	166
With Installment	--	--	--
Without Installment	166	--	166
Loans Given to Employees-TL	1.052	5.024	6.076
Mortgage Loans	--	409	409
Vehicle Loans	--	--	--
General Purpose Loans	1.052	4.615	5.667
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	720	--	720
With Installment	87	--	87
Without Installment	633	--	633
Personnel Credit Cards - FC	9	--	9
With Installment	--	--	--
Without Installment	9	--	9
Overdraft Loans-TL (Real Persons)	131.028	--	131.028
Overdraft Loans-FC (Real Persons)	--	--	--
Total	1.921.007	4.331.509	6.252.516

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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	426.641	2.105.092	2.531.733
Real Estate Loans	--	6	6
Vehicle Loans	2.041	31.770	33.811
General Purpose Loans	424.600	2.073.316	2.497.916
Other	--	--	--
Installment Commercial Loans - Indexed to FC	--	30.809	30.809
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	30.809	30.809
Other	--	--	--
Installment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	4.367	--	4.367
With Installment	2.217	--	2.217
Without Installment	2.150	--	2.150
Corporate Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Legal Entities)	138.507	--	138.507
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	569.515	2.135.901	2.705.416

5.5 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	22.114.721	19.006.911
Total (*)	22.114.721	19.006.911

(*) Factoring receivables amounting to TL 74.064 (31 December 2020: TL 105.851) are included.

5.6 Allocation of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	21.552.903	18.080.629
Foreign Loans	561.818	926.282
Total (*)	22.114.721	19.006.911

(*) Factoring receivables amounting to TL 74.064 (31 December 2020: TL 105.851) are included.

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I. Explanations and disclosure related to the assets (continued)

5.7 Loans granted to subsidiaries and associates

The Bank has loans granted to subsidiaries and associates amounting to TL 60.114 as of 31 December 2021 (31 December 2020: None).

5.8 Provisions provided against loans (third stage)

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	37.132	33.606
Loans and Receivables with Doubtful Collectability	157.932	56.774
Uncollectible Loans and Receivables	187.672	298.370
Total	382.736	388.750

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 Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period	--	2.872	1.491
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	--	2.872	1.491
Prior Period	18	1.779	2.508
Gross Amounts before Specific Provisions	--	--	--
Restructured Loans and Other Receivables	18	1.779	2.508

5.9.2 Movement on non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Balances at the End of Prior Period	64.587	82.945	471.893
Additions (+)	857.453	74.578	21.896
Transfers from Other Categories of Non-Performing Loans (+)	--	577.766	127.329
Transfers to Other Categories of Non-Performing Loans (-)	577.766	127.329	--
Collections (-)	243.811	47.282	124.070
Write-offs (-)	4.462	4.462	51.262
Sold (-)	34.322	31.355	143.613
Corporate and Commercial Loans	32.718	21.587	105.821
Retail Loans	1.598	9.737	35.577
Credit Cards	7	31	2.214
Other	--	--	--
Balances at End of the Period	61.679	524.861	302.173
Provisions (-)	37.132	157.932	187.672
Net Balance on Balance Sheet	24.547	366.929	114.501

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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 2021)	155.743	285.623	388.750
Loans and movements added during the period	60.767	10.689	16.850
Loans and movements moved out during the period	(22.685)	113	(24.790)
Movements of Stage 1 and Stage 2			
Stage 1 Loans in two periods	(30.328)	--	--
Transfers from Stage 1 to Stage 2	(11.874)	62.607	--
Stage 2 Loans in two periods	--	202.231	--
Transfers from Stage 2 to Stage 1	9.983	(13.569)	--
Movements of Stage 3			
Transfers from Stage 1 to Stage 3 (*)	(1.365)	--	40.475
Transfers from Stage 2 to Stage 3	--	(140.178)	139.893
Stage 3 Loans in two periods (amount and parameter change)	--	--	(15.712)
Write-offs	--	--	--
Sold	(355)	(59.259)	(162.731)
Period end (31 December 2021)	159.887	348.256	382.736

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 collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Balance as of Period End	1.935	457.522	86.790
Provisions (-)	1.623	167.758	28.102
Net Balance on Balance Sheet	312	289.764	58.688
Prior 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

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I. Explanations and disclosure related to the assets (continued)

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)	24.547	366.929	114.501
Loans Granted to Real Persons and Legal Entities (Gross)	61.679	524.861	302.173
Provisions (-)	37.132	157.932	187.672
Loans Granted to Real Persons and Legal Entities (Net)	24.547	366.929	114.501
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior 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)	--	--	--

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 (31 December 2020: 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.

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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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	59.880	2.888.813	48.344	858.607
Other	--	--	--	--
Total	59.880	2.888.813	48.344	858.607

6.2 Information on government securities in financial assets measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	190.594	3.015.309	187.659	1.006.930
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
Total	190.594	3.015.309	187.659	1.006.930

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt instruments	3.230.721	1.207.902
Quoted on Stock Exchange	3.230.721	1.207.902
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	3.230.721	1.207.902

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	1.207.902	575.098
Foreign Exchange Difference in Monetary Assets	719.494	132.935
Revaluation adjustments	34.657	5.934
Purchases during the year	1.268.668	493.935
Disposals through Sales and Redemptions	--	--
Impairment provision (-)	--	--
Total	3.230.721	1.207.902

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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 2021 (31 December 2020: None).

8. Information on subsidiaries

The Bank has TL 117.945 investment in subsidiaries as of 31 December 2021 (31 December 2020: TL 117.945).

Non financial subsidiaries

The Bank has TL 112.500 investment in a non-financial subsidiary as of 31 December 2021 (31 December 2020: TL 112.500).

	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)
Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.	Istanbul	100,00%	100,00%

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 2021 (31 December 2020: 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.	Istanbul	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 2021 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
28.021	24.308	292	-	--	8.379	7.220	--

(*) Total fixed assets consist tangible and intangible assets.

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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 Losses / 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 Fıbabanka A.Ş. by 99%.

Sectoral information on consolidated financial subsidiaries and the related carrying

	Current Period	Prior Period
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	5.445	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 2021.

10. Information on lease receivables

The Bank does not have lease receivables as of 31 December 2021.

11. Information on derivative financial assets held for hedging purposes

As of 31 December 2021, The Bank has no hedging derivative financial assets (31 December 2020: None).

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I. Explanations and disclosure related to the assets (continued)
12. Information on tangible assets

Current Period	Real Estate	Cars	Investments In Progress**	Other Tangible Assets*	Total
Cost					
Beginning Balance, 1 January 2021	290.917	19.539	62.911	116.854	490.221
Additions	58	10.391	58.525	24.229	93.203
Disposals	(5.067)	--	--	3.793	(1.274)
Ending Balance, 31 December 2021	296.042	29.930	121.436	137.290	584.698
Accumulated Depreciation					
Beginning Balance, 1 January 2021	(51.717)	(3.166)	--	(75.570)	(130.453)
Depreciation	(15.940)	(4.795)	--	(21.171)	(41.906)
Disposals	--	--	--	2.050	2.050
Ending Balance, 31 December 2021	(67.657)	(7.961)	--	(94.691)	(170.309)
Net Book Value, 31 December 2021	228.385	21.969	121.436	42.599	414.389

* 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	Real Estate	Cars	Investments In Progress**	Other Tangible 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	299.917	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.

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

None.

12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually

None.

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I. Explanations and disclosure related to the 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 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	185.417	138.228
Additions	52.243	51.342
Disposal	766	4.153
Ending Balance, 31 December	236.894	185.417
Accumulated Depreciation		
Beginning Balance, 1 January	(94.440)	(68.351)
Amortisation Expense for Current Period (-)	(35.923)	(26.089)
Disposal	--	--
Ending Balance, 31 December	(130.363)	(94.440)
Net Book Value, 31 December	106.531	90.977

13.4 Details for any individually material intangible assets

None.

13.5 Intangible assets capitalised under government incentives at fair values

None.

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

None.

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I. Explanations and disclosure related to the assets (continued)

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 2021, the deferred tax asset amounting to TL 308.819 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2020: TL 191.700 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	
	Deferrec Tax Base	Deferrec Tax Asset/
Financial Assets Valuation	516.556	101.634
Unearned Commission Income/Prepaid Commission Expenses	113.656	24.783
Retirement Pay and Unused Vacation Provision	50.822	12.000
Tangible Assets Base Differences	(37.835)	(7.567)
Provisions	858.529	187.652
Other	10.944	(9.683)
Deferrec Tax Asset/(Liability)	1.512.672	308.819
	Prior Period	
	Deferrec Tax Base	Deferrec Tax Asset/
Financial Assets Valuation	294.394	58.879
Unearned Commission Income/Prepaid Commission Expenses	43.865	8.773
Retirement Pay and Unused Vacation Provision	36.894	7.379
Tangible Assets Base Differences	(36.743)	(7.349)
Provisions	605.826	121.166
Other	14.268	2.852
Deferrec Tax Asset/(Liability)	958.504	191.700

The movement of the current year and prior year deferred tax assets is shown below:

	1 January-31 December 2021	1 January-31 December 2020
Deferrec Tax Asset, 1 January	191.700	54.427
Deferrec Tax Income / (Expense)	141.135	137.989
Deferrec Tax Recognized Directly Under Equity	(24.016)	(716)
Deferrec Tax Asset/(Liability), Period End Balance	308.819	191.700

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 2020: 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 2021, the Bank has TL 182.161 assets held for sale (31 December 2020: TL 102.748).

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 2021, total prepaid expenses are TL 41.115 (31 December 2020: TL 41.579).

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II. Explanations and disclosures related to liabilities

1. Information on deposits

1.1 Information on maturity structure of deposits

Current period	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	534.553	--	4.744.646	2.312.448	57.937	155.230	91.456	--	7.896.270
Foreign Currency Deposits	4.093.791	--	7.803.817	1.044.716	155.771	5.035	207.983	--	13.311.113
Residents in Turkey	3.955.128	--	7.755.600	1.039.879	155.771	4.936	207.915	--	13.119.229
Residents Abroad	138.663	--	48.217	4.837	--	99	68	--	191.884
Public Sector Deposits	386	--	--	--	--	--	--	--	386
Commercial Deposits	633.695	--	138.081	366.682	1.021	14.724	125	--	1.154.328
Other Ins. Deposits	4.520	--	13.357	26.782	31	66	--	--	44.756
Precious Metal Deposits	1.182.332	--	1.024.849	--	--	--	--	--	2.207.181
Interbank Deposits	143.226	--	107.920	5.254.043	881.168	--	--	--	6.386.358
Central Bank of Turkey	--	--	151	5.229.130	881.168	--	--	--	6.110.450
Domestic Banks	25	--	70.026	--	--	--	--	--	70.051
Foreign Banks	137.477	--	37.743	24.913	--	--	--	--	200.133
Special Finan.Inst.	5.724	--	--	--	--	--	--	--	5.724
Other	--	--	--	--	--	--	--	--	--
Total	6.592.503	--	13.832.670	9.004.671	1.095.928	175.055	299.564	--	31.000.392

(*) As of 31 December 2021, the Bank has a total of TL 826.739 foreign exchange-protected deposit instrument of which TL 38.833 opened within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, TL 787.546 opened within the scope of the announcement of the Ministry of Treasury and Finance ("Treasury" I dated 24 December 2021. Foreign exchange revaluation differences amounting to TL 99.289 regarding the foreign exchange-protected deposit instrument calculated as of the balance sheet date are presented in other assets under assets and included in other liabilities under liabilities.

Prior Period	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative 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

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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 Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3.321.603	2.701.076	4.533.63*	3.100.426
Foreign Currency Saving Deposits	2.893.560	1.554.183	9.124.125	5.118.091
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	6.215.163	4.255.259	13.657.756	8.218.517

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	8.595	11.366
Deposits of Chairman and Members of the Board of Directors and their Close Families	--	--
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	52.423	43.256
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	839.040	--	100.750	--
Swap Transactions	587.941	--	767.895	--
Futures Transactions	--	--	--	--
Options	248.017	3.398	228.455	10.392
Other	--	--	--	--
Total	1.674.998	3.398	1.097.100	10.392

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	15.646	251.020	20.370	180.458
From Foreign Banks, Institutions and Funds	--	256.911	--	954.314
Total	15.646	507.931	20.370	1.134.772

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II. Explanations and disclosures related to liabilities (continued)

3.2 Maturity analysis of borrowing

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	14.961	6.238	20.370	98.963
Medium and Long Term	685	501.693	--	1.035.809
Total	15.646	507.931	20.370	1.134.772

3.3 Additional explanation related to the concentrations of the Bank's major liabilities

In the scope of 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	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	2.579.975
Book Value	--	--	--	2.646.236

Prior period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	1.443.590
Book Value	--	--	--	1.480.900

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 "IFRS 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	55.912	39.831	50.641	37.376
Between 1-4 Years	33.097	8.631	33.330	15.470
More than 4 Years	2.702	497	2.774	556
Total	91.711	48.959	86.745	53.402

6.1 Additional explanations related to the changes in agreements and the additional liabilities brought by these changes

None.

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II. Explanations and disclosures related to liabilities (continued)

7. Information on derivative financial liabilities for hedging purposes

As of 31 December 2021, there are no derivative financial liabilities for hedging purposes (31 December 2020: None).

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 2021, there is no provision of foreign exchange losses on the foreign currency indexed loans. (31 December 2020: None)

8.2 The specific provisions provided for unindemnified non cash loan

As of 31 December 2021, the specific provision provided for unindemnified non cash loans is TL 5.847 (31 December 2020: TL 4.566).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	337.000	151.000

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 2021, reserves for employee benefits amounting to TL 50.822 (31 December 2020: TL 36.894) comprise of TL 23.976 reserve for employee termination benefits (31 December 2020: TL 19.659), TL 5.867 unused vacation pay liability (31 December 2020: TL 5.689) and TL 20.978 personnel bonus accrual (31 December 2020: TL 11.546).

The table below shows the predicted total net cost from employee termination benefits.

	Current Period	Prior Period
Balance at the Beginning	19.659	14.959
Change in the period	6.303	6.800
Aktüeriel Loss/Profit Transferred to Equity	3.004	3.763
Paid in the Period	(4.990)	(5.863)
Balance at the End	23.976	19.659

9. Explanations on Tax Liability

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 31 December 2021, the Bank's current tax liability is TL 288.652 (31 December 2020: TL 186.711).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	198.273	143.871
Taxation on securities	15.179	13.359
Property tax	1.046	173
Banking and Insurance Transaction Tax (BITT)	20.516	13.228
Taxes on foreign exchange transactions	28.193	1.433
Value added taxes payable	3.707	1.715
Income tax assessed from wages	11.244	6.114
Other	1.818	1.004
Total	279.976	180.897

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II. Explanations and disclosures related to liabilities (continued)

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	3.664	2.467
Social Security Premiums- Employer	4.245	2.831
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	255	172
Unemployment Insurance- Employer	512	344
Other	--	--
Total	8.676	5.814

9.2 Explanations on deferred tax liabilities

There are no deferred tax liabilities after netting of deferred tax assets (31 December 2020: None).

10. Information on liabilities regarding assets held for sale and discounted operations

None (31 December 2020: None).

11. Explanations on subordinated loans

	Current Period		Prior Period	
	TP (*)	FC	TL	FC
Debt instruments subject to common equity	100.000	399.981	100.000	220.276
Subordinated loans	--	--	--	--
Subordinated debt instruments*	100.000	399.981	100.000	220.276
Debt instruments subject to Tier 2 equity	--	3.390.167	--	1.907.323
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	3.390.167	--	1.907.323
Total	100.000	3.790.148	100.000	2.127.599

(*)Related debt instrument is shown in "Other capital Reserves" account.

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II. Explanations and disclosures related to liabilities (continued)

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 Privileged Shares	--	--
Share Premium	128.678	128.678
Share Cancellation Profits	--	--
Other Equity Instruments	--	--

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	129.399	(23.035)	3.850	18.413
Exchange Difference	--	--	--	--
Total	129.399	(23.035)	3.850	18.413

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 principal of debt instrument under "Other Capital Reserves" account and current year interest expense under "Prior Periods Profit or Loss" account.

12.11 Information on revaluation reserve

None.

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II. Explanations and disclosures related to liabilities (continued)

12. Information on shareholders' equity (continued)

12.12 Bonus shares of subsidiaries, associates and joint ventures

None.

12.13 Information on legal reserves

	Current Period	Prior Period
Legal Reserves	52.876	42.321
Special Reserves	--	--

12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	654.616	454.072
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

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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	5.943.712	996.421
Credit Card Limit Commitments	25.488	27.643
Credit Card and Bank Trans. Promo. Guarantee	11	--
Commitments for Credit Allocation with the Guarantee of Usage	1.794.126	1.332.248
Export Commitments	36.399	8.878
Commitment for Cheques	248.984	184.090
Other Irrevocable Commitments	5.409	14.927
Total	8.054.129	2.564.207

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	454.064	584.041
Letters of Guarantee FC	227.839	277.530
Letters of Credit	147.599	248.224
Bills of Exchange and Acceptances	174.675	156.767
Total	1.004.177	1.266.562

The Bank has set aside TL 7.930 of expected credit loss allowance for non-cash loans (31 December 2020: TL 9.788).

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	8.680	18.446
Irrevocable Letters of Guarantee	551.710	728.239
Letters of Guarantee Given in Advance	58.049	66.645
Letters of Guarantee Given to Customs	34.789	14.100
Other Letters of Guarantee	28.675	34.141
Total	681.903	861.571

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	7.078	--
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	7.078	--
Other Non-Cash Loans	997.099	1.266.562
Total	1.004.177	1.266.562

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III. Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)

3. Information on sectoral risk concentration of non cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	4.015	%0,9	63.946	%11,7	1.767	%0,3	21.193	%3,2
Farming and raising livestock	2.230	%0,5	10.663	%1,9	389	%0,1	13.569	%2,1
Forestry	1.785	%0,4	53.283	%9,7	1.378	%0,2	7.624	%1,2
Fishing	--	%0,0	--	%0,0	--	%0,0	--	%0,0
Manufacturing	132.769	%29,1	223.186	%40,8	130.215	%21,5	318.836	%48,3
Mining	3.422	%0,7	--	%0,0	3.237	%0,5	--	%0,0
Production	126.190	%27,6	222.804	%40,7	123.266	%20,3	311.495	%47,2
Electric, gas and water	3.157	%0,7	382	%0,1	3.712	%0,6	7.341	%1,1
Construction	114.846	%25,2	51.876	%9,5	146.632	%24,2	47.920	%7,3
Services	139.209	%30,5	177.294	%32,4	138.531	%22,8	203.524	%30,8
Wholesale and retail trade	84.004	%18,4	57.091	%10,4	40.268	%6,6	37.854	%5,7
Hotel, food and beverage services	13.753	%3,0	54.312	%9,9	14.783	%2,4	47.561	%7,2
Transportation and telecommunication	10.060	%2,2	37.116	%6,8	20.047	%3,3	28.693	%4,3
Financial institutions	13.197	%2,9	7.444	%1,4	49.256	%8,1	78.810	%11,9
Real estate and renting services	665	%0,1	--	%0,0	1.245	%0,2	1.172	%0,2
Self-employment services	4.498	%1,0	--	%0,0	4.013	%0,7	143	%0,0
Education services	4.111	%0,9	--	%0,0	2.687	%0,4	--	%0,0
Health and social services	8.921	%2,0	21.331	%3,9	6.232	%1,0	9.291	%1,4
Other	65.725	%14,4	31.310	%5,7	189.446	%31,2	68.498	%10,4
Total	456.564	%100,0	547.613	%100,0	606.591	%100,0	659.971	%100,0

4. Information on the first and second group of non-cash loans

Current Period	Stage I		Stage II	
	TL	FC	TL	FC
Letters of Guarantee	396.404	223.431	57.660	4.408
Bills of Exchange and Bank Acceptances	2.500	172.175	--	--
Letters of Credit	--	146.797	--	802
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties				
Non-Cash Loans	398.904	542.403	57.660	5.210

Prior Period	Stage I		Stage II	
	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

5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	53.187.119	33.526.782
Forward Transactions	13.167.149	4.022.259
Swap Transactions	35.801.978	23.374.081
Futures Transactions	5.079	--
Option Transactions	4.212.913	6.130.442
Interest Related Derivative Transactions (II)	4.895.510	2.899.546
Forward Rate Transactions	--	--
Interest Rate Swap Transactions	4.895.510	2.899.546
Interest Option Transactions	--	--
Futures Interest Transactions	--	--
Other Trading Derivative Transactions (III)	415.032	420.836
A. Total Derivative Transactions Held for Trading (I+II+III)	58.497.661	36.847.164
Types of hedging transactions		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
B. Total Derivative Transactions Held for Hedging Purposes	--	--
Total Derivative Transactions (A+B)	58.497.661	36.847.164

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III. Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)

6. Information on the first and second group of non cash loans

None.

7. Information related to derivative financial instruments

The bank recognised a provision of TL 6.015 for the legal cases pending against the Bank where the cash out flows are probable (31 December 2020: TL 6.198).

8. 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.

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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(*)	2.679.490	414.513	1.500.921	501.698
Short Term Loans	1.563.408	46.732	692.596	65.373
Medium and Long Term Loans	1.116.082	367.781	808.325	436.325
Interest on Non-Performing Loans	12.401	--	15.576	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	2.691.891	414.513	1.516.497	501.698

(*) 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	815	--	--	--
Domestic Banks	19.202	122	24.871	53
Foreign Banks	--	157	--	229
Branches and Head Office Abroad	--	--	--	--
Total	20.017	279	24.871	282

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	2.644	112	8.389	131
Financial Assets at Fair Value Through Other Comprehensive	8.134	55.027	549	45.751
Financial Assets Measured at Amortized Cost	22.253	105.404	15.930	41.645
Total	33.031	160.543	24.868	87.527

1.4 Information on interest income received from associates and subsidiaries

Total interest income received from subsidiaries is TL 13.936 (31 December 2020: None).

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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	3.037	13.925	1.613	41.668
The Central Bank of Turkey	--	--	--	--
Domestic Banks	3.037	4.908	1.613	23.116
Foreign Banks	--	9.017	--	18.552
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	197.812	--	165.407
Total	3.037	211.737	1.613	207.075

(*) Includes fees and commission expenses on borrowings, as well.

2.2 Information on interest expenses to associates and subsidiaries

Total interest expense given to associates and subsidiaries is TL 12.353 (1 January -31 December 2020: TL 729).

2.3 Information on interest expenses to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	--	158.005	28.310	110.398

2.4 Information on maturity structure of interest expenses paid for deposits

Account Description	Demand Deposits	Time Deposits					Cumulative Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
Turkish Lira								
Bank Deposits	--	116.987	--	--	--	--	--	116.987
Saving Deposits	--	968.647	482.159	33.690	20.576	18.151	--	1.523.223
Public Sector Deposits	--	98	257	--	--	--	--	355
Commercial Deposits	--	54.266	170.776	950	3.014	9	--	229.015
Other	--	1.158	9.934	584	48	--	--	11.724
7 Days Notice	--	--	--	--	--	--	--	--
Total	--	1.141.156	663.126	35.224	23.638	18.160	--	1.881.304
Foreign Currency								
Foreign Currency Deposits	--	44.388	18.917	1.143	121	4.674	--	69.243
Bank Deposits	--	3.965	--	--	--	--	--	3.965
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	3.807	--	--	--	--	--	3.807
Total	--	52.160	18.917	1.143	121	4.674	--	77.015
Grand Total	--	1.193.316	682.043	36.367	23.759	22.834	--	1.958.319

3. Information on dividend income

As of 31 December 2021, the Bank's dividend income from its subsidiaries is TL 197.009 (31 December 2020: None).

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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	6.997.433	2.418.803
Gains on Capital Market Operations	52.902	61.618
Gains on Derivative Financial Instruments	1.934.648	1.371.297
Foreign Exchange Gains	5.009.883	985.888
Loss (-)	6.837.475	2.272.068
Losses on Capital Market Operations	9.109	18.969
Losses on Derivative Financial Instruments	2.528.456	1.298.946
Foreign Exchange Losses	4.299.910	954.153
Net Trading Income / (Loss)	159.958	146.735

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	513.460	285.864
12 Months Expected Credit Losses (Stage 1)	4.111	41.832
Significant Increase in Credit Risk (Stage 2)	133.230	126.137
Impaired Credits (Stage 3)	376.119	117.895
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 (*)	187.587	110.595
Total	701.047	396.459

(*) TL 186.000 of the total is the provisions expense for possible losses (31 December 2020: TL 106.500).

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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	1.313	937
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	19.213	17.738
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	35.923	26.097
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	22.693	28.162
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	192.202	138.564
Operational leases expenses related with TFRS 16 exceptions	1.039	630
Repair and Maintenance Expenses	2.373	2.215
Advertisement Expenses	24.356	16.669
Other Expenses	164.434	119.050
Losses on Sale of Assets	2.985	4.060
Other	149.215	109.218
Total	423.544	324.776

8. Information on profit/loss before tax from continued and discontinued operations

The Bank's profit/loss before tax is from its continued operations. The Bank has no discontinued operations.

	Current Period	Prior Period
Interest Income	3.411.084	2.179.521
Interest Expenses (-)	2.367.793	1.223.461
Net Fee and Commission income	260.202	150.342
Dividend Income	197.009	--
Trading Profit/Loss (Net)	159.958	146.735
Other Operating Income	327.099	83.997
Provision for Impairment in Loans and Other Receivables	513.460	285.864
Other Provision Expenses (-)	187.587	110.595
Personnel Expenses (-)	391.454	299.730
Other Operating Expenses (-)	423.544	324.776
Profit/(loss) Before Tax	471.514	316.169

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 2021, the Bank provided current tax expense of TL 202.682 in the statement of profit/loss for the 12 months period (1 January - 31 December 2020: TL 224.323 expense).

As of 31 December 2021, the Bank provided net deferred tax income of TL 141.135 in the statement of profit/loss for the 12 months period (1 January - 31 December 2020: TL 137.989 net deferred tax income).

10. Information on profit/loss from continued and discontinued operations

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	471.514	316.169
Tax Benefit/(Charge) on Continuing Operations	(61.547)	(86.334)
Net Profit/(Loss) from Continuing Operations	409.967	229.835

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IV. Explanations and disclosures related to the statement of profit or loss (continued)

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 valuation commissions, insurance commissions, contracted merchant commissions, and credit card commissions.

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.

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 2021 profit will be made at the General Assembly.

At the General Assembly meeting held on 26 March 2021, 2020 profit of the Bank was decided to be distributed as follows:

Profit or Loss	229.835
A Prior Periods Losses	18.736
B Legal Reserves	10.555
C- Extraordinary Reserves	200.544

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 equity securities are sold, redeemed, disposed of or impaired; recognised as "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under such equity securities. In case the related assets are securities representing a share in the capital, in the account "Accumulated Other Comprehensive Income or Loss to be Reclassified Through Profit or Loss" under equity.

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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 2021	1 January 2020
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 Equivalent Assets	2.830.500	2.122.993

b) Cash and cash equivalents at the end of the period:

	31 December 2021	31 December 2020
Cash	968.288	336.603
Banks and Other Financial Institutions	10.544.067	2.081.666
Money Market Placements	128.720	412.213
Total Cash and Cash Equivalents Assets	11.641.075	2.830.500

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 47.105 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 2020: TL 293.142).

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 51.562 in "operating profit before changes in operating assets and liabilities" consists of other operating expenses and realized derivative losses (31 December 2020: TL 88.002).

"Net increase/decrease in other liabilities" amounting to TL 1.347.169 in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2020: TL 1.722).

"Net increase/decrease in other assets" amounting to TL (334.178) in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2020: TL (7.458)).

"Other" amounting to TL (93.218) in "Net cash flows from investment activities" consists of purchases of intangible asset (31 December 2020: TL (51.350)).

"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 1.786.611 for the current period (1 January- 31 December 2020: TL (754.560)).

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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 Information on the volume of transactions with the Bank's risk group

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	635.851	70.760
Balance at the End of the Period	60.114	--	--	--	465.991	67.861
Interest and Commission Income Received	13.936	--	--	--	54.949	590

(*) Described in article 49 of the Banking Act No: 5411.

(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

Prior 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	--	--	--	--	36.884	126

(*) Described in article 49 of the Banking Act No: 5411.

(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

1.2 Information on deposits of the 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 Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	2.561	8.695	18.479	57.840	512.953	231.137
Balance at the End of the Period	224.393	2.561	2.204	18.479	399.459	512.953
Deposit Interest Expense	12.353	729	1.112	4.778	36.759	20.532

(*) 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 2021, there are no funds other than deposit obtained from Bank's risk group (31 December 2020: None).

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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 Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	585.484	381.159
Balance at the End of the Period	--	--	--	--	404.723	585.484
Total Income/Loss	--	--	--	--	54.382	578
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 2021, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 2,11% (31 December 2020: 3,38%) and the ratio of the deposits of entities of risk group to total deposits is 2,02% (31 December 2020: 3,02%). There are no funds obtained from entities of risk group (31 December 2020: None).

In the current period, benefits such as salaries and bonuses, provided to the key management are TL 27.131 (1 January - 31 December 2020: TL 21.134).

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.

FİBANKA A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2021 - 31 DECEMBER 2021

(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	47	1.766		
			Country of Incorporations	
Foreign Representation Office			1-	
			2-	
			3-	
				Total Assets
				Statutory Share Capital
Foreign Branch			1-	
			2-	
			3-	
Off-shore Banking Region Branches			1-	
			2-	
			3-	

IX. Fees for services received from Independent Auditor / Independent Audit firms

The fee information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the KGK dated 26 March 2021 is given in the table below. These fees include the fees for services rendered to the Bank's consolidated subsidiaries.

	Current Period	Prior Period
Independent Audit Fee	1.017	707
Tax Consultancy Fee	--	--
Other Assurance Services Fee	59	--
Other Fee For Non-Audit Services	--	--
Total	1.076	707

X. Events after balance sheet date

In January 2022, a dividend income of 160.000 TL was received from Finberg Araştırma Gelişim Danışmanlık Yatırım Hizmetleri A.Ş. which is subsidiary of the Bank.

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	B
Viability Rating	b
Support Rating	5
Long term National Scale Rating	A- (tur)
Senior Unsecured Debt Rating	B+
Subordinated Debt Rating	B-
Outlook	Negative

FİBANKA A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2021 - 31 DECEMBER 2021

(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 2021, 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.

FİBANKA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
31 DECEMBER 2021 WITH INDEPENDENT
AUDITORS' REPORT THEREON**

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED
DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)



KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
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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 2021 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 subsidiary as at 31 December 2021, 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 2021 include a general provision of total of TL 337.000 thousands, of which TL 186.000 thousands was recognized as expense within the current period and TL 151.000 thousands had been recognized as expense in prior periods; with a deferred tax asset amounting to TL 77.510 thousands of which TL 47.310 thousands was recognized within the current period and TL 30.200 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 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 (*including Independence Standards*) ("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 in Section III, No: VIII of the consolidated financial statements.

Key audit matter	How the matter is addressed in our audit
<p>As of 31 December 2021, loans measured at amortised cost comprise 51% of the Group's total assets.</p> <p>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").</p> <p>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.</p> <p>The significant assumptions and estimates of the Group's management are as follows:</p> <ul style="list-style-type: none"> - 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. 	<p>Our procedures for testing the impairment of loans included below:</p> <ul style="list-style-type: none"> • 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 on prospective information and macroeconomic variables.



<p>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.</p> <p>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.</p> <p>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.</p> <p>Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, the level of judgements and its complex structure as explained above.</p>	<ul style="list-style-type: none"> • 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.
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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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



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

B) 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 2021 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 A.Ş.

Alper Güvenç, SMMM
Partner
28 February 2022
İstanbul, Turkey



**THE CONSOLIDATED FINANCIAL REPORT OF
FİBABANKA A.Ş.
FOR THE YEAR ENDED 31 DECEMBER 2021**

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No: 129 Şişli 34394 İstanbul-
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Web Site : www.fibabanka.com.tr
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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	İsmet Kaya Erdem	Faik Onur Umut	Ömer Mert	Elif Alev - Utku Özbey	Ayşe Akdaş
Chairman of the Board of Directors	Member of the Audit Committee	Member of the Audit Committee	General Manager and Member of the Board of Directors	Deputy General Manager	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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FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2021**

(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. In 2013, there was the first sale of equity shares to the management of the Bank, and there has been changes over time. As of 31 December 2020 the total shares held by the Bank’s Management represent 2,66% 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 2021, paid-in capital of the Bank is TL 941.161 and all paid in.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2021**

(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

<u>Name Surname</u>	<u>Title</u>	<u>Assignment Date</u>
Board of Directors		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
İsmet Kaya Erdem	Member	11-Feb-13
Mehmet Güleşçi	Member	27-Dec-10
Faik Onur Umut	Member	23-Jan-19
Memduh Aslan Akçay	Member	13-Apr-16
Hülya Kefeli	Member	15-May-17
Seyfettin Ata Köseoğlu	Member	23-Jan-20
Erman Kalkandelen	Member	02-Jul-21
Ömer Mert	General Manager - Member	18-Jan-17
Audit Committee		
İsmet Kaya Erdem	Member	27-Dec-19
Faik Onur Umut	Member	14-Jan-20
Assistant General Managers		
Elif Alsev Utku Özbey	Deputy GM - Financial Control & Reporting	07-Jan-11
Kerim Lokman Kuriş	AGM - Corporate & Commercial Banking	01-Dec-15
Turgay Hasdiker	AGM - Credits	01-Dec-15
Ahu Dolu	AGM - Financial Institutions, Project Finance, and Investor Relations	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
Gökhan Ertürk	AGM - Ecosystem and Platform Banking	11-May-21

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 2021**

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

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

<u>Name Surname/ Commercial Title</u>	<u>Share Amount (Nominal)</u>	<u>Share Ratios</u>	<u>Paid in Capital (Nominal)</u>	<u>Unpaid Shares</u>
Fiba Holding A.Ş.	653.808	69,47%	653.808	--
Hüsnü Mustafa Özyeğin (*)	647.287	68,78%	647.287	--

(*) States indirect share of Mr 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 2021, the Group serves with 47 domestic branches and 1.782 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	: malikontrol@fibabanka.com.tr
Reporting Period	: 1 January 2021 - 31 December 2021

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 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 1 JANUARY 2021-31 DECEMBER 2021

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

	CURRENT PERIOD (01/01/2021- 31/12/2021)	PRIOR PERIOD (01/01/2020- 31/12/2020)
I. CURRENT PERIOD PROFIT / LOSS	418.346	237.055
II. OTHER COMPREHENSIVE INCOME	82.497	3.479
2.1 Not Reclassified Through Profit or Loss	(1.604)	(3.010)
2.1.1 Property and Equipment; Revaluation Increase/ Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurements Gain/Loss	(3.037)	(3.763)
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	1.432	753
2.2 Reclassified Through Profit or Loss	84.101	6.489
2.2.1 Foreign Currency Conversion Differences	-	-
Valuation and/or Reclassification on Income/Expense of Financial Assets Measured at Fair Value Through Other Comprehensive Income	109.542	7.958
2.2.2 Cash Flow Hedge Income/Loss	-	-
2.2.3 Foreign Net Investment Hedge Income/Loss	-	-
2.2.4 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.5 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(25.441)	(1.469)
2.2.6	-	-
III. TOTAL COMPREHENSIVE INCOME (I+II)	500.843	240.534

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD BETWEEN 1 JANUARY 2021-31 DECEMBER 2021

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Prior Period (01/01/2020)	Other AC: Cumulative Comprehensive Income or Expense That Will Be Reclassified to Profit and Loss						Profit Before Tax	Current Period Net Income/ Loss	Total Items Excluding Minority Interests	Minority Interests	Total Equity
		1	2	3	4	5	6					
I. Balance at beginning of the period	941.181	-	(7.777)	-	-	15.774	284.348	319	214.927	1.659.002	87	1.659.092
II. Corrective made as per TMS 8	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	(7.777)	-	15.774	-	284.348	319	214.927	1.659.002	87	1.659.092
III. Adjusted balance at beginning of the period (I+II)	941.181	-	(7.777)	-	-	15.774	284.348	319	214.927	1.659.002	87	1.659.092
IV. Total Comprehensive Income	-	-	(3.010)	-	6.489	-	-	-	2.36.983	246.462	77	246.534
V. Capital Increase as Cash	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments on paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Subordinate Debt	-	-	(15.716)	-	-	-	-	-	-	-	-	(15.716)
IX. Increase/Decrease by Other Changes	-	-	18.716	-	-	-	-	-	(214.927)	-	-	-
X. Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-
XI. Dividends	-	-	-	-	-	-	-	-	-	-	-	-
XII. Transfers to reserve	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Others	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period (I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII)	941.181	-	(17.787)	-	-	22.263	408.392	(15.754)	2.36.983	1.884.252	159	1.884.412
I. Prior period ending balance	941.181	-	(17.787)	-	-	22.263	408.392	(15.754)	2.36.983	1.884.252	160	1.884.412
II. Corrective made as per TMS 8	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balance at beginning of the period (I+II)	941.181	-	(17.787)	-	-	22.263	408.392	(15.754)	2.36.983	1.884.252	160	1.884.412
IV. Total Comprehensive Income	-	-	(1.604)	-	64.101	-	-	-	418.346	500.799	84	500.883
V. Capital Increase as Cash	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments on paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinate Debt (*)	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / decrease due to other changes (**)	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-
XII. Dividends	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Transfers to reserve	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Others	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period (I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII)	941.181	-	(17.184)	-	-	106.364	807.482	(17.310)	418.322	2.384.052	244	2.384.297

(*) Bank has used the debt instrument with a value of 130.000 TL to acquire the shares of the company, which has been included in the equity of the company. The balance sheet is presented in thousands of Turkish Lira (TL) unless otherwise stated.

(**) Significant and long-term asset revaluations are temporary.

(***) The company has used the debt instrument with a value of 130.000 TL to acquire the shares of the company, which has been included in the equity of the company. The balance sheet is presented in thousands of Turkish Lira (TL) unless otherwise stated.

1. Other AC: Cumulative Comprehensive Income or Expense That Will Be Reclassified to Profit and Loss

2. Other AC: Cumulative Comprehensive Income or Expense That Will Be Reclassified to Profit and Loss

3. Other AC: Cumulative Comprehensive Income or Expense That Will Be Reclassified to Profit and Loss

4. Other AC: Cumulative Comprehensive Income or Expense That Will Be Reclassified to Profit and Loss

5. Other AC: Cumulative Comprehensive Income or Expense That Will Be Reclassified to Profit and Loss

6. Other AC: Cumulative Comprehensive Income or Expense That Will Be Reclassified to Profit and Loss

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD BETWEEN 1 JANUARY 2021-31 DECEMBER 2021

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

	Footnotes	CURRENT PERIOD (01/01/2021 - 31/12/2021)	PRIOR PERIOD (01/01/2020 - 31/12/2020)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2.033.468	1.164.783
1.1.1 Interest received (+)		3.300.248	2.081.303
1.1.2 Interest paid (-)		(2.260.911)	(1.180.233)
1.1.3 Dividend received (+)		197.005	-
1.1.4 Fees and commis on received (+)		404.310	203.326
1.1.5 Other income (+)		902.032	224.18*
1.1.6 Collections from previously written off loans and other receivables (+)		415.162	386.88*
1.1.7 Cash payments to personnel and service suppliers (-)		(865.851)	(555.402)
1.1.8 Taxes paid (-)		(151.164)	(82.582)
1.1.9 Other (+/-)		93.032	87.315
1.2 Changes in Operating Assets and Liabilities		8.111.403	1.704.104
1.2.1 Net (increase)/ decrease in financial assets at fair value through profit or loss (+/-)		(75.164)	1.907.546
1.2.2 Net (increase)/ decrease in due from banks (+/-)		(1.537.689)	(164.014)
1.2.3 Net (increase)/ decrease in loans (+/-)		1.804.437	(2.589.660)
1.2.4 Net (increase)/ decrease in other assets (+/-)		(335.620)	(9.883)
1.2.5 Net (increase)/ decrease in bank ceposites (+/-)		5.385.735	951.402
1.2.6 Net (increase)/ decrease in other ceposites (+/-)		2.180.561	1.322.144
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 (+/-)		(659.009)	289.642
1.2.9 Net (increase)/ decrease in matured payables (+/-)		-	-
1.2.10 Net (increase)/ decrease in other liabilities (+/-)		1.348.112	(2.882)
I. Net Cash Provided from Banking Operations (+/-)		10.145.271	2.869.087
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		-	-
II. Net Cash Flow Provided from Investment Activities (+/-)		(2.577.543)	(1.031.655)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		-	(81.000)
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 (-)		(144.600)	(254.007)
2.4 Cash obtained from the sale of tangible and intangible assets (+)		5.427	54.051
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(1.076.507)	(205.382)
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 (-)		(1.268.668)	(493.935)
2.8 Cash obtained from the sale of financial assets at amortised cost (+)		-	-
2.9 Other (+/-)		(93.195)	(51.382)
C. CASH FLOWS FROM FINANCING ACTIVITIES		-	-
III. Net Cash Provided from Financing Activities (+/-)		(8.727)	(668.501)
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash outflow from funds borrowed and securities issued (-)		-	(654.317)
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for financial leases liabilities (-)		(18.169)	(17.910)
3.6 Other (+/-)		9.442	3.726
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		1.544.712	(754.562)
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		9.103.713	414.369
VI. Cash and Cash Equivalents at the Beginning of the Period (+)		2.537.372	2.123.003
VII. Cash and Cash Equivalents at the End of the Period (V+VI)		11.641.085	2.537.372

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED PROFIT DISTRIBUTION TABLE
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

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

	CURRENT PERIOD (*) (01/01/2021-31/12/2021)	PRIOR PERIOD (01/01/2020-31/12/2020)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	471.514	316.169
1.2 TAXES AND DUTIES PAYABLE (-)	61.547	86.334
1.2.1 Corporate Tax (Income Tax)	202.682	224.323
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(141.135)	(137.989)
A. NET INCOME FOR THE YEAR (1.1-1.2)	409.967	229.835
1.3 PRIOR YEARS LOSSES (-)	-	18.736
1.4 FIRST LEGAL RESERVES (-)	-	10.555
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	409.967	200.544
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	-	200.544
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	0,00436	0,00244
3.2 TO OWNERS OF ORDINARY SHARES (%)	0,44%	0,24%
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 (%)	-	-

(*)As per the Turkish Commercial Code profit distributions are made based on unconsolidated financial statements.

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2021

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

1. 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 XXVIII below.

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 keep the negative economic effects of the pandemic at minimum, a number of measures have been taken both in Turkey and 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 XXVIII “Other Issues”.

According to the announcement made by Public Oversight Accounting and Auditing Standards Authority on 20 January 2022, since cumulative change in the general purchasing power according to Consumer Price Index (“CPI”) of the last 3 years was 74.41%, it has been stated that entities that apply Turkish Financial Reporting Standards (“TFRS”) do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 “Financial Reporting in Hyperinflationary Economies”. In the accompanying financial statements, no inflation adjustment has been made in accordance with TAS 29.

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.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2021

(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)

2. Foreign currency transactions (continued)

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

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

	31 December 2021	31 December 2020
US Dollar	13,3290	7,3405
Euro	15,0867	9,0079

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 2021. 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.

FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2021

(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 “IFRS 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.

FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2021

(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.

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.

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VIII. Explanations on expected credit loss (continued)

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;

- Customer 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.

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 in calculations, models and model estimations 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), growth rate, and the unemployment rate. According to segmentation based on turnover, the unemployment rate is used in models including segments with a turnover of TL 20 million and below, on the other hand; the unemployment rate and the Gross Domestic Product (GDP) are used in models including segments with a turnover of over TL 20 million. Macroeconomics estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

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VIII. Explanations on expected credit loss (continued)

Macroeconomics Factors (continued)

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 Medium Term Programme (MTP) 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 Scenario		Negative Scenario	
	Growth	Unemployment	Growth	Unemployment
1st year	5,00%	12,00%	3,70%	13,00%
2st year	5,50%	11,40%	2,90%	12,50%
3st year	5,50%	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.

In accordance with the BRSA Decision numbered 9624 dated 17 June 2021, they are considered as loans under close monitoring that are overdue for more than 90 days instead of 30 days until 30 September 2021. Based on the BRSA’s Decision numbered 9795 dated 16 September 2021, loans with a number of days past due between 30 and 90 days after 30 September 2021 will be considered as loans under close monitoring overdue for more than 30 days. However, as at 1 October 2021, close monitoring delay days criteria for loans with a number of days past due between 30 and 90 days will be considered as loans overdue for 90 days. As of 31 December 2021, the Bank does not have loans within this scope.

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

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.

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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.

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.

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XIII. Explanations on tangible assets (continued)

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	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:

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

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

- deducts accumulated depreciation and accumulated impairment losses and
- 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.

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:

- Increase the book value to reflect the interest on the lease obligation
- Reduces the book value to reflect the lease payments made and
- 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.

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XIV. Explanations on leasing transactions

As “IFRS 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.

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 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 2021, ceiling salary amount is considered as TL 8.284,51 (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.

XVIII. Explanations on taxation

1. Current Tax

As of 31 December 2021, the current corporate tax rate is 25%. In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, starting from the declarations that must be submitted as of 1 July 2021 and to be valid for the taxation period starting from 1 January 2021, the corporate tax rate is 25% for the taxation period of 2021, this rate will be applied as 23% for the taxation period of 2022 and 20% for the taxation period of 2023 and beyond.

Corporate tax rate business income tax in accordance with the laws of the institutions to be added as unacceptable the reduction of costs in the tax laws, exemptions and reductions to the tax base found as a result of the reduction that will be applied. Additional tax is not payable unless the profit is distributed.

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XVIII. Explanations on taxation (continued)

1. Current Tax (continued)

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. While dividends paid to individuals and corporations were subject to withholding tax at the rate of 15%, this rate has been changed to 10% with the Presidential Decision published in the Official Gazette dated 22 December 2021 and No. 31697. 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.

A 75% portion of the capital gains derived from the sale of equity investments and a 50% portion of the capital gains derived from the sale of immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

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 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.

Current tax, related to items recognized directly in equity is also credited or charged directly to equity.

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the regulation made with the Law No. 7352 dated 20 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this; TPL financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the TPL financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in VUK financial statements will be shown in previous years’ profit/loss accounts and will not affect the corporate tax base.

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XVIII. Explanations on taxation (continued)

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 Article 11 of the Law No. 7316 on the Procedure for the Collection of Public Receivables and the Law on Amendments to Certain Laws published in the Official Gazette dated April 22, 2021, and with the temporary Article 13 added to the Corporate Tax Law, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022. In accordance with Article 14 of the Law, the rate to be applied for the year 2021 starts from the declarations to be submitted as of 1 July 2021 and it is valid for the taxation period starting from 1 January 2021. As of 31 December 2021, deferred tax rate for taxable temporary differences for the taxation period of 2022 is applied as 23%, and this rate is applied as 20% for the years after 2022.

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 losses.

As of 31 December 2021, the deferred tax asset is TL 309.094 (31 December 2020: TL 191.840 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; net deferred tax income is TL 141.263 for the current period (1 January - 31 December 2020: TL 138.053 net income). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 24.009 of expense (1 January - 31 December 2020: TL 716 expense).

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XVIII. Explanations on taxation (continued)

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 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.

Additional Tier I Capital

The Bank has recognised the issued Tier 1 securities of TL 100.000 nominal and related interest expenses for 2020 and 2021 as under "prior periods profit or loss" in the balance sheet. Interest expense for the period before 2020, which was recorded in the "prior periods profit or losses" account as of the end of last year, was transferred to the related equity accounts within the scope of yearly profit distribution.

The Bank recognised the issued Tier 1 in nominal value amounting to USD 30.000 and related interest expenses 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.

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 Group does not have any government incentives.

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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. 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 Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period - 1 January - 31 December 2021				
Operating Income	546.676	838.002	622.738	2.007.416
Operating Profit	80.332	249.820	152.447	482.600
Taxation				(64.254)
Net Profit/(Loss) for the Period				418.346
Current Period - 31 December 2021				
Segment Assets	8.473.595	13.641.125	23.070.088	45.184.808
Total Assets				45.184.808
Segment Liabilities	20.519.955	4.094.079	18.206.299	42.820.333
Shareholders' Equity				2.364.475
Total Liabilities				45.184.808

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior 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
Prior 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

XXIV. Profit reserves and distribution of the profit

In financial statements, 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 which was held on 26 March 2021, it was decided that the Bank would separate TL 10.555 as legal reserves and TL 200.544 as extraordinary reserves after deducting TL 18.736 (which is the interest expense related to the period before 2020 of the Tier1 security having capital characteristics, TL 100.000 nominal) from the net profit of TL 229.835 in 2020.

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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 Decemberr 2021	31 December 2020
Net Profit / (Loss) distributable to Common Shares	418.262	236.983
Average Number of Issued Common Shares (Thousand))	94.116.055	94.116.055
Earnings Per Share (Amounts presented as full TL)	0,00445	0,00252

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 2021 (31 December 2020: 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 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. Classifications

Collaterals given for derivative transactions with foreign banks, which are shown under the "Other Assets" item as TL (293.142) in the balance sheet of 31 December 2020, were classified under the "Banks" item as TL (47.105) in accordance with the amendments made within the scope of the Regulation on Uniform Chart of Accounts effective as of 1 January 2021.

XXVIII. 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.

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.

The regulation was abolished with the decision dated 16 September 2021 and numbered 9795, but the loans evaluated within this scope were decided to be monitored in their current form (The Bank does not have loans within this scope as of 31 December 2021).

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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 2021, the Group's total capital has been calculated as TL 6.111.228 and the capital adequacy ratio is 23,58% (As of 31 December 2020, the Group's total capital amounted to TL 4.173.852 and the capital adequacy ratio was 19,42%).

II. Information related to the components of consolidated shareholders' equity:

	Current Period (31/12/2021) 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 (**)	796.540	
Other comprehensive income according to TAS	129.399	
Profit	417.763	
Current period profit	418.346	
Prior period profit	(583)	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
Tier I Capital Before Deductions	2.413.541	
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	71.108	--
Improvement costs for operational leasing	7.899	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	227.994	--
Excess amount arising from deferred tax assets from temporary differences	77.510	--
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 20% of the provision difference, net of tax.

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	Current Period (31/12/2021) 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	28.682	--
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	413.193	--
Total Common Equity Tier I Capital	2.000.348	--
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	499.870	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
Additional Core Capital before Deductions	499.870	--
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	--	--

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	Current Period (31/12/2021) 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 be 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	499.870	--
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	2.500.218	--
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	3.320.707	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	290.303	--
Tier II Capital before Deductions	3.611.010	--
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	3.611.010	--
Total Equity (Total Tier I and Tier II Capital)	6.111.228	--

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	Current Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014 *
Total Tier I Capital and Tier II Capital (Total Equity)	6.111.228	--
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	6.111.228	--
Total Capital (Total of Tier I Capital and Tier II Capital)	6.111.228	--
Total Risk Weighted Assets (****)	25.918.320	--
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	7,72	--
Tier I Capital Adequacy Ratio (%)	9,65	--
Capital Adequacy Ratio (%)	23,58	--
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,54	--
a) Capital Conservation Buffer Requirement (%)	2,50	--
b) Bank-specific Counter-Cyclical Buffer Requirement(%)	0,04	--
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 calculation date.

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	Current Period (31/12/2021) 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 (%)	3,65	--
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)	517.534	--
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	290.303	--
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	--	--

* The amounts to be considered under the transitional provisions.

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	Prior 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	3.239	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current 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 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.

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	Prior 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 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 I Capital	238.116	
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	--	--

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	Prior 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 be 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	

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	Prior 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		
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 (%)	--	--

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	Prior 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)	451.871	--
Up to 1,25% of total risk-weighted amount of general reserves 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 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

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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 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)	3.320.707	100.000	399.870
Nominal value of debt instrument (Thousand TL)	3.998.700	100.000	399.870
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

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Interest/Dividend Payments

Fixed or floating interest/dividend payments	Floating interest	Floating interest	Floating interest
	Up to pay back option date 7,75% (5 years mid-swap rate+5,758%); afterwards current 5 years mid-swap rate+5,758%	8% additional return on TRLibor	10% additional return on Libor
Interest rate or index value of interest rate			
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 reduction			
		Under the condition that unconsolidated and/or consolidated Tier I capital adequacy ratio drop below BRSA's ratio	Under the condition that unconsolidated and/or consolidated Tier I capital adequacy ratio drop below BRSA's ratio
If there are a feature of value reduction, trigger incidents cause this reduction	--	Partially and totally	Partially and totally
If there are a feature of value reduction, feature of full or partially reduction of value	--	Partially and totally	Partially and totally
If there are a feature of value reduction, feature of being constant of temporary	--	--	--
If there are a feature of value reduction, mechanism of value incrementation	--	--	--
Claiming rank in case of winding up (Instrument that is just above debt instrument)	After the other borrowers except depositors Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article.	After depositors, other borrowers and Tier II capital Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.	After depositors, other borrowers and Tier II capital Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.
Whether meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation	Meets the conditions defined by 7th article.	Cannot be converted to stock.	Cannot be converted to stock.
The conditions not met which were defined by 7th or 8th of the 7th or 8th articles of Shareholders' Equity of Banks Regulation	--	--	--

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Explanations on Provisional Article 5 of the Regulation on Banks' Own Funds

	2021	2022
EQUITY ITEMS		
Common Equity	2.000.348	1.922.338
Common Equity if transition process not implemented ^a	1.922.338	1.922.338
Tier 1 Capital	2.500.218	2.422.208
Tier 1 Capital if transition process not implemented ^b	2.422.208	2.422.208
Total Capital	6.111.228	6.033.218
Equity if transition process not implemented ^c	6.033.218	6.033.218
TOTAL RISK WEIGHTED AMOUNTS		
Total Risk Weighted Amounts (*)	25.918.320	25.918.320
CAPITAL ADEQUACY RATIO		
Common Equity Adequacy Ratio (%)	7,72	7,42
Common Equity Ratio if transition process not implemented ^d (%)	7,42	7,42
Tier 1 Capital Adequacy Ratio (%)	9,65	9,35
Tier 1 Capital Adequacy Ratio if transition process not implemented ^d (%)	9,35	9,35
Capital Adequacy Ratio (%)	23,58	23,28
Capital Adequacy Ratio if transition process not implemented ^d (%)	23,28	23,28
LEVERAGE		
Leverage Ratio Total Risk Amount	40.910.663	40.910.663
Leverage (%)	6,29	5,92
Leverage Ratio if transition process not implemented ^e (%)	5,92	5,92

^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.

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III. 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 25% 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	15%
Tourism	15%
Wholesale and Retail Business	25%

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 45% and 50% of the total cash loan portfolio, respectively (31 December 2020: 59% and 69%, respectively).

The Bank's largest 100 and 200 non-cash loan customers compose 87% and 97% of the total non-cash loan portfolio, respectively (31 December 2020: 87% and 96%, respectively).

The Bank's largest 100 and 200 cash and non-cash loan customers represent 44% and 50% of the total "on and off balance sheet" assets, respectively (31 December 2020: 57% and 67%, respectively).

Expected credit loss for total cash and nonsh credit risk of the Parent Bank amounts to TL 511.862 (Stage 1 and Stage 2) (31 December 2020: TL 447.960).

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II. Explanations on Consolidated Credit Risk (continued)

3. Analysis of maturity-bearing exposures according to remaining maturities

Exposure Categories / Current Period*	Term to Maturity				
	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	5.777.875	2.539.403	2.194	62.040	3.033.665
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	7.640	--	1.367	8.802	104.277
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.927.830	53.448	313.005	184.743	406.991
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to SME Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to Corporates	1.337.230	1.164.040	733.806	1.506.135	3.720.721
Conditional and Unconditional Retail Exposures	825.490	2.184.918	1.837.773	2.466.789	1.383.711
Conditional and Unconditional Exposures Secured by Real Estate Property	28.810	7.733	21.623	20.454	1.242.370
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	3.515	1.023	150	145	2.320.734
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**	9.908.390	5.950.565	2.909.918	4.249.108	12.212.469

* Items with determined maturities are classified according to remaining maturities

** Items without determined maturities are not included: TL 342.034 central bank receivables, TL 679.479 cash and equivalents, TL 5.096 credit card limits, TL 406.653 non-cash loan limits ve payment commitments, TL 1.242.215 other receivables, TL 505.014 overdue receivables, 559.457 investment funds, TL 281 miscellaneous receivables, and TL 11.444 equity share investments.

*** 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 / Prior Period*	Term to Maturity				
	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

* Items with determined maturities are classified according to remaining maturities

** Items without determined maturities are not included: TL 198.408 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 820.467 other receivables, TL 241.745 overdue receivables, 103.531 investment funds, TL 9.764 equity share investments, 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.

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

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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	12.699.608	--	1.917.602	--	1.187.350	7.137.805	13.409.598	2.630.160	--	38.982.123
Exposures After Credit Risk Mitigation	13.252.626	--	1.504.978	29.720	1.952.309	7.062.607	12.549.723	2.630.160	--	38.982.123

* 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	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.

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 Expected Credit Losses (IFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	
Major Sector / Counterparties			
Agriculture	8.509	31.828	22.699
Farming and Stockbreeding	8.458	26.330	18.631
Forestry	51	5.498	4.068
Fishery	--	--	--
Manufacturing	451.975	66.876	75.078
Mining and Quarrying	26.278	24.422	24.422
Production	78.628	33.454	29.307
Electricity, Gas and Water	347.069	5.000	21.309
Construction	157.457	448.364	135.296
Services	2.466.581	235.429	353.070
Wholesale and Retail Trade	182.107	63.362	84.835
Accommodation and Dining	1.594.526	10.622	164.640
Transportation and Telecommunication	346.040	141.349	59.401
Financial Institutions	737	245	161
Real Estate and Rental Services	116.411	7.026	18.942
Self-Employment Services	224.043	617	15.694
Educational Services	851	2.318	1.460
Health and Social Services	1.866	9.890	7.937
Other	456.157	106.216	144.849
Total	3.540.679	888.713	730.992

Prior Period	Loans		Provisions Expected Credit Losses (IFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	
Major Sector / Counterparties			
Agriculture	22.058	53.394	32.469
Farming and Stockbreeding	21.739	46.668	28.236
Forestry	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

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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)	388.750	374.252	(110.789)	(269.476)	382.736
General Provisions (Stage 1 and 2)	441.366	137.423	(70.646)	--	508.143

(*)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)	515.118	117.829	(1.784)	(242.413)	388.750
General Provisions (Stage 1 and 2)	288.992	164.426	(12.052)	--	441.366

(*)Write-off items and the sales from the NPL portfolio are disclosed here.

7. Exposures subject to countercyclical capital buffer

Current Period				Total
Country	RWAs of Banking Book for Private Sector	Credit Exposures	Trading Book	
Turkey		21.971.846	281.398	22.253.244
Russia		9.842	--	9.842
Malta		284.918	--	284.918
Marshall Islands		104.073	--	104.073
Australia		768	--	768
England		14.104	257.912	272.016
Germany		1.595	10	1.605
France		--	29.161	29.161
Others		77.185	46.657	123.842
Total		22.464.331	615.138	23.079.469

* 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				Total
Country	RWAs of Banking Book for Private Sector	Credit 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.

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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	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	18.456.954	15.729.548	3.535.684	3.084.348
Secured by Cash Collateral	263.590	234.132	--	--
Secured by Mortgages	1.825.876	2.613.302	1.274.757	1.210.727
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)	16.367.488	12.882.114	2.260.927	1.873.622
Non-Secured Loans	117.643	191.983	4.995	1.031
Total	18.574.597	15.921.532	3.540.679	3.085.379

Details of collaterals for non-cash granted to individuals and corporates are as follows:

Non-cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	941.307	1.205.145	62.870	61.417
Secured by Cash Collateral	--	--	--	--
Secured by Mortgages	56.440	36.616	2.266	20.203
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)	884.868	1.168.529	60.604	41.214
Non-Secured Loans	--	--	--	--
Total	941.307	1.205.145	62.870	61.417

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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 2021, the Group's net short position is TL 187.609 (31 December 2020: TL 260.338 net long position) resulting from long position on the balance sheet amounting to TL 459.765 (31 December 2020: TL 1.652.982 short position) and short position on the off-balance amounting to TL 647.374 (31 December 2020: TL 1.913.370 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 13,3290
Euro purchase rate as at the balance sheet date	TL 15,0867

Date	USD	EURO
27 December 2021	11,7278	13,2926
28 December 2021	11,3900	12,8903
29 December 2021	11,8302	13,4000
30 December 2021	12,2219	13,8011
31 December 2021	13,3290	15,0867

The US Dollar buying rate is TL 13,5438 and EUR buying rate is TL 15,3072 (in full TL amounts) respectively, according to simple arithmetic average on December 2021.

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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	2,481.643	9,344.698	151.692	11,978.033
Due From Banks	666.214	379.866	55.871	1,101.951
Financial Assets at Fair Value through Profit/Loss (*)	9.438	65.891	--	75.329
Money Market Placements	98.063	30.657	--	128.720
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	31.351	1,166.378	--	1,197.729
Loans and Receivables(**)	5,847.395	622.060	907	6,470.362
Investments in Associates, Subsidiaries and Entities under Common Control / Joint Ventures	--	--	--	--
Financial Assets Measured at Amortized Cost	1,029.851	2,010.276	--	3,040.127
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	2.427	1.881	916	5,224
Total Assets	10.166.382	13.621.707	209.386	23.997.475
Liabilities				
Bank Deposits	75.228	21.295	44.925	141.448
Foreign Currency Deposits	2,345.788	10,655.545	2,516.961	15,518.294
Money Market Borrowings	--	412.623	--	412.623
Funds Provided from Other Financial Institutions	422.909	85.022	--	507.931
Securities Issued(****)	--	6,436.384	--	6,436.384
Sundry Creditors	56.410	397.554	7.329	461.293
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(****)	30.031	29.656	50	59.737
Total Liabilities	2.930.366	18.038.079	2,569.265	23.537.710
Net Bilanço Pozisyonu	7.236.016	(4.416.372)	(2.359.879)	459.765
Net Off-Balance Sheet Position	(7.429.918)	4.425.203	2.357.341	(647.374)
Financial Derivative Assets (*****)	2,992.261	16,787.962	4,852.259	24,632.502
Financial Derivative Liabilities (*****)	10,422.179	12,362.779	2,494.918	25,279.876
Non-Cash Loans (*****)	264.660	282.953	--	547.613
Prior Period				
Total Assets	8,106.764	3,975.142	178.526	12,260.432
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

(*) Accruals of trading derivative financial assets amounting to TL 3.406 are not included.

(**) Includes foreign currency indexed loans and accruals amounting to TL 32.595.

(***) TL 3.646 of prepaid expenses are included.

(****) Securities issued as subordinated loan classified under "Subordinated debt instruments - Other debt instruments" in the balance sheet are included.

(*****) TL 3.398 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 2.463.711 (31 December 2020: TL 316.665), foreign currency sale commitments within the derivative financial liabilities amounted to TL 2.627.770 (31 December 2020: TL 294.748).

(*****) There is no effect on the net off-balance sheet position.

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2021 and 2020 (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.

	Current Period		Prior Period	
	Profit/Loss	Equity	Profit/Loss	Equity
USD	883	(1.442)	5.856	7.085
Euro	(19.390)	(19.369)	14.875	15.486
Other FC	(254)	(254)	5.309	5.309
Total (Net)	(18.761)	(21.064)	26.039	27.880

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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 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	10.731.219	--	--	--	--	2.183.441
Banks	558.332	--	--	--	--	941.989
Financial Assets at Fair Value Through Profit or Loss(*)	558.615	252.590	450.359	215.863	--	9.438
Interbank Money Market Placements	128.720	--	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	518.104	3.549	790.147	721.329	39.727	4.897
Loans(**)	5.682.057	4.114.802	7.861.092	4.201.518	255.252	(2.166)
Financial Assets Measured at Amortized Cost	127.799	--	33.927	3.068.223	--	--
Other Assets(***)	--	--	--	--	--	1.733.985
Total Assets	18.304.846	4.370.941	9.135.525	8.206.933	294.979	4.871.584
Liabilities						
Bank Deposits	2.331.032	3.911.953	--	--	--	143.373
Other Deposits	15.829.857	2.039.641	143.307	38.251	113.701	6.449.250
Interbank Money Market Receivables	712.740	--	--	--	--	--
Sundry Creditors(****)	--	--	--	--	--	943.937
Marketable Securities Issued(****)	66.373	69.459	3.320.707	2.579.975	399.870	--
Funds Borrowed From Other Institutions	1.336	371.598	150.643	--	--	--
Other Liabilities(****)	546.084	265.899	745.735	169.827	--	3.840.260
Total Liabilities	19.487.422	6.658.550	4.360.392	2.788.053	513.571	11.376.820
Balance Sheet Long Position	--	--	4.775.133	5.418.880	--	--
Balance Sheet Short Position	(1.182.576)	(2.287.609)	--	--	(218.592)	(6.505.236)
Off-Balance Sheet Long Position	2.333	40.000	1.543.401	862.021	--	29.542.547
Off-Balance Sheet Short Position	(2.333)	(40.000)	(1.543.403)	(862.019)	--	(30.003.316)
Total Position	(1.182.576)	(2.287.609)	4.775.131	5.418.882	(218.592)	(6.966.005)

(*) Includes derivative financial assets.

(**) Non-performing loans TL 888.713 net-off related stage 3 loans expected credit losses TL 382.736 and expected losses for stage 1 TL 159.887 and for stage 2 TL 348.256 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 74.064).

(***) Non-interest bearing column includes TL 112.500 investments in subsidiaries, TL 414.653 tangible assets, TL 106.559 intangible assets, TL 311.171 tax asset, TL 182.161 assets held for sale, TL 608.380 other assets and TL 1.439 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 2.364.475 shareholders' equity, TL 1.722.852 other liabilities, TL 406.060 provisions and TL 290.810 tax liabilities.

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IV. 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 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
Banks	436.226	--	--	--	--	452.319
Financial Assets at Fair Value Through Profit or Loss(*)	301.624	24.185	102.834	416.930	--	--
Interbank Money Market Placements	412.231	--	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	192.033	22.533	356.369	411.077	35.151	10.363
Loans(**)	2.561.382	4.601.714	4.968.879	5.456.936	1.417.999	(210.691)
Financial Assets Measured at Amortized Cost	21.376	52.051	231.707	406.955	495.407	--
Other Assets(***)	--	--	--	--	--	1.138.349
Total Assets	5.791.367	4.700.483	5.659.789	6.691.898	1.948.557	27.237.631
Liabilities						
Bank Deposits	576.032	373.840	--	--	--	50.624
Other Deposits	11.963.450	2.574.787	90.603	3.136	86.968	1.947.968
Interbank Money Market Receivables	362.845	247.315	--	--	--	--
Sundry Creditors	--	--	--	--	--	454.477
Marketable Securities Issued(****)	37.310	38.843	61	3.312.070	220.215	--
Funds Borrowed From Other Institutions	519	591.837	560.968	1.818	--	--
Other Liabilities(****)	384.959	263.522	129.222	383.419	--	2.580.823
Total Liabilities	13.325.115	4.090.144	780.854	3.700.443	307.183	5.033.892
Balance Sheet Long Position	--	610.339	4.878.935	2.991.455	1.641.374	--
Balance Sheet Short Position	(7.533.748)	--	--	--	--	(2.588.355)
Off-Balance Sheet Long Position	10.000	215.000	524.130	700.641	--	17.256.366
Off-Balance Sheet Short Position	(10.000)	(215.000)	(524.130)	(700.641)	--	(17.687.677)
Total Position	(7.533.748)	610.339	4.878.935	2.991.455	1.641.374	(3,019.666)

(*) Includes derivative financial assets.

(**) Non-performing loans TL 619.425 net-off related provision for expected loss of stage 3 loans 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 112.500 investments in subsidiaries, TL 360.135 tangible assets, TL 91.027 intangible assets, TL 193.104 tax asset, TL 102.748 assets held for sale, TL 280.776 other assets and TL 1.941 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.

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IV. Explanations on Consolidated Interest Rate Risk (continued)

Average interest rates applied to financial instruments

Current Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	0,01	--	--	--
Financial Assets at Fair Value Through Profit/ Loss	--	4,40	--	23,31
Interbank Money Market Placements	0,01	0,05	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	5,39	5,55	--	15,79
Loans	5,40	6,15	--	19,93
Financial Assets Measured at Amortized Cost	4,89	5,56	--	15,62
Liabilities				
Bank Deposits	--	--	--	14,89
Other Deposits	0,46	0,28	--	17,77
Interbank Money Market Received	--	1,36	--	14,23
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	7,20	--	--
Funds Borrowed from Other Financial Institutions	2,26	0,83	--	15,86

(*) Includes subordinated debts, which are classified under "Subordinated Debts - Other Debt Instruments" in Balance Sheet, as well.

Prior Period	EUR %	USD %	JPY %	TL %
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.

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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.

Interest rate sensitivity of equity as of 31 December 2021:

Current Period	Shocked Applied (+/- x bps)	Gains/ Losses	Gains/ Equity - Losses /Equity
TRY	500	-228.572	-3,75%
TRY	-400	198.258	3,26%
USD Dollar	200	-89.470	-1,47%
USD Dollar	-200	103.418	1,70%
Euro	200	-284.180	-4,67%
Euro	-200	323.667	5,31%
Total (For Positive Shocks)		-602.222	-9,89%
Total (For Negative Shocks)		625.343	10,27%

*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	Shocked Applied (+/- x bps)	Gains/ Losses	Gains/ Equity - 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%

*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.

V. Explanations on Consolidated Position Risk of Equity Securities Resulted from Banking Book

The Bank has position risk of equity shares amounting to TL 11.444 as of 31 December 2021 (31 December 2020: TL 9.764).

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.

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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.

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VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio (continued)

Current Period	Total Unweighted Value *		Total Weighted Value *	
	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
1	Total high-quality liquid assets (HQLA)		8.697.557	7.473.475
CASH OUTFLOWS				
2	25.592.932	10.238.467	1.927.341	1.056.328
3	2.473.004	-	124.077	-
4	18.122.926	10.238.467	1.832.964	1.056.328
5	5.171.424	2.826.045	3.275.962	1.543.211
6	-	-	-	-
7	3.129.184	2.388.915	1.234.264	832.468
8	2.942.240	712.276	2.341.695	710.743
9	-	-	280.432	259.191
10	3.306.274	939.291	648.570	416.569
11	446.479	358.583	428.862	348.490
12	-	-	-	-
13	2.839.794	580.708	2.19.708	69.079
14	-	-	-	-
15	20.431	150	19.777	147
16	TOTAL CASH OUTFLOWS		6.131.832	3.225.446
CASH INFLOWS				
17	24.022	24.022	2.663	2.663
18	3.202.428	1.331.867	2.224.316	1.242.642
19	558.783	535.602	368.311	345.129
20	3.785.208	1.891.490	2.614.290	1.609.435
21	TOTAL HQLA		8.697.501	7.473.479
22	TOTAL NET CASH OUTFLOWS		3.532.367	1.637.411
23	LIQUIDITY COVERAGE RATIO (%)		246,22	456,42

* The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio (continued)

Prior Period	Total Unweighted Value *		Total Weighted Value *		
	TL+FC	FC	TL+FC	FC	
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)		3,853,532	3,432,561	
CASH 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	--	94,064	--
4	Less stable deposits	11,565,002	7,787,753	1,155,114	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	1,063,541
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	468,506	467,146	495,404	472,239
12	Outflows related to restructuring financial instruments	--	--	--	--
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments	2,654,912	566,475	271,234	80,591
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	
CASH 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	LIQUIDITY COVERAGE RATIO (%)		153,02	207,35	

*The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)

The table below shows the lowest, highest and average Liquidity Coverage of the 1 October - 31 December 2021 period.

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	377,98%	07/12/2021	179,71%	22/10/2021	244,99%
FC	867,04%	23/11/2021	259,53%	11/11/2021	494,56%
Prior 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%

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.

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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 Purchased and Balances with the Central Bank of Turkey)	3.041.049	9.873.611	--	--	--	--	--	12.914.660
Banks	942.113	558.208	--	--	--	--	--	1.500.321
Financial Assets at Fair Value Through Profit or Loss(1)	9.438	558.610	252.590	450.527	215.696	4	--	1.486.865
Interbank Money Market Placements	--	128.720	--	--	--	--	--	128.720
Financial Assets Available-for-Sale	4.897	391.740	3.549	433.122	851.782	392.663	--	2.077.753
Loans (**)	--	3.387.990	4.667.221	7.093.417	5.765.699	1.200.394	(2.166)	22.112.555
Investment Securities Held-to-Maturity	--	--	--	33.927	3.173.708	22.314	--	3.229.949
Other Assets(****)	--	--	--	--	--	--	1.733.985	1.733.985
Total Assets	3.997.497	14.898.879	4.923.360	8.010.993	10.006.885	1.615.375	1.731.819	45.184.808
Liabilities								
Bank Deposits	143.375	2.331.030	3.911.953	--	--	--	--	6.386.358
Other Deposits	6.449.250	15.829.857	2.039.641	143.307	38.251	113.701	--	24.614.007
Funds Borrowed from Other Financial Institutions	--	1.968	240.727	191.935	88.947	--	--	523.577
Interbank Money Market Received	--	712.740	--	--	--	--	--	712.740
Marketable Securities Issued(****)	--	66.373	69.460	--	2.579.975	3.720.576	--	6.436.384
Sundry Creditors	--	943.937	--	--	--	--	--	943.937
Other Liabilities(*****)	--	1.059.024	481.726	764.443	189.794	1.418	3.071.400	5.567.805
Total Liabilities	6.592.625	20.944.929	6.743.507	1.099.685	2.896.967	3.835.695	3.071.400	45.184.808
Net Liquidity Surplus / (Gap)	(2.595.128)	(6.046.050)	(1.820.147)	6.911.308	7.109.918	(2.220.320)	(1.339.581)	--
Net Off-Balance Sheet Position								
Derivative Financial Assets	--	(147.538)	(68.599)	(328.423)	49.293	--	--	(495.267)
Derivative Financial Liabilities	--	12.627.059	10.400.092	4.679.844	1.294.202	--	--	29.001.197
Non-Cash Loans	--	59.468	138.155	405.373	49.009	352.172	--	1.004.177
Prior Period								
Total Assets	1.988.929	4.859.833	3.830.556	7.352.604	6.951.400	1.326.651	927.658	27.237.631
Total Liabilities	1.998.594	13.868.671	3.842.737	959.412	2.102.337	2.178.265	2.287.615	27.237.631
Net Liquidity Gap	(9.665)	(9.008.838)	(12.181)	6.393.192	4.849.063	(851.614)	(1.359.957)	--
Net Off-Balance Sheet Position								
Derivative Financial Assets	--	(132.550)	(248.246)	(87.256)	37.180	--	--	(430.912)
Derivative Financial Liabilities	--	6.895.549	5.241.626	3.619.924	2.056.419	--	--	17.813.518
Non-Cash Loans	--	70.868	169.508	520.054	96.829	409.303	--	1.266.562

(*) Includes derivatives financial assets.

(**) 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.

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VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)

Contractual maturity analysis of liabilities according to remaining maturities

Current Period	Gross Nominal							5 Years and Over
	Carrying Values	Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	
Bank Deposit	6.386.358	6.527.881	143.375	2.340.736	4.043.770	--	--	--
Other Deposit	24.614.007	24.724.857	6.449.250	15.850.884	2.093.156	154.249	43.607	133.711
Money Market Funds	712.740	412.797	--	412.797	--	--	--	--
Securities Issued	2.646.236	2.857.211	--	78.639	--	78.639	2.699.933	--
Funds Borrowed	523.577	559.971	--	1.395	196.215	152.730	209.632	--
Subordinated Debts	3.790.148	5.014.301	--	--	131.472	131.472	1.051.773	3.699.584
Total	38.673.066	40.097.018	6.592.625	18.684.451	6.464.613	517.090	4.004.945	3.833.295

Prior Period	Gross Nominal							5 Years and Over
	Carrying Values	Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	
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

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 (*)	66.589.179	44.928.955
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	25.678.516	(17.141.341)
4 The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "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	40.910.663	27.787.614

(*) 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.

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VI. 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.

As of 31 December 2021, bank's consolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 6,29%. 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)	32.845.880	23.578.237
2 (Assets deducted in determining Tier 1 capital)	(303.491)	(242.604)
3 Total balance sheet risks (sum of lines 1 and 2)	32.542.389	23.335.633
Derivative financial instruments and credit derivatives		
4 Replacement cost associated with all derivative financial instruments and credit derivatives	812.942	343.256
5 Potential credit risk associated with all derivative financial instruments and credit derivatives	214.940	168.771
6 Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	1.027.882	532.027
Securities or commodity financing transactions (SCFT)		
7 Risks from SCFT assets (except for on-balance sheet)	190.679	363.552
8 Risks from brokerage activities related exposures	--	--
9 Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	190.679	363.552
Off-balance sheet transactions		
10 Gross notional amounts of off-balance sheet transactions	7.149.512	3.556.402
11 (Adjustments for conversion to credit equivalent amounts)	--	--
12 Total risks of off-balance sheet items (sum of lines 10 and 11)	7.149.512	3.556.402
Capital and total risks		
13 Tier 1 capital	2.558.264	2.052.914
14 Total risks (sum of lines 3, 6, 9 and 12)	40.910.663	27.787.614
Leverage ratio		
15 Leverage ratio	6,29	7,40

(*) 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.

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VII. 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 Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Current Period				
Financial assets	29.050.070	22.332.423	28.964.645	21.950.753
Money market placements	128.720	412.231	128.720	412.231
Due from banks	1.500.321	888.545	1.500.321	888.545
Financial assets at fair value through other comprehensive income	2.077.753	1.027.526	2.077.753	1.027.526
Loans measured at amortised cost	3.230.721	1.207.902	3.158.346	937.439
Loans	22.112.555	18.796.219	22.099.505	18.685.012
Financial liabilities	38.904.263	22.885.526	38.904.263	22.885.526
Interbank deposits	6.386.358	1.000.496	6.386.358	1.000.496
Other deposits	24.614.007	16.666.912	24.614.007	16.666.912
Funds provided from other financial institutions	523.577	1.155.142	523.577	1.155.142
Marketable securities issued (*)	6.436.384	3.608.499	6.436.384	3.608.499
Miscellaneous payables	943.937	454.477	943.937	454.477

(*) 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 FVTOCI 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 Level TL		3rd Level 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	215.005	138.208	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.077.753	1.027.526	--	--	--	--
Derivative Financial Assets	--	--	1.271.860	707.365	--	--
Loans Measured at Fair Value through Profit and Loss	--	--	--	--	--	--
Total	2.292.758	1.165.734	1.271.860	707.365	--	--
Financial Liabilities						
Derivative Financial Liabilities	--	--	1.678.396	1.107.492	--	--
Total	--	--	1.678.396	1.107.492	--	--

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)

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VIII. Explanations on transactions carried out on behalf of customers and fiduciary activities

None.

IX. Explanations on consolidated securitisation positions

The Bank does not have any securitization positions as of balance sheet date.

X. 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 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.

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X. 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 2021:

- 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 Amounts		Minimum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	21.904.874	18.541.156	1.752.39C
2 Of which standardised approach (SA)	21.904.874	18.541.156	1.752.39C
3 Of which internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	759.731	432.266	60.778
5 Of which standardised approach for counterparty credit risk (SA-CCR)	759.731	432.266	60.778
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	559.457	103.551	44.757
9 Equity investments in funds - mandate-based approach	--	--	--
10 Equity investments in funds - 1250% risk weighting approach	--	--	--
11 Settlement risk	148	--	12
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	507.688	596.750	40.615
17 Of which standardised approach (SA)	507.688	596.750	40.615
18 Of which internal model approaches (IMM)	--	--	--
19 Operational risk	2.186.422	1.819.842	174.914
20 Of which basic indicator approach	2.186.422	1.819.842	174.914
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)	25.918.32C	21.493.54B	2.073.466

* 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.

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X. 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	Carrying values in	Carrying values of items in accordance with Turkish Accounting Standards				Not subject to capital requirements or subject to deduction from
	financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	12.914.660	12.914.660	--	--	--	--
Banks	1.500.321	1.500.321	--	--	--	--
Money Markets Placements	128.720	128.720	--	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	215.005	536.922	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.077.753	2.077.753	622.641	--	--	--
Financial Assets Measured at amortized cost	3.230.721	3.230.721	--	--	--	--
Derivative financial assets	1.271.860	--	703.298	--	1.271.860	--
Non-performing Financial Assets	(2.211)	(2.211)	--	--	--	--
Loans (net)	22.112.555	22.112.555	--	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	182.161	182.161	--	--	--	--
Investment in Associates (net)	--	--	--	--	--	--
Investment in Subsidiaries (net)	112.500	112.500	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	414.653	414.653	--	--	--	--
Intangible Assets (net)	106.559	--	--	--	--	106.559
Investment Property (net)	--	--	--	--	--	--
Tax Asset	311.171	311.171	--	--	--	--
Other Assets	608.380	487.735	--	--	--	120.645
Total Assets	45.184.808	44.007.661	1.325.939	--	1.271.860	227.204
Liabilities						
Deposits	31.000.365	--	--	--	--	31.000.365
Funds Borrowed	523.577	--	--	--	--	523.577
Money Market Funds	712.740	--	712.740	--	--	712.740
Securities Issued	2.646.236	--	--	--	--	2.646.236
Funds	--	--	--	--	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	1.678.396	--	--	--	1.678.396	1.678.396
Factoring Payables	--	--	--	--	--	--
Lease Payables	49.149	--	--	--	--	49.149
Provisions	406.060	--	--	--	--	--
Tax Liability	290.810	--	--	--	--	290.810
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subordinated Debts	3.790.148	--	--	--	--	--
Other liabilities	1.722.852	--	--	--	--	1.722.852
Shareholders' Equity	2.364.475	--	--	--	--	2.364.426
Total Liabilities	45.184.808	--	712.740	--	1.678.396	40.988.600

(*) Since the accounting and legal consolidation scope of the Bank are identical, the financial statement information is shown in one column.

(**) Disclosed based on gross amounts of the securities.

(***) Disclosed based on gross position amounts subject to general market risk and specific risk.

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X. 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

Prior Period	Carrying values in	Carrying values of items in accordance with Turkish Accounting Standards				Not subject to capital requirements or subject to deduction from
	financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	2.921.692	2.921.692	--	--	--	--
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 Income	1.027.526	1.027.526	668.431	--	--	--
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	--	--	--	--	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	1.107.492	--	--	--	1.107.492	1.107.492
Factoring Payables	--	--	--	--	--	--
Lease Payables	53.630	--	--	--	--	53.630
Provisions	205.971	--	--	--	--	--
Tax Liability	187.777	--	--	--	--	43.906
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subordinated Debts	2.127.599	--	--	--	--	--
Other liabilities	757.140	--	--	--	--	757.140
Shareholders' Equity	1.884.412	--	--	--	--	1.884.412
Total Liabilities	27.237.631	--	610.160	--	1.107.492	24.760.190

(*) Since the accounting and legal consolidation scope of the Bank are identical, the financial statement information is shown in one column.

(**) Disclosed based on gross amounts of the securities.

(***) Disclosed based on gross position amounts subject to general market risk and specific risk.

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X. 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	Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
1 Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial	45.184.808	44.007.661	--	1.325.939	1.271.860
2 Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	712.740	1.678.396
3 Total Net Amount	45.184.808	44.007.661	--	613.199	(406.536)
4 Off-balance sheet amounts(**)	25.593.447	7.238.636	--	18.354.811	18.354.811
5 Valuation differences	--	--	--	--	--
6 Differences due to different netting rules	--	--	--	--	(17.440.587)
7 Differences due to consideration of provisions	--	--	--	--	--
8 Differences resulted from the BRSA's applications	--	--	--	(18.139.686)	--
9 Differences due to risk mitigation	--	--	--	712.740	--
10 Risk Amounts	70.778.255	51.246.297	--	1.541.064	507.688

(*)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.

(***) 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	Total	Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
1 Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial	27.237.631	26.227.602	--	1.333.899	707.365
2 Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	610.160	1.107.492
3 Total Net Amount	27.237.631	26.227.602	--	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	48.410.487	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.

(***) 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.

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.

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X. Explanations on risk management objectives and policies (continued)

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.

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X. Explanations on risk management objectives and policies (continued)

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

	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
	Defaulted	Non-defaulted		
Current Period				
1 Loans	888.713	22.114.721	890.878	22.112.556
2 Debt securities	--	5.518.582	4.768	5.491.279
3 Off-balance sheet exposures	7.467	9.050.839	9.566	9.048.740
4 Total	896.181	36.661.606	905.212	36.652.575
	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
	Defaulted	Non-defaulted		
Prior Period				
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

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X. Explanations on risk management objectives and policies (continued)

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	619.425	920.338
2 Loans and debt securities defaulted since the last reporting period	953.927	328.380
3 Receivables back to non-defaulted status	--	--
4 Amounts written off(*)	269.476	242.412
5 Other changes (**)	(415.163)	(386.881)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3+4±5)	888.713	619.425

(*) Sales of non-performing loan portfolios are disclosed.

(**) Other changes include collections during the period.

Breakdown of receivables by geographical area, sector and outstanding maturity:

Breakdown by geographical area:

Loans and Other Receivables	Current Period	Prior Period
Domestic	21.552.903	18.080.629
European Union (EU) Countries	450.844	269.060
OECD Countries	5	60
Off-Shore Banking Regions	104.073	458.198
USA, Canada	9	29.644
Other Countries	6.887	169.320
Total	22.114.721	19.006.911

Sectoral Breakdown:

Loans and Other Receivables	Current Period	Prior Period
Agriculture	449.607	281.562
Farming and Stockbreeding	359.691	236.486
Forestry	89.916	45.076
Fishery	--	--
Manufacturing	4.350.293	4.071.734
Mining and Quarrying	864.797	559.653
Production	2.596.190	2.288.954
Electricity, Gas and Water	889.306	1.223.127
Construction	1.123.870	2.312.369
Services	9.085.066	8.818.018
Wholesale and Retail Trade	2.552.502	2.108.454
Accommodation and Dining	3.281.593	2.859.089
Transportation and Telecommunication	1.929.154	1.744.724
Financial Institutions	170.321	166.516
Real Estate and Rental Services	241.486	386.059
Self-Employment Services	452.823	961.846
Educational Services	112.896	227.415
Health and Social Services	344.291	363.915
Others	7.105.885	3.523.228
Total	22.114.721	19.006.911

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	3.387.990	4.667.221	7.093.417	5.765.699	1.200.394	22.114.721
Prior Period	2.122.272	3.731.833	6.664.467	5.713.625	774.714	19.006.911

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X. Explanations on risk management objectives and policies (continued)

Exposures provisioned against by major regions and sectors and write-offs:

Current Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	888.713	382.736	269.476
European Union (EU) Countries	--	--	--
OECD Countries	--	--	--
Off-Shore Banking Regions	--	--	--
USA, Canada	--	--	--
Other Countries	--	--	--
Total	888.713	382.736	269.476

Prior 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

Current Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	31.828	22.219	10.198
Farming and Stockbreeding	26.330	18.154	7.940
Forestry	5.498	4.065	2.258
Fishery	--	--	--
Manufacturing	66.876	51.553	35.450
Mining and Quarrying	28.422	22.391	3.445
Production	33.454	24.928	30.726
Electricity, Gas and Water	5.000	4.234	1.279
Construction	448.364	118.952	27.530
Services	235.429	128.128	130.664
Wholesale and Retail Trade	63.362	50.459	60.082
Accommodation and Dining	10.622	7.820	4.456
Transportation and Telecommunication	141.349	52.943	17.440
Financial Institutions	245	141	73
Real Estate and Rental Services	7.026	6.916	2.788
Self-Employment Services	617	610	1.160
Educational Services	2.318	1.424	35.260
Health and Social Services	9.890	7.815	9.405
Others	106.216	61.884	65.634
Total	888.713	382.736	269.476

Prior 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	0	0	0
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
Accommodation and Dining	11.438	6.981	2.697
Transportation and Telecommunication	72.496	43.622	6.507
Financial Institutions	438	258	0
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

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X. Explanations on risk management objectives and policies (continued)

Aging analysis:

Days past due	Current Period	Prior Period
	Amount	Amount
0-30	22.009.583	18.802.229
31-60	66.760	42.201
61-90	38.379	120.917
90+	888.713	660.989
Total	23.003.434	19.626.336

Breakdown of restructured receivables based on whether or not provisions are allocated:

Current Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	4.363
Not provisioned (*)	--	2.929.219	--
Total	--	2.929.219	4.363

(*) The Bank calculates Stage 1 provisions for performing loans and Stage 2 provisions for loans under follow-up.

Prior Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	4.305
Not provisioned (*)	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.

Credit risk mitigation techniques-Overview

Current Period	Exposures		Collateralized amount of exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees		Collateralized amount of exposures secured by credit derivatives	
	unsecured: carrying amount as per TAS	Exposures secured by collateral		Exposures secured by financial guarantees	Exposures secured by financial guarantees	Exposures secured by credit derivatives	Exposures secured by credit derivatives
1 Loans	19.158.552	1.462.995	1.445.712	17.283	17.283	--	--
2 Debt Securities	5.513.814	--	--	--	--	--	--
3 Total	24.672.366	1.462.995	1.445.712	17.283	17.283	--	--
4 Of which defaulted	386.231	119.746	119.746	--	--	--	--

*Used impairment measurement of total bank's carrying amount by region being: Turkey: 25 billion TL, other countries: 0 TL.

Prior Period	Exposures		Collateralized amount of exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees		Collateralized amount of exposures secured by credit derivatives	
	unsecured: carrying amount as per TAS	Exposures secured by collateral		Exposures secured by financial guarantees	Exposures secured by financial guarantees	Exposures secured by credit derivatives	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	--	--	--	--

*Used impairment measurement of total bank's carrying amount by region being: Turkey: 25 billion TL, other countries: 0 TL.

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X. Explanations on risk management objectives and policies (continued)

Credit risk exposure and credit risk mitigation techniques

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	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	11.739.928	--	11.737.211	--	--	0,0%
2 Exposures to regional and local governments	122.086	--	122.086	--	61.043	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	2.882.905	6.306	2.882.905	3.128	788.236	27,3%
7 Exposures to corporates	8.116.462	681.162	8.115.126	373.554	8.366.967	98,6%
8 Retail exposures	8.568.478	1.934.238	8.555.929	477.812	7.266.790	80,4%
9 Exposures secured by residential property	30.647	645	29.832	210	10.724	35,7%
10 Exposures secured by commercial property	1.288.539	8.708	1.286.096	5.251	938.778	70,4%
11 Past due items	502.548	2.466	502.548	2.466	609.187	120,6%
12 Exposures in high-risk categories	2.325.009	1.115	2.325.009	558	3.485.032	149,9%
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 col. investment undertakings ⁽¹⁾	559.457	--	559.457	--	559.457	100,0%
16 Other exposures	1.869.493	4.603.996	1.869.493	101.998	1.011.811	51,3%
17 Equity share investments	11.444	--	11.444	--	11.444	100,0%
18 Total	38.017.046	7.238.636	38.017.046	965.077	23.079.469	59,2%

(1) Credit management methodology used to calculate the risk-weighted amount of investments in the form of collective investments covers, table above contains final values that obtained by using the content methodology.
 (2) 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	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	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	47.460	746.854	24,2%
7 Exposures to corporates	11.636.049	987.347	11.619.810	579.733	11.984.464	98,2%
8 Retail exposures	5.050.336	1.440.118	5.013.612	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	293.080	84,0%
12 Exposures in high-risk categories	26.256	3.489	26.256	1.745	28.313	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 col. investment undertakings ⁽¹⁾	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	1.900.054	19.093.169	67,5%

(1) Credit management methodology used to calculate the risk-weighted amount of investments in the form of collective investments covers, table above contains final values that obtained by using the content methodology.
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X. Explanations on risk management objectives and policies (continued)

Exposures by asset classes and risk weights:

Risk Classes	Risk Weight	Risk Weight										Total risk amount (%)
		0%	10%	20%	50% ⁽¹⁾	50%	100% ⁽¹⁾	75%	100%	150%	200%	
1 Exposures to sovereigns and their central banks		11.737.211	--	--	--	--	--	--	--	--	--	11.737.211
2 Exposures to regional and local governments		--	--	--	--	122.086	--	--	--	--	--	122.086
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		47.460	--	1.524.378	--	963.281	--	--	6.262	--	--	2.966.253
7 Exposures to corporates		121.802	--	--	--	--	--	--	8.366.568	--	--	8.488.370
8 Retail exposures		1.299	--	--	--	--	--	7.266.807	1.939.835	--	--	9.236.341
9 Exposures secured by residential property		--	--	--	29.722	--	--	--	332	--	--	30.044
10 Exposures secured by commercial property		--	--	--	--	--	764.959	--	539.298	--	--	1.304.257
11 Past due items		--	--	--	--	--	--	100.235	--	96.165	368.629	565.014
12 Exposures in high-risk categories		--	--	--	--	2.384	--	--	1.429	2.321.534	--	2.325.347
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 col. investment undertakings		--	--	--	--	--	--	--	559.457	--	--	559.457
16 Equity share investments		--	--	--	--	--	--	--	11.444	--	--	11.444
17 Other Exposures		955.680	--	--	--	--	--	--	1.011.811	--	--	1.967.491
18 Total		13.252.425	--	1.504.978	29.722	1.187.330	754.959	7.063.637	12.546.723	2.630.160	--	34.582.122

(1) Credit management methodology used to calculate the risk-weighted amount of investments in the form of collective investments covers, table above contains final values that obtained by using the content methodology.
 (2) 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 Classes	Risk Weight	Risk Weight										Total risk amount (%)
		0%	10%	20%	50% ⁽¹⁾	50%	100% ⁽¹⁾	75%	100%	150%	200%	
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		761.026	--	1.424.266	--	912.782	--	--	10.260	--	--	3.087.044
7 Exposures to corporates		215.046	--	--	--	--	--	--	11.564.494	--	--	12.079.540
8 Retail exposures		1.289	--	--	--	--	--	7.266.807	1.939.835	--	--	9.236.341
9 Exposures secured by residential property		--	--	--	31.25	--	--	--	100.994	--	--	132.167
10 Exposures secured by commercial property		--	--	--	--	--	764.959	--	468.327	--	--	1.233.286
11 Past due items		--	--	--	--	--	--	100.235	--	96.165	368.629	565.014
12 Exposures in high-risk categories		--	--	--	--	2.384	--	--	1.429	2.321.534	--	2.325.347
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 col. investment undertakings		--	--	--	--	--	--	--	559.457	--	--	559.457
16 Equity share investments		--	--	--	--	--	--	--	11.444	--	--	11.444
17 Other Exposures		405.004	--	--	--	--	--	--	1.011.811	--	--	1.416.815
18 Total		5.599.912	--	1.401.046	31.251	1.256.630	940.807	5.336.670	13.474.892	63.355	--	26.171.227

(1) Credit management methodology used to calculate the risk-weighted amount of investments in the form of collective investments covers, table above contains final values that obtained by using the content methodology.
 (2) 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.

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X. Explanations on risk management objectives and policies (continued)

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 *	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Current Period				
Receivables from Central Governments	11.757.211	--	--	17.283
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	122.086	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	2.886.033	412.624	--	--
Corporate Receivables	8.488.780	121.812	--	--
Retail Receivables	9.033.741	2.629	--	--
Receivables that are Collateralized by Residential Property	1.321.299	--	794.679	--
Past due Receivables	505.014	--	69.184	--
Receivables Defined in High Risk Category by BRSA	2.325.567	--	--	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	559.457	--	--	--
Investments Similar to Collective Investment Funds	11.444	--	--	--
Other Receivables	1.971.491	--	--	--
Total	38.982.123	537.065	863.863	17.283

(*) 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 *	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Prior Period				
Receivables from Central Governments	4.184.170	--	--	67.036
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	199.815	--	--	--
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, Brokerage Houses and Corporates	103.531	--	--	--
Investments Similar to Collective Investment Funds	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.

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X. Explanations on risk management objectives and policies (continued)

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)	703.298	215.125	--	1,4	918.423	573.135
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 and securities financing transactions)	--	--	--	--	622.641	42.003
4 Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	--	--
5 Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	--	--	--	--	--	--
6 Total	703.298	215.125	--	1	1.541.064	615.138

* 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	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 and securities financing transactions)	--	--	--	--	958.534	89.527
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	7966
5 Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	--	--	--	--	--	--
6 Total	205.281	201.322	--	--	1.535.221	358.502

* 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.

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 3x multiplier)	--	--	--	--
2 (ii) Stressed VaR component (including the 3x multiplier)	--	--	--	--
3 All portfolios subject to the Standardised CVA capital obligation	918.423	144.393	406.603	73.764
4 Total subject to the CVA capital obligation	918.423	144.393	406.603	73.764

* 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.

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X. Explanations on risk management objectives and policies (continued)

CCR exposures by risk class and risk weights - standardised approach

Current Period	Risk weights									Total credit risk(*)
	0%	10%	20%	50%	75%	100%	150%	Other		
Exposures to sovereigns and their central banks	7,953	--	--	--	--	--	--	--	7,953	
Exposures to regional and local governments	--	--	--	--	--	--	--	--	--	
Exposures to admin. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	
Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	
Exposures to international organizations	--	--	--	--	--	--	--	--	--	
Exposures to banks and brokerage houses	42,624	--	27,477	566,685	--	--	--	--	1,236,786	
Exposures to corporates	--	--	--	--	--	263,232	--	--	263,232	
Retail exposures:	29	--	--	--	19,024	--	--	--	19,053	
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 call investment undertakings	--	--	--	--	--	--	--	--	--	
Equity share investments	--	--	--	--	--	--	--	--	--	
Other Exposures	--	--	--	--	--	--	--	--	--	
Other Assets*	--	--	--	--	--	--	--	--	--	
Total	420,646	--	271,477	566,685	19,024	263,232	--	--	1,541,064	

*It is used as the risk weight of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Prior Period	Risk weights									Total credit risk(*)
	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 admin. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	
Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	
Exposures to international organizations	--	--	--	--	--	--	--	--	--	
Exposures to banks and brokerage houses	763,006	--	316,392	29,896	--	62	--	--	1,137,357	
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 call investment undertakings	--	--	--	--	--	--	--	--	--	
Equity share investments	--	--	--	--	--	--	--	--	--	
Other Exposures	--	--	--	--	--	--	--	--	--	
Other Assets	--	--	--	--	--	--	--	--	--	
Total	775,830	--	316,392	291,896	7,308	143,795	--	--	1,535,221	

*It is used as the risk weight of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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X. Explanations on risk management objectives and policies (continued)

Collaterals for CCR

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	--	--	--	--	--	--
Cash-foreign currency	29	--	--	--	412,624	--
Domestic sovereign debts	--	--	--	--	--	--
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	622,641
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
Total	29	--	--	--	412,624	622,641

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

Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	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 as the simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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X. Explanations on risk management objectives and policies (continued)

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”.

Market risk under standardised approach

	Current Period	Prior Period
	RWA	RWA
Outright Products		
1 Interest rate risk (general and specific)	336.563	368.500
2 Equity risk (general and specific)	--	--
3 Foreign exchange risk	115.850	128.475
4 Commodity risk	49.138	24.775
Options		
5 Simplified approach	--	--
6 Delta-plus method	6.138	75.000
7 Scenario approach	--	--
8 Securitisation	--	--
9 Total	507.688	596.750

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X. Explanations on risk management objectives and policies (continued)

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.

Current Period	Risk Weights						Total RWA
	Value	0%	20%	50%	75%	100%	
Interest-Rate Contracts (*)	--	--	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	215.126	8.022	58.176	76.411	5.050	67.467	121.095
Commodity Contracts	--	--	--	--	--	--	--
Equity-Shares Related Contracts	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Gross Positive Fair Values	703.297	--	3.283	490.274	13.975	195.765	452.040
Netting Benefits	--	--	--	--	--	--	--
Net Current Exposure Amount	--	--	--	--	--	--	--
Collaterals Received	29	--	--	--	--	--	--
Net Derivative Position (***)	918.423	8.022	61.459	566.685	19.025	263.232	573.135

(*) 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 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.

Prior Period	Risk Weights						Total RWA
	Value	0%	20%	50%	75%	100%	
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	--	--	--	--	--	--	--
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 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.

Explanations on consolidated operational risk

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 174.914 (31 December 2020: TL 145.587) represents also the minimum capital requirement to recover the risk amount.

Current Period	31 December			Total/ No. of Years of Positive Gross Income	Rate (%)	Total
	2018	2019	2020			
Gross Income	1.038.186	1.157.197	1.302.892	1.166.092	15	174.914
Value at Operational Risk (Total*12,5)						2.186.422

Prior Period	31 December			Total/ No. of Years of Positive Gross Income	Rate (%)	Total
	2017	2018	2019			
Gross Income	716.364	1.038.186	1.157.197	970.582	15	145.587
Value at Operational Risk (Total*12,5)						1.819.842

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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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL / Foreign Currency	81.974	886.314	54.967	281.636
Balances with the Central Bank of Turkey	854.653	11.091.719	411.057	2.174.032
Other	--	--	--	--
Total	936.627	11.978.033	466.024	2.455.668

1.1 Information related to the account of the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	832.804	1.239.945	407.561	782.078
Unrestricted Time Deposits	21.849	6.996.263	3.496	--
Restricted Time Deposits	--	2.855.511	--	1.391.954
Total	854.653	11.091.719	411.057	2.174.032

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 3%-8% (31 December 2020: 1%-6%) for TL liabilities and at the rates varying from 5%-25% (31 December 2020: 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	94	--	2.796	--
Total	94	--	2.796	--

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 2021, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 214.911 (31 December 2020: TL 135.412).

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 2021, there are no loans recognized at fair value through profit or loss (31 December 2020: TL None).

2.2 Information on financial assets at fair value through profit or loss subject to repurchase agreements

None.

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1. Explanations and disclosure related to the consolidated assets (continued)

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

2.3 Positive differences relating to derivative financial assets*

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	278.218	--	97.046	--
Swap Transactions	722.661	--	368.124	--
Futures Transactions	--	--	--	--
Options	267.575	3.406	231.789	10.406
Other	--	--	--	--
Total	1,268.454	3.406	696.959	10.406

3. Information on Banks

3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	397.813	658.294	465.117	39.805
Foreign	557	443.657	461	383.162
Foreign head-offices and branches	--	--	--	--
Total	398.370	1.101.951	465.578	422.967

3.2 Due from foreign banks

	Current Period		Prior Period	
	Unrestricted Balances	Restricted Balances	Unrestricted Balances	Restricted Balances
EU Countries	35.651	3.039	68.714	233.344
USA and Canada	329.485	--	8.447	--
OECD Countries	22.820	44.066	719	59.798
Off-Shore Banking Regions	--	--	--	--
Other	9.153	--	12.601	--
Total	397.109	47.105	90.481	293.142

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	196.700	944.749	2.929	717.544
Other	--	--	--	--
Total	196.700	944.749	2.929	717.544

As of 31 December 2021 the amount of financial assets valued at fair value through other comprehensive income not given as collateral or not blocked is TL 936.304 (31 December 2020: TL 307.053).

4.2 Details of financial assets valued at fair value through other comprehensive income

	Current Period	Prior Period
Debt instruments	2,098,634	1,017,163
Quoted on Stock Exchange	2,098,634	1,017,163
Unquoted on Stock Exchange	--	--
Share certificates	4,897	10,363
Quoted on Stock Exchange	4,897	10,363
Unquoted on Stock Exchange	--	--
Impairment provision (-)	25,778	--
Total	2,077,753	1,027,526

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I. Explanations and disclosure related to the consolidated assets (continued)

5. Information on Loans

5.1 Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans to Shareholders	--	--	--	20
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	20
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	6.805	--	6.497	--
Total	6.805	--	6.497	20

5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Non-restructured	Restructured	
			Revised Contract Terms	Refinanced
Loans	18.574.042	611.460	2.929.219	--
Working Capital Loans	5.802.602	276.690	1.951.747	--
Export Loans	--	--	--	--
Import Loans	--	--	--	--
Loans to Financial Sector	91.541	--	--	--
Consumer Loans	6.071.795	125.208	47.320	--
Credit Cards	11.514	1.046	--	--
Others	6.596.590	208.516	930.152	--
Specialization Loans	--	--	--	--
Other Receivables	--	--	--	--
Total (*)	18.574.042	611.460	2.929.219	--

(*) Amounting to TL 74.062 factoring receivables are also included.

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-months Expected Credit Losses	159.887	--	155.743	--
Significant Increase in Credit Risk	--	348.256	--	285.623
Total	159.887	348.256	155.743	285.623

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I. Explanations and disclosure related to the consolidated assets (continued)

5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured (continued)

The overdue analysis of close monitoring loans

Current Period	Commercial Loans	Consumer Loans	Total
1-30 days	7.031	25.446	32.477
31-60 days	7.748	56.310	64.058
61-90 days	7.887	30.488	38.375
Total	22.666	112.244	134.910

Prior 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

Maturity analysis of cash loans

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans and Other Receivables	8.532.620	148.700	14.964
Loans	8.532.620	148.700	14.964
Specialized Loans	--	--	--
Other Loans	--	--	--
Medium and Long-term Loans and Other Receivables	10.041.422	462.760	2.914.255
Loans	10.041.422	462.760	2.914.255
Specialized Loans	--	--	--
Other Loans	--	--	--

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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	1.780.734	4.324.699	6.105.433
Mortgage Loans	--	196.946	196.946
Vehicle Loans	--	1.971	1.971
General Purpose Loans	1.780.734	4.125.782	5.906.516
Other	--	--	--
Consumer Loans-Indexed to FC	--	1.786	1.786
Mortgage Loans	--	1.572	1.572
Vehicle Loans	--	--	--
General Purpose Loans	--	214	214
Other	--	--	--
Consumer Loans-FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	7.298	--	7.298
With Installment	1.636	--	1.636
Without Installment	5.662	--	5.662
Individual Credit Cards-FC	166	--	166
With Installment	--	--	--
Without Installment	166	--	166
Loans Given to Employees-TL	1.052	5.024	6.076
Mortgage Loans	--	409	409
Vehicle Loans	--	--	--
General Purpose Loans	1.052	4.615	5.667
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	720	--	720
With Installment	87	--	87
Without Installment	633	--	633
Personnel Credit Cards - FC	9	--	9
With Installment	--	--	--
Without Installment	9	--	9
Overdraft Loans-TL (Real Persons)	131.028	--	131.028
Overdraft Loans-FC (Real Persons)	--	--	--
Total	1.921.007	4.331.509	6.252.516

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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	426.641	2.105.092	2.531.733
Real Estate Loans	--	6	6
Vehicle Loans	2.041	31.770	33.811
General Purpose Loans	424.600	2.073.316	2.497.916
Other	--	--	--
Installment Commercial Loans - Indexed to FC	--	30.809	30.809
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	30.809	30.809
Other	--	--	--
Installment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	4.367	--	4.367
With Installment	2.217	--	2.217
Without Installment	2.150	--	2.150
Corporate Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Legal Entities)	138.507	--	138.507
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	569.515	2.135.901	2.705.416

5.5 Allocations of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	22.114.721	19.006.911
Total (*)	22.114.721	19.006.911

(*) Amounting to TL 74.064 factoring receivables are also included.

5.6 Allocation of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	21.552.903	18.080.629
Foreign Loans	561.818	926.282
Total (*)	22.114.721	19.006.911

(*) Amounting to TL 74.064 factoring receivables are also included.

5.7 Loans granted to subsidiaries and associates

The Bank has loans granted to subsidiaries and associates amounting to TL 60.114 as of 31 December 2021 (31 December 2020: None).

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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	37.132	33.606
Loans and Receivables with Doubtful Collectability	157.932	56.774
Uncollectible Loans and Receivables	187.672	298.370
Total	382.736	388.750

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	--	2.872	1.491
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	--	2.872	1.491
Prior Period	18	1.779	2.508
Gross Amounts before Specific Provisions	--	--	--
Restructured Loans and Other Receivables	18	1.779	2.508

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	64.587	82.945	471.893
Additions (+)	857.453	74.578	21.896
Transfers from Other Categories of Non-Performing Loans (+)	--	577.766	127.329
Transfers to Other Categories of Non-Performing Loans (-)	577.766	127.329	--
Collections (-)	243.811	47.282	124.070
Write-offs (-)	4.462	4.462	51.262
Sold (-)	34.322	31.355	143.613
Corporate and Commercial Loans	32.718	21.587	105.821
Retail Loans	1.598	9.737	35.577
Credit Cards	7	31	2.214
Other	--	--	--
Balances at End of the Period	61.679	524.861	302.173
Provisions (-)	37.132	157.932	187.672
Net Balance on Balance Sheet	24.547	366.929	114.501

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5.9.3 Information on expected credit losses

	Stage 1	Stage 2	Stage 3
Beginning of period (1 January 2021)	155.743	285.623	388.750
Loans and movements added during the period	60.767	10.689	16.850
Loans and movements moved out during the period	(22.685)	113	(24.790)
Movements of Stage 1 and Stage 2			
Stage 1 Loans in two periods	(30.328)	--	--
Transfers from Stage 1 to Stage 2	(11.874)	62.607	--
Stage 2 Loans in two periods	--	202.231	--
Transfers from Stage 2 to Stage 1	9.983	(13.569)	--
Movements of Stage 3			
Transfers from Stage 1 to Stage 3 (*)	(1.365)	--	40.475
Transfers from Stage 2 to Stage 3	--	(140.178)	139.893
Stage 3 Loans in two periods (amount and parameter change)	--	--	(15.712)
Write-offs	--	--	--
Sold	(355)	(59.259)	(162.731)
Period end (31 December 2021)	159.887	348.256	382.736

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 collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Balance as of Period End	1.935	457.522	86.790
Provisions (-)	1.623	167.758	28.102
Net Balance on Balance Sheet	312	289.764	58.688
Prior 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

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)	24.547	366.929	114.501
Loans Granted to Real Persons and Legal Entities (Gross)	61.679	524.861	302.173
Provisions (-)	37.132	157.932	187.672
Loans Granted to Real Persons and Legal Entities (Net)	24.547	366.929	114.501
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior 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)	--	--	--

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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. (31 December 2020: 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 Securities	59.880	2.888.813	48.344	858.607
Other	--	--	--	--
Total	59.880	2.888.813	48.344	858.607

6.2 Information on government securities in financial assets measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	190.594	3.015.309	187.659	1.006.930
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
Total	190.594	3.015.309	187.659	1.006.930

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
	Debt instruments	3.230.721
Quoted on Stock Exchange	3.230.721	1.207.902
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	3.230.721	1.207.902

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	1.207.902	575.098
Foreign Exchange Difference in Monetary Assets	719.494	132.935
Revaluation adjustments	34.657	5.934
Purchases during the year	1.268.668	493.935
Disposals through Sales and Redemptions	--	--
Impairment provision (-)	--	--
Total	3.230.721	1.207.902

7. Information on associates

The Group has no investment in an associate as of 31 December 2021 (31 December 2020: None).

8. Information on consolidated subsidiaries

The Bank has TL 117.945 investment in subsidiaries as of 31 December 2021 (31 December 2020: TL 117.945).

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I. Explanations and disclosure related to the consolidated assets (continued)

8. Information on consolidated subsidiaries (continued)

Non financial subsidiaries

The Bank has TL 112.500 investment in a non-financial subsidiary as of 31 December 2021 (31 December 2020: TL 112.500).

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)
Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.	Istanbul	100,00%	100,00%

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 2021 (31 December 2020: TL 5.445).

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)	Consolidation Type
Fiba Portföy Yönetim A.Ş.	Istanbul	99,00%	99,00%	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 2021 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
28.021	24.308	292	-	--	8.379	7.220	--

(*) Total fixed assets consist tangible and intangible assets.

Information on capital adequacy of major subsidiary

Current Period	Fiba Portföy Yönetimi A.Ş.
Core Capital	24.308
Paid-in Capital	5.500
Inflation Adjustments to Paid-in Capital	--
Share Premium	--
Reserves	--
Current Period's Profit and Prior Periods' Profit	18.808
Current Period's Losses and Prior Periods' Losses	--
Leasehold Improvements on Operational Leases (-)	--
Intangible Assets (-)	--
Goodwill (Net) (-)	--
Supplementary Capital	--
Capital	24.308
Deductions From Capital	--
Net Available Equity	24.308

The Parent Bank does not have any capital needs for its subsidiary included in the calculation of its consolidated capital adequacy standard ratio.

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I. Explanations and disclosure related to the consolidated assets (continued)
8. Information on subsidiaries (continued)

Movement of consolidated investment in subsidiaries

	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 Losses/ 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 %99 participation of Fibabanka A.Ş.

Sectoral information on consolidated financial subsidiaries and the related carrying amount

	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.

9. Information on entities under common control

The Group does not have investments in entities under common control as of 31 December 2021.

10. Information on lease receivables

The Group does not have lease receivables as of 31 December 2021.

11. Information on derivative financial assets held for hedging purposes

As of 31 December 2021, The Bank has no hedging derivative financial assets (31 December 2020: None).

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I. Explanations and disclosure related to the consolidated assets (continued)
12. Information on tangible assets

Current Period	Mortgage	Cars	Ongoing Investments(**)	Other Tangible Assets*	Total
Cost					
Beginning Balance, 1 January 2021	290.917	19.539	62.911	117.516	490.883
Additions	58	10.391	58.525	24.242	93.216
Disposals	(5.067)	--	--	3.793	(1.274)
Ending Balance, 31 December 2021	296.042	29.930	121.436	137.965	585.373
Accumulated Depreciation					
Beginning Balance, 1 January 2021	(51.717)	(3.166)	--	(75.865)	(130.748)
Depreciation	(15.940)	(4.795)	(4.795)	(21.287)	(42.022)
Disposals	--	--	--	2.050	2.050
Ending Balance, 31 December 2021	(67.657)	(7.961)	--	(95.102)	(170.720)
Net Book Value, 31 December 2021	228.385	21.969	121.436	42.862	414.653

* 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	Ongoing Investments(**)	Other Tangible Assets*	Total
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.

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.

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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.

13.3 Movements of intangible assets for the current period

	Current Period	Prior Period
Cost		
Beginning Balance, 1 January	185.483	138.252
Additions	52.243	51.384
Disposal	766	4.153
Ending Balance, 31 December	236.961	185.483
Accumulated Depreciation		
Beginning Balance, 1 January	(94.456)	(68.357)
Amortisation Expense for Current Period (-)	(35.946)	(26.099)
Disposal	--	--
Ending Balance, 31 December	(130.402)	(94.456)
Net Book Value, 31 December	106.559	91.027

13.4 Details for any individually material intangible assets

None.

13.5 Intangible assets capitalised under government incentives at fair values

None.

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 Goodwill

None.

14. Information on investment properties

None.

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I. Explanations and disclosure related to the consolidated assets (continued)

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 2021, the deferred tax asset amounting to TL 309.094 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2020: TL 191.840 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 Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	516.556	101.634
Unearned Commission Income/Prepaid Commission Expenses	113.656	24.783
Retirement Pay and Unused Vacation Provision	51.942	12.258
Tangible Assets Base Differences	(37.872)	(7.575)
Provisions	858.646	187.676
Other	10.944	(9.682)
Deferred Tax Asset/(Liability)	1.513.872	309.094
	Prior Period	
	Deferred Tax Base	Deferred Tax 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

The movement of the current year and prior year deferred tax assets is shown below:

	1 January - 31 December 2021	1 January - 31 December 2020
Deferred Tax Asset, 1 January	191.840	54.503
Deferred Tax Income / (Expense)	141.263	138.053
Deferred Tax Recognized Directly Under Equity	(24.009)	(716)
Deferred Tax Asset/(Liability), Period End Balance	309.094	191.840

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- 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 2020: 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 2021, the Group has TL 182.161 assets held for sale (31 December 2020: TL 102.748).
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 2021, total prepaid expenses are TL 41.196 (31 December 2020: TL 41.636).

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- II. Explanations and disclosures related to consolidated liabilities
1. Information on deposits
- 1.1 Information on maturity structure of deposits

	Current period							Cumulative Deposit	Total
	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over		
Saving Deposits	534.553	--	4.744.646	2.312.448	57.937	155.230	91.456	--	7.896.270
Foreign Currency Deposits	4.093.791	--	7.803.817	1.044.716	155.771	5.035	207.983	--	13.311.113
Residents in Turkey	3.955.128	--	7.755.600	1.039.879	155.771	4.936	207.915	--	13.119.229
Residents Abroad	138.663	--	48.217	4.837	--	99	68	--	191.884
Public Sector Deposits	386	--	--	--	--	--	--	--	386
Commercial Deposits	633.668	--	138.081	366.682	1.021	14.724	125	--	1.154.301
Other Ins. Deposits	4.520	--	13.357	26.782	31	66	--	--	44.756
Precious Metal Deposits	1.182.332	--	1.024.849	--	--	--	--	--	2.207.181
Interbank Deposits	143.226	--	107.920	5.254.043	881.168	--	--	--	6.386.358
Central Bank of Turkey	--	--	151	5.229.130	881.168	--	--	--	6.110.450
Domestic Banks	25	--	70.026	--	--	--	--	--	70.051
Foreign Banks	137.477	--	37.743	24.913	--	--	--	--	200.133
Special Finan. Inst.	5.724	--	--	--	--	--	--	--	5.724
Other	--	--	--	--	--	--	--	--	--
Total	6.592.476	--	13.832.670	9.004.671	1.095.928	175.055	299.564	--	31.000.365

(*) As of 31 December 2021, the Bank has a total of TL 826.739 foreign exchange-protected deposit instrument of which TL 38.833 opened within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, TL 787.546 opened within the scope of the announcement of the Ministry of Treasury and Finance ("Treasury") dated 24 December 2021. Foreign exchange revaluation differences amounting to TL 99.289 regarding the foreign exchange-protected deposit instrument calculated as of the balance sheet date are presented in other assets under assets and included in other liabilities under liabilities.

	Prior period							Cumulative Deposit	Total
	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over		
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

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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 Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
	Saving Deposits	3.321.603	2.701.076	4.533.631
Foreign Currency Saving Deposits	2.893.560	1.554.183	9.124.125	5.118.09*
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	6.215.163	4.255.259	13.657.756	8.218.517

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	8.595	11.366
Deposits of Chairman and Members of the Board of Directors and their Close Families	--	--
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	52.423	43.256
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	839.040	--	100.750	--
Swap Transactions	587.941	--	767.895	--
Futures Transactions	--	--	--	--
Options	248.017	3.398	228.455	10.392
Other	--	--	--	--
Total	1.674.998	3.398	1.097.100	10.392

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	15.646	251.020	20.370	180.458
From Foreign Banks, Institutions and Funds	--	256.911	--	954.314
Total	15.646	507.931	20.370	1.134.772

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II. Explanations and disclosures related to consolidated liabilities (continued)

3.2 Maturity analysis of borrowing

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	14.961	6.238	20.370	98.963
Medium and Long Term	685	501.693	--	1.035.809
Total	15.646	507.931	20.370	1.134.772

3.3 Additional explanation related to the concentrations of the Group's major liabilities

In the scope of 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	--	--	--	2.579.975
Book Value	--	--	--	2.646.236

Prior period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	1.443.590
Book Value	--	--	--	1.480.900

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 "IFRS 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	Brüt	Net
Less than 1 Year	56.102	40.021	50.854	37.604
Between 1-4 Years	33.097	8.631	33.330	15.470
More than 4 Years	2.702	497	2.774	556
Total	91.901	49.149	86.958	53.630

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 2021, there are no derivative financial liabilities for hedging purposes (31 December 2020: TL None).

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 2021, there is no provision of foreign exchange loss on the foreign currency indexed loans. (31 December 2020: None).

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II. Explanations and disclosures related to liabilities (continued)

8.2 The specific provisions provided for unindemnified non cash loans

As of 31 December 2021, the specific provision provided for unindemnified non cash loans is TL 5.847 (31 December 2020: TL 4.566).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	337.000	151.000

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 2021, reserves for employee benefits amounting to TL 51.975 (31 December 2020: TL 37.613) comprise of TL 24.307 reserve for employee termination benefits (31 December 2020: TL 19.874), TL 6.689 unused vacation pay liability (31 December 2020: TL 6.193) and TL 20.978 personnel bonus accrual (31 December 2020: TL 11.546).

The table below shows the predicted total net cost from employee termination benefits.

	Current Period	Prior Period
Balance at the Beginning	19.874	15.083
Change in the period	6.419	6.891
Aktuerial Loss/Profit Transferred to Equity	(3.037)	3.763
Paid in the Period	(4.990)	(5.863)
Balance at the End	18.266	19.874

9. Explanations on Tax Liability

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 31 December 2021, the Group's current tax liability is TL 290.810 (31 December 2020: TL 187.777).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	198.273	143.871
Taxation on securities	15.179	13.359
Property tax	1.046	173
Banking and Insurance Transaction Tax (BITT)	20.744	13.397
Taxes on foreign exchange transactions	28.193	1.433
Value added taxes payable	3.707	1.715
Income tax ceased from wages	13.088	6.945
Other	1.818	1.004
Total	282.048	181.897

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	3.701	2.494
Social Security Premiums- Employer	4.287	2.864
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	258	174
Unemployment Insurance- Employer	517	348
Other	--	--
Total	8.762	5.880

9.2 Explanations on deferred tax liabilities

None (31 December 2020: None).

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II. Explanations and disclosures related to liabilities (continued)

10. Information on liabilities regarding assets held for sale and discounted operations

None (31 December 2020: None).

11. Explanations on subordinated loans

	Current Period		Prior Period	
	TL (*)	FC	TL	FC
Debt Instruments subject to common equity	100.000	399.981	100.000	220.276
Subordinated loans	--	--	--	--
Subordinated debt instruments*	100.000	399.981	100.000	220.276
Debt Instruments subject to Tier 2 equity	--	3.390.167	--	1.907.323
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	3.390.167	--	1.907.323
Total	100.000	3.790.148	100.000	2.127.599

(*) 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.

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II. Explanations and disclosures related to liabilities (continued)

12. Information on shareholders' equity (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 Privileged Shares	--	--
Share Premium	128.678	128.678
Share Cancellation Profits	--	--
Other Equity Instruments	--	--

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	129.399	(23.035)	3.850	18.413
Exchange Difference	--	--	--	--
Total	129.399	(23.035)	3.850	18.413

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 principal of debt instrument is under "Other Capital Reserves" account and current year interest expense is under "Prior Periods Profit or Losses" account.

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	52.876	42.321
Special Reserves	--	--

12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	654.616	454.071
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

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II. Explanations and disclosures related to liabilities (continued)

13. Information on minority shares:

	Current Period	Prior Period
Opening Balance	159	87
Minority Shares in Net Profit of Subsidiaries	84	72
Dividend Payment in Prior Period	--	--
Increase / (Decrease) in Minority Shares due to Sale	--	--
Others	--	--
Period-end Balance	244	159

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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	5.943.712	996.421
Credit Card Limit Commitments	25.488	27.643
Credit Card and Bank Trans. Promo. Guarantee	11	--
Commitments for Credit Allocation with the Guarantee of Usage	1.794.126	1.332.248
Export Commitments	36.399	8.878
Commitment for Cheques	248.984	184.090
Other Irrevocable Commitments	5.409	14.927
Total	8.054.129	2.564.207

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	454.064	584.041
Letters of Guarantee FC	227.839	277.530
Letters of Credit	147.599	248.224
Bills of Exchange and Acceptances	174.675	156.767
Total	1.004.177	1.266.562

The Bank has set aside TL 7.930 of expected credit loss allowance for non-cash loans (31 December 2020: TL 9.788).

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	8.680	18.446
Irrevocable Letters of Guarantee	551.710	728.239
Letters of Guarantee Given in Advance	58.049	66.645
Letters of Guarantee Given to Customs	34.789	14.100
Other Letters of Guarantee	28.675	34.141
Total	681.903	861.571

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	7.078	--
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	7.078	--
Other Non-Cash Loans	997.099	1.266.562
Total	1.004.177	1.266.562

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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	4.015	%0,9	63.946	%11,7	1.767	%0,3	21.193	%3,2
Farming and raising livestock	2.230	%0,5	10.663	%1,9	389	%0,1	13.569	%2,1
Forestry	1.785	%0,4	53.283	%9,7	1.378	%0,2	7.624	%1,2
Fishing	--	%0,0	--	%0,0	--	%0,0	--	%0,0
Manufacturing	132.769	%29,1	223.186	%40,8	130.215	%21,5	318.836	%48,3
Mining	3.422	%0,7	--	%0,0	3.237	%0,5	--	%0,0
Production	126.190	%27,6	222.804	%40,7	123.266	%20,3	311.495	%47,2
Electric, gas and water	3.157	%0,7	382	%0,1	3.712	%0,6	7.341	%1,1
Construction	114.846	%25,2	51.876	%9,5	146.632	%24,2	47.920	%7,3
Services	139.209	%30,5	177.294	%32,4	138.531	%22,8	203.524	%30,8
Wholesale and retail trade	84.004	%18,4	57.091	%10,4	40.268	%6,6	37.854	%5,7
Hotel, food and beverage services	13.753	%3,0	54.312	%9,9	14.783	%2,4	47.561	%7,2
Transportation and telecommunication	10.060	%2,2	37.116	%6,8	20.047	%3,3	28.693	%4,3
Financial Institutions	13.197	%2,9	7.444	%1,4	49.256	%8,1	78.810	%11,9
Real estate and renting services	665	%0,1	--	%0,0	1.245	%0,2	1.172	%0,2
Self-employment services	4.498	%1,0	--	%0,0	4.013	%0,7	143	%0,0
Education services	4.111	%0,9	--	%0,0	2.687	%0,4	--	%0,0
Health and social services	8.921	%2,0	21.331	%3,9	6.232	%1,0	9.291	%1,4
Other	65.725	%14,4	31.311	%5,7	189.446	%31,2	68.498	%10,4
Total	456.564	%100,0	547.613	%100,0	606.591	%100,0	659.971	%100,0

4. Information on the first and second group of non-cash loans

Current Period	Stage I		Stage II	
	TL	FC	TL	FC
Letters of Guarantee	396.404	223.431	57.660	4.408
Bills of Exchange and Bank Acceptances	2.500	172.175	--	--
Letters of Credit	--	146.797	--	802
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
Non-Cash Loans	398.904	542.403	57.660	5.210

Prior Period	Stage I		Stage II	
	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

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	53.187.119	33.526.782
Forward Transactions	13.167.149	4.022.259
Swap Transactions	35.801.978	23.374.081
Futures Transactions	5.079	--
Option Transactions	4.212.913	6.130.442
Interest Related Derivative Transactions (II)	4.895.510	2.899.546
Forward Rate Transactions	--	--
Interest Rate Swap Transactions	4.895.510	2.899.546
Interest Option Transactions	--	--
Futures Interest Transactions	--	--
Other Trading Derivative Transactions (III)	415.032	420.836
A. Total Derivative Transactions Held for Trading (I+II+III)	58.497.661	36.847.164
Types of hedging transactions		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
B. Total Derivative Transactions Held for Hedging	--	--
Purposes		
Total Derivative Transactions (A+B)	58.497.661	36.847.164

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Explanations on contingent liabilities and assets

The Group provided provision of TL 6.015 for the legal cases pending against the Group where the cash outflows are probable (31 December 2020: TL 6.198).

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.

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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(*)	2.679.490	414.513	1.500.921	501.698
Short Term Loans	1.563.408	46.732	692.596	65.373
Medium and Long Term Loans	1.116.082	367.781	808.325	436.325
Interest on Non-Performing Loans	12.401	--	15.576	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total (*)	2.691.891	414.513	1.516.497	501.698

(*) 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	TP	YP
The Central Bank of Turkey	815	--	--	--
Domestic Banks	19.202	122	24.882	53
Foreign Banks	--	157	--	229
Branches and Head Office Abroad	--	--	--	--
Total	20.017	279	24.882	282

1.3 Interest received from marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	2.644	112	8.389	131
Financial Assets at Fair Value Through Other Comprehensive	8.134	55.027	549	45.751
Financial Assets Measured at Amortized Cost	22.253	105.404	15.930	41.645
Total	33.031	160.543	24.868	87.527

1.4 Information on interest income received from associates and subsidiaries

Total interest income received from subsidiaries is TL 13.936 (31 December 2020: None).

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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	3.037	13.925	1.613	41.668
The Central Bank of Turkey	--	--	--	--
Domestic Banks	3.037	4.908	1.613	23.116
Foreign Banks	--	9.017	--	18.552
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	197.812	--	165.407
Total	3.037	211.737	1.613	207.075

(* 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 12.350 (1 January - 31 December 2020: TL 728).

2.3 Information on interest expenses to marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	--	158.005	28.310	110.398

2.4 Information on maturity structure of interest expenses paid for deposits

Account Description	Demand Deposits	Time Deposits					Cumulative Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
Turkish Lira								
Bank Deposits	--	116.987	--	--	--	--	--	116.987
Saving Deposits	--	968.647	482.159	33.690	20.576	18.151	--	1.523.223
Public Sector Deposits	--	98	257	--	--	--	--	355
Commercial Deposits	--	54.266	170.773	950	3.014	9	--	229.012
Other	--	1.158	9.934	584	48	--	--	11.724
7 Days Notice	--	--	--	--	--	--	--	--
Total	--	1.141.156	663.123	35.224	23.638	18.160	--	1.881.301
Foreign Currency								
Foreign Currency Deposits	--	44.388	18.917	1.143	121	4.674	--	69.243
Bank Deposits	--	3.965	--	--	--	--	--	3.965
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	3.807	--	--	--	--	--	3.807
Total	--	52.160	18.917	1.143	121	4.674	--	77.015
Grand Total	--	1.193.316	682.040	36.367	23.759	22.834	--	1.958.316

3. Information on dividend income

In the current period, the Bank's dividend income from its subsidiaries is TL 197.009 (31 December 2020: None).

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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	7.001.847	2.420.186
Gains on Capital Market Operations	57.253	62.668
Gains on Derivative Financial Instruments	1.934.648	1.371.297
Foreign Exchange Gains	5.009.946	986.221
Loss (-)	6.837.475	2.272.068
Losses on Capital Market Operations	9.109	18.969
Losses on Derivative Financial Instruments	2.528.456	1.298.946
Foreign Exchange Losses	4.299.910	954.153
Net Trading Income / (Loss)	164.372	148.118

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	513.460	285.864
12 Months Expected Credit Losses (Stage 1)	4.111	41.832
Significant Increase In Credit Risk (Stage 2)	133.230	126.137
Impaired Credits (Stage 3)	376.119	117.895
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 (*)	187.587	110.595
Total	701.047	396.459

(*) TL 186.000 of the total is the provisions expense for possible losses (31 December 2020: TL 106.500).

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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	1.429	1.027
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	19.237	17.762
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	35.998	26.160
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	22.693	28.162
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	194.361	140.573
Operational leases expenses related with TFRS 16 exceptions	1.287	818
Repair and Maintenance Expenses	2.373	2.215
Advertisement Expenses	24.356	16.669
Other Expenses	166.345	120.871
Losses on Sale of Assets	2.985	4.060
Other	149.669	109.570
Total	426.372	327.314

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	3.411.084	2.179.532
Interest Expenses (-)	2.367.790	1.223.484
Net Fee and Commission income	275.682	165.054
Dividend income	197.009	--
Trading Profit/Loss (Net)	164.372	148.118
Other Operating Income	327.059	83.957
Provision for Impairment in Loans and Other Receivables	513.460	285.864
Other Provision Expenses (-)	187.587	110.595
Personnel Expenses (-)	397.397	303.949
Other Operating Expenses (-)	426.372	327.314
Profit/(loss) Before Tax	482.600	325.455

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

In the current period, the Group provided current tax expense of TL 205.517 in the statement of profit or loss for the 12 months period (1 January - 31 December 2020: TL 226.453 expense).

In the current period, the Group provided net deferred tax income of TL 141.263 in the statement of profit or loss for 12 months period (1 January - 31 December 2020: TL 138.053 net deferred tax income).

10. Information on profit/loss from continued and discontinued operations

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	482.600	325.455
Tax Benefit/(Charge) on Continuing Operations	(64.254)	(88.400)
Net Profit/(Loss) from Continuing Operations	418.346	237.055

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IV. Explanations and disclosures related to the statement of profit or loss (continued)

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 84 (1 January - 31 December 2020: TL 72).

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 valuation commissions, insurance commissions, contracted merchant commissions, and credit card commissions.

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.

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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 2021 profit will be made at the General Assembly.

At the General Assembly meeting held on 26 March 2021, 2020 profit of the Parent Bank was decided to be distributed as follows:

Profit or Loss	229.835
A- Prior Periods Losses	18.736
B- Legal Reserves	10.555
C- Extraordinary Reserves	200.544

3. Information on foreign exchange difference

None.

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 equity securities are sold, redeemed, disposed of or impaired; recognised as "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under such equity securities. In case the related assets are securities representing a share in the capital, in the account "Accumulated Other Comprehensive Income or Loss to be Reclassified Through Profit or Loss" under equity.

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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 2021	1 January 2020
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

b. Cash and cash equivalents at the end of the period:

	31 December 2021	31 December 2020
Cash	968.288	336.603
Banks and Other Financial Institutions	10.544.077	1.788.538
Money Market Placements	128.720	412.231
Total Cash and Cash Equivalent Assets	11.641.085	2.537.372

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 47.105 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 2020: TL 293.142).

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 93.032 in "operating profit before changes in operating assets and liabilities" consists of other operating expenses and realized derivative losses (31 December 2020: TL 87.315).

"Net increase/decrease in other liabilities" amounting to TL 1.348.029 in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2020: TL (2.882)).

"Net increase/decrease in other assets" amounting to TL (335.620) in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2020: TL (9.883)).

"Other" amounting to TL (93.195) in "Net cash flows from investment activities" consists of purchases of intangible asset (31 December 2020: TL (51.382)).

"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 1.544.712 the current period (1 January- 31 December 2020: TL (754.562)).

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VII. Explanations and disclosures on the risk group of the Parent Bank

I. 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 The volume of transactions with the Bank's risk group

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	635.851	70.760
Balance at the End of the Period	60.114	--	--	--	465.991	67.861
Interest and Commission Income Received	13.936	--	--	--	54.949	590

(*) Described in article 49 of the Banking Act No: 5411.

(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

Prior 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	--	--	--	--	36.884	126

(*) Described in article 49 of the Banking Act No: 5411.

(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

1.2 Information on deposits of the Bank's risk group

Bankanın Dahil Olduğu Risk Grubu*	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	2.544	7.685	18.479	57.840	512.953	231.137
Balance at the End of the Period	224.366	2.544	2.204	18.479	399.459	512.953
Deposit Interest Expense	12.350	728	1.112	4.778	36.759	20.532

(*) 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 2021, there are no funds other than deposit obtained from Bank's risk group (31 December 2020: None).

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VII. 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 Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	585.484	381.159
Balance at the End of the Period	--	--	--	--	404.723	585.484
Total Income/Loss	--	--	--	--	54.382	578
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 2021, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 2,10% (31 December 2020: 3,38%) and the ratio of the deposits of entities of risk group to total deposits is 2,02% (31 December 2020: 3,02%). There are no funds obtained from entities of risk group (31 December 2020: None).

In the current period, benefits such as salaries and bonuses; provided to the key management are TL 28.235 (1 January - 31 December 2020: TL 21.892).

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.

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VIII. Explanations on the Group's domestic, foreign, off-shore branches or investments in associates and foreign representative offices

1. Information related to the Group's domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic Branch	47	1.782			
			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-		
			2-		
			3-		

Domestic Consolidated Subsidiaries

	Number of Employees	Assets	Legal Capital
Fiba Portföy Yönetimi A.Ş.	16	28.021	5.500

IX. Fees for services received from Independent Auditor / Independent Audit firms

The fee information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the KGK dated 26 March 2021 is given in the table below. These fees include the fees for services rendered to the Bank's consolidated subsidiaries.

	Current Period	Prior Period
Independent Audit Fee	1.017	707
Tax Consultancy Fee	--	--
Other Assurance Services Fee	59	--
Other Fee For Non-Audit Services	--	--
Total	1.076	707

X. Events after sheet date

In January 2022, a dividend income of 160.000 TL was received from Finberg Araştırma Gelişim Danışmanlık Yatırım Hizmetleri A.Ş. which is subsidiary of the Bank.

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SECTION SIX

I. 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	B
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

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SECTION SEVEN

DISCLOSURES ON AUDIT REPORT

I. Disclosures on audit report

The consolidated financial statements of the Bank and its subsidiary as of 31 December 2021, 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	(322) 459 9711	(322) 459 79 93
2	30	Akdeniz	Antalya	Muratpaşa	Mehmetçik Mah. Aspendos Bulvarı No: 81/D	(242) 314 10 21	(242) 322 24 93
3	34	Alanya	Antalya	Alanya	Saray Mah. Yunusemre Cad. No: 52/A	(242) 511 50 50	(242) 511 69 95
4	79	Altıyol	Istanbul	Kadıköy	Osmanağa Mah. Söğütluçeşme Cad. No: 79 Altıyol	(216) 450 56 96	(216) 450 56 97
5	87	Ankara Kurumsal	Ankara	Çankaya	Koç Kuleleri Söğütözü Mah. Söğütözü Cad. No: 2 A Blok K: 27 Ofis No: 78-79	(312) 284 47 72	(312) 287 64 41
6	94	Atatürk OSB	Istanbul	Başakşehir	İkitelli OSB Şubesi Atatürk Bulvarı Haseyad 1. Kısım Gökso İş Merkezi No: 56/D	(212) 549 65 98	(212) 549 32 84
7	42	Bakırköy	Istanbul	Bakırköy	İncirli Cad. Aydın İşhanı No: 90	(212) 571 1701	(212) 571 1715
8	70	Balgat	Ankara	Çankaya	Oğuzlar Mah. Ceyhan Atuf Kansı Cad. No: 50/A Balgat	(312) 220 16 77	(312) 220 16 78
9	14	Beşiktaş Çarşı	Istanbul	Beşiktaş	Barbaros Bulvarı No: 23/A	(212) 363 82 02	(212) 299 36 02
10	85	Beylikdüzü	Istanbul	Büyükkçekmece	Cumhuriyet Mah. D100 Karayolu Cad. No: 374/26-27	(212) 873 68 85	(212) 872 98 87
11	40	Bodrum	Muğla	Bodrum	Hasan Reşat Öncü Cad. No: 20	(252) 313 16 80	(252) 313 16 90
12	58	Bornova	İzmir	Bornova	Kazım Dirik Mah. Mustafa Kemal Cad. No: 117/A	(232) 343 33 04	(232) 343 66 62
13	18	Caddebostan	Istanbul	Kadıköy	Bağdat Cad. No: 300/A Caddebostan	(216) 569 71 20	(216) 372 69 34
14	67	Çallı	Antalya	Kepez	Ulus Mah. Namık Kemal Bulvarı No: 6/5 Çetin İş Merkezi Kepez	(242) 344 54 20	(242) 344 54 21
15	63	Çorlu	Tekirdağ	Çorlu	Cemaliye Mah. Eski Hükümet Cad. No: 6/2B	(282) 653 70 20	(282) 652 19 69
16	47	Denizli	Denizli	Merkezefendi	Saraylar Mah. Enverpaşa Cad. No: 15	(258) 264 4421	(258) 264 44 02
17	66	Düzce	Düzce	Merkez	Kültür Mah. İstanbul Cad. No: 104	(380) 524 59 55	(380) 514 96 61
18	21	Eminönü	Istanbul	Fatih	Hobyar Mah. Ankara Cad. No: 39	(212) 455 81 12	(212) 526 20 30
19	86	Eskişehir	Eskişehir	Odunpazarı	İstiklal Mah. Şair Fuzuli Cad. No: 12/A	(222) 220 85 81	(222) 220 03 54
20	23	Etiler	Istanbul	Beşiktaş	Nispetiye Cad. No: 77 Etiler	(212) 359 82 03	(212) 257 20 59
21	39	Gaziantep	Gaziantep	Şehitkamil	İncilipınar Mah. Prof. Muammer Aksoy Cad. No: 19	(342) 215 16 88	(342) 215 16 78
22	41	Gebze	Kocaeli	Gebze	Hacı Halil Mah. Atatürk Cad. No: 55/1 A Blok	(262) 643 10 53	(262) 643 10 72
23	44	İmes	Istanbul	Ümraniye	İmes Sanayi Sitesi B Blok 202. Sokak No: 4	(216) 527 97 50	(216) 527 97 91
24	15	İzmir	İzmir	Konak	Cumhuriyet Meydanı, Meydan Apt. No: 11/B Alsancak	(232) 466 01 24	(232) 422 49 24

No	Branch Code	Branch Name	Province	District	Branch Address	Telephone	Fax
25	82	İzmit	Kocaeli	İzmit	Hürriyet Cad. No: 169 41040 İzmit	(262) 324 03 31	(262) 324 03 32
26	20	Kalamış	İstanbul	Kadıköy	Fenerbahçe Mah. Ahmet Mithat Efendi Cad. No: 13	(216) 477 72 50	(216) 369 14 89
27	61	Karşıyaka	İzmir	Karşıyaka	Bostanlı Mah. Girne Bulvarı No: 63/A Karşıyaka	(232) 368 70 85	(232) 368 70 21
28	77	Kayseri Çarşı	Kayseri	Melikgazi	Cumhuriyet Mah. Millet Cad. No: 22	(352) 231 30 00	(352) 231 30 12
29	54	Konya	Konya	Selçuklu	Feritpaşa Mah. No: 7/C	(332) 345 02 30	(332) 345 09 91
30	25	Kozyatağı	İstanbul	Kadıköy	Sahtayıcedit Mah. Atatürk Cad. No: 36/A Kozyatağı	(216) 477 71 32	(216) 369 11 36
31	45	Maltepe	İstanbul	Maltepe	Cevizli Mah. Bağdat Cad. No: 444/A	(216) 457 33 69	(216) 457 33 70
32	31	Merkez	İstanbul	Şişli	Esentepe Mah. Büyükdere Cad. No: 129/A	(212) 381 85 55	(212) 227 24 52
33	48	Mersin	Mersin	Akdeniz	Uray Cad. No: 17 Şühman İş Merkezi	(324) 233 11 49	(324) 233 69 32
34	59	Muratpaşa	Antalya	Muratpaşa	Muratpaşa Mah. Adnan Menderes Bulvarı No: 9 Muratpaşa	(242) 229 10 24	(242) 229 10 28
35	29	Necatibey	Ankara	Çankaya	Necatibey Cad. No: 23/A Kızılay	(312) 205 10 83	(312) 229 67 90
36	76	Nilüfer	Bursa	Nilüfer	Üçevler Mah. Ersan Sok. No: 7/B	(224) 441 44 08	(224) 441 44 28
37	22	Nişantaşı	İstanbul	Şişli	Harbiye Mah. Teşvikiye Cad. No: 49/B	(212) 368 81 58	(212) 219 66 17
38	37	Ostim	Ankara	Yenimahalle	Organize Sanayi Bölgesi, 100.Yıl Bulvarı No: 17	(312) 386 04 01	(312) 386 04 62
39	32	Özyeğin Ün.	İstanbul	Çekmeköy	Nişantepe Mah. Orman Sok. No: 28/30 Öğrenci Merkezi	(216) 525 50 00	(216) 525 50 01
40	36	Pendik	İstanbul	Pendik	Çınardere Mah. Gönenli Mehmet Efendi Cad. No: 83/1 Pendik	(216) 598 15 25	(216) 598 15 85
41	60	Sincan	Ankara	Sincan	Atatürk Mah. Meltem Sok. No: 43/B	(312) 348 28 44	(312) 348 28 30
42	24	Şişli	İstanbul	Şişli	Halaskargazi Cad. No: 207	(212) 368 81 22	(212) 219 42 54
43	75	Topkapı	İstanbul	Zeytinburnu	Maltepe Mah. Teyyareci Sami Sok. Beyaz Rezidans Sitesi C Blok No: 2/I	(212) 638 91 61	(212) 638 91 68
44	55	Ümraniye	İstanbul	Ümraniye	Alemdağ Cad. No: 372/1	(216) 481 91 01	(216) 481 91 03
45	53	Üsküdar	İstanbul	Üsküdar	Aziz Mahmut Hüdayi Mah. Halk Cad. No: 4-6/A	(216) 532 33 07	(216) 532 34 75
46	12	Yeşilköy	İstanbul	Bakırköy	İstasyon Cad. No: 23/B Yeşilköy	(212) 468 84 80	(212) 662 94 57
47	26	Yıldız	Ankara	Çankaya	Hilal Mah. Hollanda Cad. No: 3/A	(312) 405 80 03	(312) 442 24 93



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