

# **Fibabanka Anonim Şirketi 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)*

**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.

<b><i>Key audit matter</i></b>	<b><i>How the matter is addressed in our audit</i></b>
<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"> <li>- significant increase in credit risk;</li> <li>- incorporating the forward looking macroeconomic information in calculation of credit risk; and design and implementation of expected credit loss model.</li> </ul>	<p>Our procedures for testing the impairment of loans included below:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>

<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"> <li>• 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.</li> <li>• 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.</li> <li>• We assessed the macroeconomic models which are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method.</li> <li>• We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk.</li> <li>• We also evaluated the adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.</li> </ul>
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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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The consolidated year end financial report prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

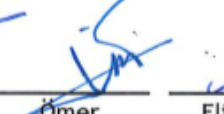
- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- EXPLANATORY DISCLOSURES AND FOOTNOTES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

The consolidated subsidiary included in this consolidated financial report is as follows:

**Subsidiary:**

- Fiba Portföy Yönetimi A.Ş.

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

 Hüsnü Mustafa Özyeğin Chairman of the Board of Directors	 İsmet Kaya Erdem Member of the Audit Committee	 Faik Onur Umut Member of the Audit Committee	 Ömer Mert General Manager and Member of the Board of Directors	 Elif Alsev - Utku Özbey Deputy General Manager	 Ayşe Akdaş Director Financial Control and Reporting
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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)

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### 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>
<i>Board of Directors</i>		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
İsmet Kaya Erdem	Member	11-Feb-13
Mehmet Güleşci	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
<i>Audit Committee</i>		
İsmet Kaya Erdem	Member	27-Dec-19
Faik Onur Umut	Member	14-Jan-20
<i>Assistant General Managers</i>		
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 Onal	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

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	--
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	: <a href="http://www.fibabanka.com.tr">www.fibabanka.com.tr</a>
The Bank's E-Mail Address	: <a href="mailto:malikontrol@fibabanka.com.tr">malikontrol@fibabanka.com.tr</a>
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 BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AS AT 31 DECEMBER 2021

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

ASSETS	Footnotes	CURRENT PERIOD (31/12/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		3.621.712	14.485.168	18.106.880	2.123.398	3.970.228	6.093.626
1.1 Cash and Cash Equivalents	(5.1.1)	1.333.558	13.208.704	14.542.262	1.269.829	2.950.698	4.220.527
1.1.1 Cash and Balances at Central Bank		936.627	11.978.033	12.914.660	466.024	2.455.668	2.921.692
1.1.2 Banks	(5.1.3)	398.370	1.101.951	1.500.321	465.578	422.967	888.545
1.1.3 Money Market Placements		-	128.720	128.720	340.168	72.063	412.231
1.1.4 Expected Credit Loss (-)		1.439	-	1.439	1.941	-	1.941
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	139.676	75.329	215.005	138.205	3	138.208
1.2.1 Government Debt Securities		262	2.316	2.578	27.480	3	27.483
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		139.414	73.013	212.427	110.725	-	110.725
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	880.024	1.197.729	2.077.753	18.405	1.009.121	1.027.526
1.3.1 Government Debt Securities		483.387	558.479	1.041.866	13.508	381.334	394.842
1.3.2 Equity Securities		4.897	-	4.897	4.897	5.466	10.363
1.3.3 Other Financial Assets		391.740	639.250	1.030.990	-	622.321	622.321
1.4 Derivative Financial Assets	(5.1.2)	1.268.454	3.406	1.271.860	696.959	10.406	707.365
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		1.268.454	3.406	1.271.860	696.959	10.406	707.365
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(5.1.6)	15.864.610	9.477.894	25.342.504	11.759.762	8.243.953	20.003.715
2.1 Loans	(5.1.5)	16.495.038	6.434.332	22.929.370	12.302.304	7.218.181	19.520.485
2.2 Lease Receivables	(5.1.10)	-	-	-	-	-	-
2.3 Factoring Receivables	(5.1.5)	70.629	3.435	74.064	100.322	5.529	105.851
2.4 Financial Assets Measured at Amortised Cost	(5.1.6)	190.594	3.040.127	3.230.721	187.659	1.020.243	1.207.902
2.4.1 Government Debt Securities		190.594	3.015.309	3.205.903	187.659	1.006.930	1.194.589
2.4.2 Other Financial Assets		-	24.818	24.818	-	13.313	13.313
2.5 Expected Credit Losses (-)		891.651	-	891.651	830.523	-	830.523
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	182.161	-	182.161	102.748	-	102.748
3.1 Assets Held for Sale		182.161	-	182.161	102.748	-	102.748
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		112.500	-	112.500	112.500	-	112.500
4.1 Investments in Associates (Net)	(5.1.7)	-	-	-	-	-	-
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Investments in Subsidiaries (Net)	(5.1.8)	112.500	-	112.500	112.500	-	112.500
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-financial Subsidiaries		112.500	-	112.500	112.500	-	112.500
4.3 Joint Ventures (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(5.1.12)	414.653	-	414.653	360.135	-	360.135
VI. INTANGIBLE ASSETS (Net)	(5.1.13)	106.559	-	106.559	91.027	-	91.027
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		106.559	-	106.559	91.027	-	91.027
VII. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		2.077	-	2.077	1.264	-	1.264
IX. DEFERRED TAX ASSET	(5.1.15)	309.094	-	309.094	191.840	-	191.840
X. OTHER ASSETS	(5.1.17)	599.510	8.870	608.380	255.721	25.055	280.776
TOTAL ASSETS		21.212.876	23.971.932	45.184.808	14.998.395	12.239.236	27.237.631

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

## CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AS AT 31 DECEMBER 2021

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

LIABILITIES	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2021)			(31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	15.340.623	15.659.742	31.000.365	9.286.198	8.381.210	17.667.408
II. FUNDS BORROWED	(5.II.3)	15.646	507.931	523.577	20.370	1.134.772	1.155.142
III. MONEY MARKET FUNDS		300.117	412.623	712.740	-	610.160	610.160
IV. SECURITIES ISSUED (Net)	(5.II.4)	-	2.646.236	2.646.236	-	1.480.900	1.480.900
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	2.646.236	2.646.236	-	1.480.900	1.480.900
V. FUNDS		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(5.II.2)	1.674.998	3.398	1.678.396	1.097.100	10.392	1.107.492
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		1.674.998	3.398	1.678.396	1.097.100	10.392	1.107.492
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5.II.6)	48.916	233	49.149	52.863	767	53.630
X. PROVISIONS	(5.II.8)	406.060	-	406.060	205.971	-	205.971
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		51.975	-	51.975	37.613	-	37.613
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		354.085	-	354.085	168.358	-	168.358
XI. CURRENT TAX LIABILITIES	(5.II.9)	290.810	-	290.810	187.777	-	187.777
XII. DEFERRED TAX LIABILITIES	(5.II.9)	-	-	-	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	(5.II.11)	-	3.790.148	3.790.148	-	2.127.599	2.127.599
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	3.790.148	3.790.148	-	2.127.599	2.127.599
XV. OTHER LIABILITIES	(5.II.5)	1.202.055	520.797	1.722.852	579.134	178.006	757.140
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	2.387.510	(23.035)	2.364.475	1.865.999	18.413	1.884.412
16.1 Paid-in Capital		941.161	-	941.161	941.161	-	941.161
16.2 Capital Reserves		228.653	-	228.653	213.775	-	213.775
16.2.1 Equity Share Premium		128.678	-	128.678	128.678	-	128.678
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		100.000	-	100.000	85.097	-	85.097
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(12.391)	-	(12.391)	(10.787)	-	(10.787)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		129.399	(23.035)	106.364	3.850	18.413	22.263
16.5 Profit Reserves		707.492	-	707.492	496.392	-	496.392
16.5.1 Legal Reserves		52.876	-	52.876	42.321	-	42.321
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		654.616	-	654.616	454.071	-	454.071
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or Loss		392.927	-	392.927	221.449	-	221.449
16.6.1 Prior Periods' Profit or Loss		(25.335)	-	(25.335)	(15.534)	-	(15.534)
16.6.2 Current Period Net Profit or Loss		418.262	-	418.262	236.983	-	236.983
16.7 Minority Interest	(5.II.13)	244	-	244	159	-	159
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>21.666.735</b>	<b>23.518.073</b>	<b>45.184.808</b>	<b>13.295.412</b>	<b>13.942.219</b>	<b>27.237.631</b>

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS AT 31 DECEMBER 2021

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

	Footnotes	CURRENT PERIOD (31/12/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>17.084.719</b>	<b>50.471.248</b>	<b>67.555.967</b>	<b>12.056.855</b>	<b>28.621.078</b>	<b>40.677.933</b>
<b>I. GUARANTIES AND WARRANTIES</b>	(5.III.1)	<b>456.564</b>	<b>547.613</b>	<b>1.004.177</b>	<b>606.591</b>	<b>659.971</b>	<b>1.266.562</b>
1.1. Letters of Guarantee		454.064	227.839	681.903	584.041	277.530	861.571
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		454.064	227.839	681.903	584.041	277.530	861.571
1.2. Bank Acceptances		2.500	172.175	174.675	22.550	134.217	156.767
1.2.1. Import Letter of Acceptances		2.500	172.175	174.675	22.550	134.217	156.767
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	147.599	147.599	-	248.224	248.224
1.3.1. Documentary Letters of Credit		-	147.599	147.599	-	248.224	248.224
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>2.962.647</b>	<b>5.091.482</b>	<b>8.054.129</b>	<b>1.952.794</b>	<b>611.413</b>	<b>2.564.207</b>
2.1. Irrevocable Commitments	(5.III.1)	2.962.647	5.091.482	8.054.129	1.952.794	611.413	2.564.207
2.1.1. Asset Purchase Commitments		852.230	5.091.482	5.943.712	385.008	611.413	996.421
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		1.794.126	-	1.794.126	1.332.248	-	1.332.248
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		248.984	-	248.984	184.090	-	184.090
2.1.8. Tax and Fund Liabilities from Export Commitments		36.399	-	36.399	8.878	-	8.878
2.1.9. Commitments for Credit Card Limits		25.488	-	25.488	27.643	-	27.643
2.1.10. Commitments for Credit Cards and Banking Services Promotions		11	-	11	-	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		5.409	-	5.409	14.927	-	14.927
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5.III.5)	<b>13.665.508</b>	<b>44.832.153</b>	<b>58.497.661</b>	<b>9.497.470</b>	<b>27.349.694</b>	<b>36.847.164</b>
3.1. Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1. Fair Value Hedges		-	-	-	-	-	-
3.1.2. Cash Flow Hedges		-	-	-	-	-	-
3.1.3. Foreign Net Investment Hedges		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		13.665.508	44.832.153	58.497.661	9.497.470	27.349.694	36.847.164
3.2.1. Forward Foreign Currency Buy/Sell Transactions		4.774.169	8.392.980	13.167.149	1.217.875	2.804.384	4.022.259
3.2.1.1. Forward Foreign Currency Transactions - Buy		3.744.791	2.623.309	6.368.100	681.994	1.321.999	2.003.993
3.2.1.2. Forward Foreign Currency Transactions - Sell		1.029.378	5.769.671	6.799.049	535.881	1.482.385	2.018.266
3.2.2. Swap Transactions Related to Foreign Currency and Interest		8.002.670	32.694.818	40.697.488	6.150.641	20.122.986	26.273.627
3.2.2.1. Foreign Currency Swap- Buy		573.042	17.357.965	17.931.007	869.791	10.611.464	11.481.255
3.2.2.2. Foreign Currency Swap- Sell		3.105.360	14.765.611	17.870.971	2.905.626	8.987.200	11.892.826
3.2.2.3. Interest Rate Swap- Buy		2.162.134	285.621	2.447.755	1.187.612	262.161	1.449.773
3.2.2.4. Interest Rate Swap- Sell		2.162.134	285.621	2.447.755	1.187.612	262.161	1.449.773
3.2.3. Foreign Currency, Interest Rate and Securities Options		883.590	3.329.323	4.212.913	2.128.954	4.001.488	6.130.442
3.2.3.1. Foreign Currency Options- Buy		343.067	1.642.822	1.985.889	846.789	2.191.355	3.038.144
3.2.3.2. Foreign Currency Options- Sell		540.523	1.686.501	2.227.024	1.282.165	1.810.133	3.092.298
3.2.3.3. Interest Rate Options- Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options- Sell		-	-	-	-	-	-
3.2.3.5. Securities Options- Buy		-	-	-	-	-	-
3.2.3.6. Securities Options- Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		5.079	-	5.079	-	-	-
3.2.4.1. Foreign Currency Futures- Buy		-	-	-	-	-	-
3.2.4.2. Foreign Currency Futures- Sell		5.079	-	5.079	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures- Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures- Sell		-	-	-	-	-	-
3.2.6. Other		-	415.032	415.032	-	420.836	420.836
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>204.451.567</b>	<b>174.613.925</b>	<b>379.065.492</b>	<b>158.917.049</b>	<b>92.617.634</b>	<b>251.534.683</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>1.617.746</b>	<b>19.003.782</b>	<b>20.621.528</b>	<b>1.137.729</b>	<b>1.562.121</b>	<b>2.699.850</b>
4.1. Customer Fund and Portfolio Balances		594.412	1.666.736	2.261.148	258.104	-	258.104
4.2. Investment Securities Held in Custody		107.120	3.124.194	3.231.314	122.153	1.212.528	1.334.681
4.3. Cheques Received for Collection		712.874	379.402	1.092.276	543.222	297.648	840.870
4.4. Commercial Notes Received for Collection		95.840	37.935	133.775	100.955	51.945	152.900
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		107.500	13.795.515	13.903.015	113.295	-	113.295
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>202.833.821</b>	<b>155.610.143</b>	<b>358.443.964</b>	<b>157.779.320</b>	<b>91.055.513</b>	<b>248.834.833</b>
5.1. Marketable Securities		553.381	118.114	671.495	231.872	76.641	308.513
5.2. Guarantee Notes		95.435	478.849	574.284	157.024	252.321	409.345
5.3. Commodity		-	126.719	126.719	-	72.414	72.414
5.4. Warranty		-	-	-	-	-	-
5.5. Immovables		6.841.393	29.100.993	35.942.386	7.510.940	17.144.696	24.655.636
5.6. Other Pledged Items		195.343.612	125.785.468	321.129.080	149.879.484	73.509.441	223.388.925
5.7. Pledged Items - Depository		-	-	-	-	-	-
<b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>221.536.286</b>	<b>225.085.173</b>	<b>446.621.459</b>	<b>170.973.904</b>	<b>121.238.712</b>	<b>292.212.616</b>

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 1 JANUARY 2021-31 DECEMBER 2021

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

INCOME AND EXPENSE ITEMS		Footnotes	CURRENT PERIOD (01/01/2021-31/12/2021)	PRIOR PERIOD (01/01/2020-31/12/2020)
I.	INTEREST INCOME	(5. IV. 1)	3.411.084	2.179.532
1.1	Interest on Loans	(5. IV. 1)	3.106.404	2.018.195
1.2	Interest on Reserve Deposits		72.374	3.496
1.3	Interest on Banks	(5. IV. 1)	20.296	25.164
1.4	Interest on Money Market Placements		17.145	15.180
1.5	Interest on Marketable Securities Portfolio	(5. IV. 1)	193.574	112.395
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		2.756	8.520
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		63.161	46.300
1.5.3	Financial Assets Measured at Amortized Cost		127.657	57.575
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		1.291	5.102
II.	INTEREST EXPENSE (-)		2.367.790	1.223.484
2.1	Interest on Deposits	(5. IV. 2)	1.958.316	810.440
2.2	Interest on Funds Borrowed	(5. IV. 2)	214.774	208.688
2.3	Interest on Money Market Placements		15.936	19.477
2.4	Interest on Securities Issued	(5. IV. 2)	158.005	138.708
2.5	Interest on Leasing Expenses		18.169	17.910
2.6	Other Interest Expenses		2.590	28.261
III.	NET INTEREST INCOME (I - II)		1.043.294	956.048
IV.	NET FEES AND COMMISSIONS INCOME		275.682	165.054
4.1	Fees and Commissions Received		341.634	200.053
4.1.1	Non-cash Loans		18.894	16.504
4.1.2	Other	(5. IV. 12)	322.740	183.549
4.2	Fees and Commissions Paid (-)		65.952	34.999
4.2.1	Non-cash Loans		62	77
4.2.2	Other	(5. IV. 12)	65.890	34.922
V	DIVIDEND INCOME	(5. IV. 3)	197.009	-
VI.	TRADING INCOME / LOSS (Net)	(5. IV. 4)	164.372	148.118
6.1	Trading Gain / Loss on Securities		48.144	43.699
6.2	Gain / Loss on Derivative Financial Transactions		(593.808)	72.351
6.3	Foreign Exchange Gain / Loss		710.036	32.068
VII.	OTHER OPERATING INCOME	(5. IV. 5)	327.059	83.957
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		2.007.416	1.353.177
IX.	EXPECTED CREDIT LOSS (-)	(5. IV. 6)	513.460	285.864
X.	OTHER PROVISION EXPENSES (-)	(5. IV. 6)	187.587	110.595
XI.	PERSONNEL EXPENSES (-)		397.397	303.949
XII.	OTHER OPERATING EXPENSES (-)	(5. IV. 7)	426.372	327.314
XIII.	NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)		482.600	325.455
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XV.	INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XVI.	GAIN / LOSS ON NET MONETARY POSITION		-	-
XVII.	P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	(5. IV. 8)	482.600	325.455
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5. IV. 9)	(64.254)	(88.400)
18.1	Current Tax Provision		(205.517)	(226.453)
18.2	Deferred Tax Expense Effect (+)		(74.402)	(101.224)
18.3	Deferred Tax Income Effect (-)		215.665	239.277
XIX.	NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	(5. IV. 10)	418.346	237.055
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income From Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income From Other Discontinued Operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses on Non-current Assets Held for Sale		-	-
21.2	Losses from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses From Other Discontinued Operations		-	-
XXII.	PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXII-XXIII)		-	-
XXV.	NET PROFIT / LOSS (XIX+XXIV)	(5. IV. 11)	418.346	237.055
25.1	Group Profit/Loss		418.262	236.983
25.2	Minority Interest		84	72
	Earnings per share		0,00445	0,00252

The accompanying notes form an integral part of these 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 Income/Expense of Financial Assets Measured at Fair Value Through Other		
2.2.2 Comprehensive Income	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)	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					Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss								
	Paid-in Capital	Share Premium	Share Certificate	Other Capital Reserves							Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity Excluding Minority Interests	Minority Interests	Total Equity
	1	2	3	4	5	6										
PRIOR PERIOD (31/12/2020)																
I. Balances at beginning of the period	941.161	128.678	-	81.575	-	(7.777)	-	-	15.774	-	284.348	319	214.927	1.659.005	87	1.659.092
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)	941.161	128.678	-	81.575	-	(7.777)	-	-	15.774	-	284.348	319	214.927	1.659.005	87	1.659.092
IV. Total Comprehensive Income	-	-	-	-	-	(3.010)	-	-	6.489	-	-	-	236.983	240.462	72	240.534
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	(15.214)	-	-	-	-	-	-	-	-	-	(15.214)	-	(15.214)
X. Increase/Decrease by Other Changes	-	-	-	18.736	-	-	-	-	-	-	-	(18.736)	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	212.044	2.883	(214.927)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	212.044	-	(212.044)	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	2.883	(2.883)	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	85.097	-	(10.787)	-	-	22.263	-	496.392	(15.534)	236.983	1.884.253	159	1.884.412
CURRENT PERIOD (31/12/2021)																
I. Prior period ending balance	941.161	128.678	-	85.097	-	(10.787)	-	-	22.263	-	496.393	(15.534)	236.983	1.884.252	160	1.884.412
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balance (I+II)	941.161	128.678	-	85.097	-	(10.787)	-	-	22.263	-	496.393	(15.534)	236.983	1.884.252	160	1.884.412
IV. Total Comprehensive Income	-	-	-	-	-	(1.604)	-	-	84.101	-	-	-	418.262	500.759	84	500.843
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertable Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt (*)	-	-	-	(20.780)	-	-	-	-	-	-	-	-	-	(20.780)	-	(20.780)
X. Increase / decrease due to other changes (**)	-	-	-	35.683	-	-	-	-	-	-	-	(35.683)	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	211.099	25.882	(236.983)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	211.099	-	(211.099)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	25.882	(25.884)	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	100.000	-	(12.391)	-	-	106.364	-	707.492	(25.335)	418.262	2.364.231	244	2.364.475

(\*) Bank has classified the additional borrowing of TL 100.000 nominal and its interests, which has a capital stock character, under "other subordinated debt" according to the "TAS 32 Financial Instruments: Presentation" Standards ("TAS 32").

(\*\*) Interest expenses are accounted under "the profit or loss of previous years" in the balance sheet.

1. Tangible and intangible asset revaluation reserve

2. Accumulated gains/losses on remeasurement of defined benefit plans

3. Other (other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss and other comprehensive income that will not be reclassified to profit or loss.

4. Exchange differences on transition,

5. Accumulated gains (losses) due to revolution and/ or reclassification of financial assets measured at fair value through other comprehensive income,

6. Other (accumulated gains or losses on cash flow hedge, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will be reclassified to profit or 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)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating profit before changes in operating assets and liabilities		2.033.868	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 (+)		197.009	-
1.1.4 Fees and commission received (+)		404.310	203.320
1.1.5 Other income (+)		902.032	224.181
1.1.6 Collections from previously written off loans and other receivables (+)		415.163	386.881
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	1.704.304
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 (+/-)		1.804.487	(2.589.660)
1.2.4 Net (increase) / decrease in other assets (+/-)		(335.620)	(9.883)
1.2.5 Net (increase) / decrease in bank deposits (+/-)		5.385.735	951.405
1.2.6 Net (increase) / decrease in other deposits (+/-)		2.180.551	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)	289.648
1.2.9 Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-)		1.348.112	(2.882)
<b>I. Net Cash Provided from Banking Operations (+/-)</b>		<b>10.145.271</b>	<b>2.869.087</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		-	-
<b>II. Net Cash Flow Provided from Investment Activities (+/-)</b>		<b>(2.577.543)</b>	<b>(1.031.655)</b>
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)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		-	-
<b>III. Net Cash Provided from Financing Activities (+/-)</b>		<b>(8.727)</b>	<b>(668.501)</b>
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
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>		<b>1.544.712</b>	<b>(754.562)</b>
<b>V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>9.103.713</b>	<b>414.369</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period (+)</b>		<b>2.537.372</b>	<b>2.123.003</b>
<b>VII. Cash and Cash Equivalents at the End of the Period (V+VI)</b>		<b>11.641.085</b>	<b>2.537.372</b>

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)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
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)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>409.967</b>	<b>229.835</b>
1.3 PRIOR YEARS LOSSES (-)	-	18.736
1.4 FIRST LEGAL RESERVES (-)	-	10.555
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>409.967</b>	<b>200.544</b>
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	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
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 (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
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 (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
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)

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### IV. Explanations on forward transactions, options and derivative instruments (continued)

#### Explanations on derivative financial instruments held for hedging

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

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

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

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

### V. Explanations on interest income and expenses

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

### VI. Explanations on fee and commission income and expenses

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with "TFRS 15 Revenue from Contracts with Customers". Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted on accrual basis throughout the service period.

### VII. Explanations on financial assets

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

#### 1. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the statement of profit or loss.

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

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

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### 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:

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

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

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

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

**Lease liabilities:**

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

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

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

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

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

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### 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.

### 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
<b>Earnings Per Share (Amounts presented as full TL)</b>	<b>0,00445</b>	<b>0,00252</b>

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 *
<b>TIER I CAPITAL</b>		
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	--	
<b>Tier I Capital Before Deductions</b>	<b>2.413.541</b>	
<b>Deductions From Tier I Capital</b>		
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.

# 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)

	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	--	--
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>413.193</b>	--
<b>Total Common Equity Tier I Capital</b>	<b>2.000.348</b>	--
<b>ADDITIONAL TIER I CAPITAL</b>		
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)	--	--
<b>Additional Core Capital before Deductions</b>	<b>499.870</b>	--
<b>Deductions from Additional Core Capital</b>	--	--
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	--	--

# 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)

	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	--	--
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>		
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 (-)	--	--
<b>Total Deductions from Additional Tier I Capital</b>	--	--
<b>Total Additional Tier I Capital</b>	<b>499.870</b>	--
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>2.500.218</b>	--
<b>TIER II CAPITAL</b>		
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	--
<b>Tier II Capital before Deductions</b>	<b>3.611.010</b>	--
<b>Deductions from Tier II Capital</b>		
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 (-)	--	--
<b>Total Deductions from Tier II Capital</b>	--	--
<b>Total Tier II Capital</b>	<b>3.611.010</b>	--
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>6.111.228</b>	--

# 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)

	Current Period (31/12/2021) Amount	Amount as per the regulation before 1/1/2014 *
<b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>	<b>6.111.228</b>	
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	--	--
<b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>	<b>--</b>	<b>--</b>
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	--	--
<b>EQUITY</b>	<b>6.111.228</b>	
<b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>	<b>6.111.228</b>	<b>--</b>
<b>Total Risk Weighted Assets (****)</b>	<b>25.918.320</b>	<b>--</b>
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	7,72	--
Tier I Capital Adequacy Ratio (%)	9,65	--
Capital Adequacy Ratio (%)	23,58	--
<b>BUFFERS</b>		
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.

# 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)

	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	--
<b>Amounts lower than Excesses as per Deduction Rules</b>	--	--
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	--	--
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	--	--
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	--	--
<b>Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)</b>	--	--
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.

# 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)

	Prior Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 (*)
<b>TIER I CAPITAL</b>		
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	--	
<b>Tier I Capital Before Deductions</b>	<b>1.984.811</b>	
<b>Deductions From Tier I Capital</b>		
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	--	--
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>238.116</b>	
<b>Total Common Equity Tier I Capital</b>	<b>1.746.695</b>	
<b>ADDITIONAL TIER I CAPITAL</b>		
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)	--	--
<b>Additional Core Capital before Deductions</b>	<b>320.215</b>	
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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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

	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	--	--
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>		
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 (-)	--	--
<b>Total Deductions from Additional Tier I Capital</b>	--	--
<b>Total Additional Tier I Capital</b>	<b>320.215</b>	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>2.066.910</b>	
<b>TIER II CAPITAL</b>		
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	
<b>Tier II Capital before Deductions</b>	<b>2.106.942</b>	
<b>Deductions from Tier II Capital</b>		
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	--	--
<b>Total Deductions from Tier II Capital</b>	--	--
<b>Total Tier II Capital</b>	<b>2.106.942</b>	
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>4.173.852</b>	

# 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)

	Prior Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 (*)
<b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>	<b>4.173.852</b>	
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	--	
<b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>		
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	--	--
<b>EQUITY</b>	<b>4.173.852</b>	
<b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>	<b>4.173.852</b>	--
<b>Total Risk Weighted Assets</b>	<b>21.493.545</b>	--
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	8,31	--
Tier I Capital Adequacy Ratio (%)	9,62	--
Capital Adequacy Ratio (%)	19,42	--
<b>BUFFERS</b>		
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 (%)	--	--

# 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)

	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	--
<b>Amounts lower than Excesses as per Deduction Rules</b>	--	--
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	--	--
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	--	--
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	--	--
<b>Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)</b>	--	--
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

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**

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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

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

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	--	--	--
<b>Feature of being convertible bonds</b>			
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	--	--	--
<b>Feature of value reduction</b>			
		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	--	--	--
	After the other borrowers except depositors	After depositors, other borrowers and Tier II capital	After depositors, other borrowers and Tier II capital
Claiming rank in case of winding up (Instrument that is just above debt instrument)	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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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

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

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

<sup>a</sup> Common Equity if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

<sup>b</sup> Tier 1 Capital if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

<sup>c</sup> Equity if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

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

<sup>e</sup> 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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**FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2021**

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

**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.

<u>Industry</u>	<u>Proportional Limit</u>
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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FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2021

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IV. Explanations on Consolidated Credit Risk (continued)

	Current Period Risk Amount*	Average Risk Amount*
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	11.739.928	5.713.168
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	122.086	177.695
Conditional and Unconditional Exposures to Banks and Brokerage Houses	2.886.033	2.721.768
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	559.457	211.999
Equity share investments	11.444	10.647
Other Receivables	1.971.491	1.848.509
Total	38.982.123	31.627.727

(\*)- 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	4.117.134	3.767.754
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	199.815	53.845
Conditional and Unconditional Exposures to Banks and Brokerage Houses	3.087.104	2.589.049
Conditional and Unconditional Exposures to Corporates	12.215.782	11.343.045
Conditional and Unconditional Retail Exposures	5.415.227	3.861.471
Conditional and Unconditional Exposures Secured by Real Estate Property	1.577.214	1.551.653
Past Due Receivables	247.397	318.170
Receivables Defined in High Risk Category by BRSA	28.001	23.745
Exposures in the Form of Collective Investment Undertakings	103.531	87.572
Equity share investments	9.764	4.853
Other Receivables	1.170.302	1.053.777
Total	28.171.271	24.654.934

(\*)- Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.  
(\*\*) Represents the arithmetical average of quarterly reports.  
(\*\*\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

1. Profile of significant exposures in major regions:

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional exposures secured by real estate property	Receivables defined in high risk category by BRSA	Past due receivables	Collective investment undertakings	Equity share investments	Other receivables	Total
Current Period *											
Domestic	11.757.211	122.086	1.353.899	8.069.585	9.033.683	1.321.299	453.179	2.325.558	559.457	4.897	36.972.345
EU Countries	--	--	1.207.731	310.484	31	--	51.835	--	--	6.547	1.576.628
OECD Countries **	--	--	96.247	--	5	--	--	--	--	--	96.252
Off-Shore Banking Region	--	--	--	104.073	--	--	--	--	--	--	104.073
USA, Canada	--	--	221.839	--	--	--	--	9	--	--	221.848
Other Countries	--	--	6.317	4.638	22	--	--	--	--	--	10.977
Associates, Subsidiaries and Joint -Ventures	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--
Total	11.757.211	122.086	2.886.033	8.488.780	9.033.741	1.321.299	505.014	2.325.567	559.457	11.444	38.982.123

(\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.  
(\*\*) Includes OECD countries other than EU countries, USA and Canada.  
(\*\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.  
(\*\*\*\*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional exposures secured by real estate property	Receivables defined in high risk category by BRSA	Past due receivables	Collective investment undertakings	Equity share investments	Other receivables	Total
Prior Period (*)											
Domestic	4.184.170	199.815	1.508.447	11.356.031	5.378.422	1.568.434	241.745	6.308	103.531	4.896	25.722.101
EU Countries	--	--	1.516.245	243.957	14	274	--	21.693	--	4.868	1.787.051
OECD Countries **	--	--	37.502	--	61	--	--	--	--	--	37.563
Off-Shore Banking Region	--	--	--	419.099	--	--	--	--	--	--	419.099
USA, Canada	--	--	13.280	28.297	--	--	--	--	--	--	41.577
Other Countries	--	--	11.630	152.159	56	35	--	--	--	--	163.880
Associates, Subsidiaries and Joint -Ventures	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--
Total	4.184.170	199.815	3.087.104	12.199.543	5.378.553	1.568.743	241.745	28.001	103.531	9.764	28.171.271

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

2. Risk profile by sectors or counterparties

Current Period	1	2	3	4	5	6	7	8	9	10	11	TL	FC	Total
Agricultural	4.390	--	--	230.596	240.684	5.801	8.138	29	--	--	--	472.893	16.745	489.638
Farming and Stockbreeding	3.695	--	--	221.321	229.733	5.786	7.145	26	--	--	--	452.167	15.539	467.706
Forestry	695	--	--	9.275	9.927	15	836	3	--	--	--	20.173	578	20.751
Fishing	--	--	--	--	1.024	--	157	--	--	--	--	553	628	1.181
Manufacturing	5.221	--	--	3.140.138	1.728.156	108.032	18.741	918	--	--	--	3.524.409	1.476.797	5.001.206
Mining and Quarrying	228	--	--	180.336	39.199	--	264	--	--	--	--	106.536	113.491	220.027
Production	4.993	--	--	2.264.896	1.680.217	107.287	18.351	918	--	--	--	3.090.741	985.921	4.076.662
Electricity, Gas and Water	--	--	--	694.906	8.740	745	126	--	--	--	--	327.132	377.385	704.517
Construction	2.489	--	--	542.171	4.413.423	66.136	81.519	2.320.644	--	--	--	7.173.687	252.695	7.426.382
Services	11.743.553	--	2.886.033	3.455.732	1.890.604	1.140.029	351.098	1.862	--	11.444	1.971.491	7.989.784	15.462.062	23.451.846
Wholesale and Retail Trade	730	--	--	637.007	1.518.455	12.634	9.814	586	--	--	--	2.145.083	34.143	2.179.226
Accommodation and Dining	2.284	--	--	1.460.202	31.688	912.956	2.850	265	--	--	--	383.023	2.027.222	2.410.245
Transportation and Telecom.	119	--	--	670.639	199.468	212.184	87.964	78	--	--	--	482.351	688.101	1.170.452
Financial Institutions	11.739.928	--	2.886.033	91.329	31.250	--	248.027	--	--	11.444	1.971.491	4.501.184	12.478.318	16.979.502
Real Estate and Rental Services	--	--	--	181.108	21.056	1.464	115	34	--	--	--	83.643	120.134	203.777
Self-Employment Services	--	--	--	--	19.074	--	68	2	--	--	--	19.144	--	19.144
Educational Services	111	--	--	143.065	6.550	26	185	783	--	--	--	150.720	--	150.720
Health and Social Services	381	--	--	272.382	63.063	765	2.075	114	--	--	--	224.636	114.144	338.780
Other*	1.558	122.086	--	1.120.143	760.874	1.301	45.518	2.114	559.457	--	--	2.532.812	80.239	2.613.051
Total*	11.757.211	122.086	2.886.033	8.488.780	9.033.741	1.321.299	505.014	2.325.567	559.457	11.444	1.971.491	21.693.585	17.288.538	38.982.123

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

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

1: Conditional and unconditional exposures to central governments or central banks

2: Conditional and unconditional exposures to regional governments or local authorities

3: Conditional and unconditional exposures to banks and brokerage houses

4: Conditional and unconditional exposures to corporates

5: Conditional and unconditional retail exposures

6: Conditional and unconditional exposures secured by real estate property

7: Past due receivables

8: Receivables defined in high risk category by BRSA

9: Exposures in the form of collective investment undertakings

10: Equity Share Investments

11: Other receivables

Prior Period	1	2	3	4	5	6	7	8	9	10	11	TL	FC	Total
Agricultural	13.012	--	--	99.472	124.653	16.310	22.217	688	--	--	--	255.955	20.397	276.352
Farming and Stockbreeding	11.215	--	--	94.864	112.507	15.767	20.862	685	--	--	--	237.184	18.716	255.900
Forestry	1.468	--	--	4.608	9.852	543	1.237	3	--	--	--	17.506	205	17.711
Fishing	329	--	--	--	2.294	--	118	--	--	--	--	1.265	1.476	2.741
Manufacturing	16.917	--	--	3.375.608	883.486	179.212	51.302	986	--	--	--	2.707.826	1.799.685	4.507.511
Mining and Quarrying	1.070	--	--	206.222	27.439	--	850	--	--	--	--	53.565	182.016	235.581
Production	15.847	--	--	2.209.409	851.345	178.777	49.866	818	--	--	--	2.199.184	1.106.878	3.306.062
Electricity, Gas and Water	--	--	--	959.977	4.702	435	586	168	--	--	--	455.077	510.791	965.868
Construction	4.183	--	--	1.637.925	2.889.302	183.231	61.184	2.104	--	--	--	3.924.527	853.402	4.777.929
Services	4.145.788	--	3.087.104	5.296.907	976.758	1.164.262	68.988	24.051	--	9.764	1.170.302	6.192.185	9.751.739	15.943.924
Wholesale and Retail Trade	7.152	--	--	1.167.209	723.757	70.996	34.976	1.546	--	--	--	1.624.262	381.374	2.005.636
Accommodation and Dining	6.238	--	--	1.863.605	47.262	697.508	5.262	681	--	--	--	494.837	2.125.719	2.620.556
Transportation and Telecom.	12.644	--	--	825.422	104.184	217.521	6.628	21.693	--	--	--	294.459	893.633	1.188.092
Financial Institutions	4.117.192	--	3.087.104	478.833	12.384	--	242	--	--	9.764	1.170.302	2.859.318	6.016.503	8.875.821
Real Estate and Rental Services	310	--	--	340.508	16.843	17.098	6.063	--	--	--	--	210.000	170.822	380.822
Self-Employment Services	15	--	--	718	5.033	3	597	--	--	--	--	6.366	--	6.366
Educational Services	1.176	--	--	271.994	4.999	160.721	3.663	4	--	--	--	281.694	160.863	442.557
Health and Social Services	1.061	--	--	348.618	62.296	415	11.557	127	--	--	--	421.249	2.825	424.074
Other*	4.270	199.815	--	1.789.631	504.354	25.728	38.054	172	103.531	--	--	2.314.217	351.338	2.665.555
Total*	4.184.170	199.815	3.087.104	12.199.543	5.378.553	1.568.743	241.745	28.001	103.531	9.764	1.170.302	15.394.710	12.776.561	28.171.271

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

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

1: Conditional and unconditional exposures to central governments or central banks

2: Conditional and unconditional exposures to administrative units and non-commercial enterprises

3: Conditional and unconditional exposures to banks and brokerage houses

4: Conditional and unconditional exposures to corporates

5: Conditional and unconditional retail exposures

6: Conditional and unconditional exposures secured by real estate property

7: Past due receivables

8: Receivables defined in high risk category by BRSA

9: Exposures in the form of collective investment undertakings

10: Equity Share Investments

11: Other receivables

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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	12.699.608	--	1.917.602	--	1.187.350	7.137.805	13.409.598	2.630.160	--	38.982.123
Risk Mitigation										
Exposures After										--
Credit Risk	13.252.626	--	1.504.978	29.720	1.952.309	7.062.607	12.549.723	2.630.160	--	38.982.123
Mitigation										

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

Risk Weights / Prior Period	0%	10%	20%	35%	50%	75%	100%	150%	Deductions from Equity	Total
Exposures										
Before Credit	4.552.138	--	2.033.125	--	1.387.605	5.520.841	14.608.555	69.007	--	28.171.271
Risk Mitigation										
Exposures After										
Credit Risk	5.598.912	--	1.401.066	51.251	2.204.927	5.376.870	13.474.890	63.355	--	28.171.271
Mitigation										

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

5. Information by major sectors and type of counterparties

As per TFRS;  
Significant Increase in Credit Risk (Stage 2); when the loan is not under default yet, but there is a significant increase in the credit risk since origination date, the life time expected credit losses are calculated for these loans.  
Credit Impaired (Stage3); includes financial assets whose probability of default is considered to be 100%. The life time expected credit losses are recognized for impaired loans.

Current Period	Loans		Provisions
	Impaired		Expected
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	Credit Losses (IFRS 9)
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	28.422	24.462
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	346.040	141.349	59.401
Telecommunication			
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
	Impaired		Expected
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	Credit Losses (IFRS 9)
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	398.674	72.496	71.669
Telecommunication			
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
<b>Assets</b>				
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 (Joint Vent.)	--	--	--	--
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
<b>Total Assets</b>	<b>10.166.382</b>	<b>13.621.707</b>	<b>209.386</b>	<b>23.997.475</b>
<b>Liabilities</b>				
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
<b>Total Liabilities</b>	<b>2.930.366</b>	<b>18.038.079</b>	<b>2.569.265</b>	<b>23.537.710</b>
<b>Net Bilanço Pozisyonu</b>	<b>7.236.016</b>	<b>(4.416.372)</b>	<b>(2.359.879)</b>	<b>459.765</b>
<b>Net Off-Balance Sheet Position</b>	<b>(7.429.918)</b>	<b>4.425.203</b>	<b>2.357.341</b>	<b>(647.374)</b>
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
<b>Prior Period</b>				
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
<b>Net Balance Sheet Position</b>	<b>6.669.798</b>	<b>(7.543.332)</b>	<b>(779.448)</b>	<b>(1.652.982)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(6.521.053)</b>	<b>7.601.889</b>	<b>832.534</b>	<b>1.913.370</b>
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
<b>Non-Cash Loans</b>	<b>298.514</b>	<b>358.375</b>	<b>3.082</b>	<b>659.971</b>

(\*) 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
<b>Total (Net)</b>	<b>(18.761)</b>	<b>(21.064)</b>	<b>26.039</b>	<b>27.880</b>



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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	Non-interest Bearing	Total
<b>Assets</b>							
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	12.914.660
Banks	558.332	--	--	--	--	941.989	1.500.321
Financial Assets at Fair Value Through Profit or Loss(*)	558.615	252.590	450.359	215.863	--	9.438	1.486.865
Interbank Money Market Placements	128.720	--	--	--	--	--	128.720
Financial Assets Measured at Fair Value through Other Comprehensive Income	518.104	3.549	790.147	721.329	39.727	4.897	2.077.753
Loans(**)	5.682.057	4.114.802	7.861.092	4.201.518	255.252	(2.166)	22.112.555
Financial Assets Measured at Amortized Cost	127.799	--	33.927	3.068.223	--	--	3.229.949
Other Assets(***)	--	--	--	--	--	1.733.985	1.733.985
<b>Total Assets</b>	<b>18.304.846</b>	<b>4.370.941</b>	<b>9.135.525</b>	<b>8.206.933</b>	<b>294.979</b>	<b>4.871.584</b>	<b>45.184.808</b>
<b>Liabilities</b>							
Bank Deposits	2.331.032	3.911.953	--	--	--	143.373	6.386.358
Other Deposits	15.829.857	2.039.641	143.307	38.251	113.701	6.449.250	24.614.007
Interbank Money Market Received	712.740	--	--	--	--	--	712.740
Sundry Creditors(****)	--	--	--	--	--	943.937	943.937
Marketable Securities Issued(****)	66.373	69.459	3.320.707	2.579.975	399.870	--	6.436.384
Funds Borrowed From Other Institutions	1.336	371.598	150.643	--	--	--	523.577
Other Liabilities(****)	546.084	265.899	745.735	169.827	--	3.840.260	5.567.805
<b>Total Liabilities</b>	<b>19.487.422</b>	<b>6.658.550</b>	<b>4.360.392</b>	<b>2.788.053</b>	<b>513.571</b>	<b>11.376.820</b>	<b>45.184.808</b>
Balance Sheet Long Position	--	--	4.775.133	5.418.880	--	--	10.194.013
Balance Sheet Short Position	(1.182.576)	(2.287.609)	--	--	(218.592)	(6.505.236)	(10.194.013)
Off-Balance Sheet Long Position	2.333	40.000	1.543.401	862.021	--	29.542.547	31.990.302
Off-Balance Sheet Short Position	(2.333)	(40.000)	(1.543.403)	(862.019)	--	(30.003.316)	(32.451.071)
<b>Total Position</b>	<b>(1.182.576)</b>	<b>(2.287.609)</b>	<b>4.775.131</b>	<b>5.418.882</b>	<b>(218.592)</b>	<b>(6.966.005)</b>	<b>(460.769)</b>

(\*) 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	Non-interest Bearing	Total
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.866.495	--	--	--	--	1.055.197	2.921.692
Banks	436.226	--	--	--	--	452.319	888.545
Financial Assets at Fair Value Through Profit or Loss(*)	301.624	24.185	102.834	416.930	--	--	845.573
Interbank Money Market Placements	412.231	--	--	--	--	--	412.231
Financial Assets Measured at Fair Value through Other Comprehensive Income	192.033	22.533	356.369	411.077	35.151	10.363	1.027.526
Loans(**)	2.561.382	4.601.714	4.968.879	5.456.936	1.417.999	(210.691)	18.796.219
Financial Assets Measured at Amortized Cost	21.376	52.051	231.707	406.955	495.407	--	1.207.496
Other Assets(***)	--	--	--	--	--	1.138.349	1.138.349
<b>Total Assets</b>	<b>5.791.367</b>	<b>4.700.483</b>	<b>5.659.789</b>	<b>6.691.898</b>	<b>1.948.557</b>	<b>2.445.537</b>	<b>27.237.631</b>
<b>Liabilities</b>							
Bank Deposits	576.032	373.840	--	--	--	50.624	1.000.496
Other Deposits	11.963.450	2.574.787	90.603	3.136	86.968	1.947.968	16.666.912
Interbank Money Market Received	362.845	247.315	--	--	--	--	610.160
Sundry Creditors	--	--	--	--	--	454.477	454.477
Marketable Securities Issued(****)	37.310	38.843	61	3.312.070	220.215	--	3.608.499
Funds Borrowed From Other Institutions	519	591.837	560.968	1.818	--	--	1.155.142
Other Liabilities(*****)	384.959	263.522	129.222	383.419	--	2.580.823	3.741.945
<b>Total Liabilities</b>	<b>13.325.115</b>	<b>4.090.144</b>	<b>780.854</b>	<b>3.700.443</b>	<b>307.183</b>	<b>5.033.892</b>	<b>27.237.631</b>
Balance Sheet Long Position	--	610.339	4.878.935	2.991.455	1.641.374	--	10.122.103
Balance Sheet Short Position	(7.533.748)	--	--	--	--	(2.588.355)	(10.122.103)
Off-Balance Sheet Long Position	10.000	215.000	524.130	700.641	--	17.256.366	18.706.137
Off-Balance Sheet Short Position	(10.000)	(215.000)	(524.130)	(700.641)	--	(17.687.677)	(19.137.448)
<b>Total Position</b>	<b>(7.533.748)</b>	<b>610.339</b>	<b>4.878.935</b>	<b>2.991.455</b>	<b>1.641.374</b>	<b>(3.019.666)</b>	<b>(431.311)</b>

(\*) 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 %
<b>Assets</b>				
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
<b>Liabilities</b>				
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 %
<b>Assets</b>				
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
<b>Liabilities</b>				
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)**

		Total Unweighted Value *		Total Weighted Value *	
Current Period		TL+FC	FC	TL+FC	FC
<b>HIGH-QUALITY LIQUID ASSETS</b>					
1	Total high-quality liquid assets (HQLA)			8.697.501	7.473.479
<b>CASH OUTFLOWS</b>					
2	Deposits from natural persons and retail deposits	20.592.932	10.238.467	1.927.041	1.006.328
3	Stable deposits	2.470.004	--	124.077	--
4	Less stable deposits	18.122.928	10.238.467	1.802.964	1.006.328
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	5.171.424	2.826.043	3.275.962	1.543.211
6	Operational deposits	--	--	--	--
7	Non-Operational deposits	3.129.184	2.388.919	1.234.264	832.468
8	Other unsecured funding	2.042.240	712.276	2.041.699	710.743
9	Secured funding	--	--	260.482	259.191
10	Other cash outflows	3.306.274	939.291	648.570	416.569
11	Outflows related to derivative exposures and other collateral requirements	446.479	358.583	428.862	348.490
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	219.708	68.079
14	Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15	Other irrevocable or conditionally revocable off-balance sheet obligations	20.431	150	19.777	147
16	<b>TOTAL CASH OUTFLOWS</b>			<b>6.131.832</b>	<b>3.225.446</b>
<b>CASH INFLOWS</b>					
17	Secured receivables	24.022	24.022	21.663	21.663
18	Unsecured receivables	3.202.403	1.331.867	2.224.316	1.242.642
19	Other cash inflows	558.783	535.602	368.311	345.129
20	<b>TOTAL CASH INFLOWS</b>	<b>3.785.208</b>	<b>1.891.490</b>	<b>2.614.290</b>	<b>1.609.435</b>
21	<b>TOTAL HQLA</b>			<b>8.697.501</b>	<b>7.473.479</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>3.532.367</b>	<b>1.637.411</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>246,22</b>	<b>456,42</b>

\*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)**

		Total Unweighted Value *		Total Weighted Value *	
Prior Period		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)			3.853.952	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	--	94.004	--
4	Less stable deposits	11.565.003	7.787.753	1.155.174	774.719
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	3.698.768	1.781.162	2.100.562	1.068.541
6	Operational deposits	--	--	--	--
7	Non-Operational deposits	2.615.663	1.136.152	1.055.610	446.962
8	Other unsecured funding	1.083.105	645.010	1.044.952	621.578
9	Secured funding	--	--	301.478	277.593
10	Other cash outflows	3.143.418	1.033.621	766.638	552.840
11	Outflows related to derivative exposures and other collateral requirements	488.506	467.146	495.404	472.259
12	Outflows related to restructured financial instruments	--	--	--	--
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments	2.654.912	566.475	271.234	80.581
14	Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15	Other irrevocable or conditionally revocable off-balance sheet obligations	9.329	56	9.346	56
16	TOTAL CASH OUTFLOWS			4.427.201	2.673.748
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	207,55

\*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
<b>Assets</b>								
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(**)	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
<b>Total Assets</b>	<b>3.997.497</b>	<b>14.898.879</b>	<b>4.923.360</b>	<b>8.010.993</b>	<b>10.006.885</b>	<b>1.615.375</b>	<b>1.731.819</b>	<b>45.184.808</b>
<b>Liabilities</b>								
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
<b>Total Liabilities</b>	<b>6.592.625</b>	<b>20.944.929</b>	<b>6.743.507</b>	<b>1.099.685</b>	<b>2.896.967</b>	<b>3.835.695</b>	<b>3.071.400</b>	<b>45.184.808</b>
<b>Net Liquidity Surplus / (Gap)</b>	<b>(2.595.128)</b>	<b>(6.046.050)</b>	<b>(1.820.147)</b>	<b>6.911.308</b>	<b>7.109.918</b>	<b>(2.220.320)</b>	<b>(1.339.581)</b>	<b>--</b>
<b>Net Off-Balance Sheet Position</b>								
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
<b>Prior Period</b>								
<b>Total Assets</b>	<b>1.988.929</b>	<b>4.859.833</b>	<b>3.830.556</b>	<b>7.352.604</b>	<b>6.951.400</b>	<b>1.326.651</b>	<b>927.658</b>	<b>27.237.631</b>
<b>Total Liabilities</b>	<b>1.998.594</b>	<b>13.868.671</b>	<b>3.842.737</b>	<b>959.412</b>	<b>2.102.337</b>	<b>2.178.265</b>	<b>2.287.615</b>	<b>27.237.631</b>
<b>Net Liquidity Gap</b>	<b>(9.665)</b>	<b>(9.008.838)</b>	<b>(12.181)</b>	<b>6.393.192</b>	<b>4.849.063</b>	<b>(851.614)</b>	<b>(1.359.957)</b>	<b>--</b>
<b>Net Off-Balance Sheet Position</b>								
Derivative Financial Assets	--	(132.550)	(248.246)	(87.296)	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	--	7.028.099	5.489.872	3.707.220	2.019.239	--	--	18.244.430
Non-Cash Loans	--	70.868	169.508	520.054	96.829	409.303	--	1.266.562

(\*) 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	Carrying Values	Gross Nominal					5 Years and Over
		Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	
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
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
<b>Total</b>	<b>38.673.066</b>	<b>40.097.018</b>	<b>6.592.625</b>	<b>18.684.451</b>	<b>6.464.613</b>	<b>517.090</b>	<b>4.004.945</b>

Prior Period	Carrying Values	Gross Nominal					5 Years and Over
		Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	
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
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
<b>Total</b>	<b>23.041.209</b>	<b>24.136.508</b>	<b>1.998.592</b>	<b>12.976.118</b>	<b>3.479.851</b>	<b>979.065</b>	<b>2.416.185</b>

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	<b>Total risk amount</b>	<b>40.910.663</b>	<b>27.787.614</b>

(\*) 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	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	7.149.513	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)	7.149.513	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
<b>Current Period</b>				
<b>Financial assets</b>	<b>29.050.070</b>	<b>22.332.423</b>	<b>28.964.645</b>	<b>21.950.753</b>
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
<b>Financial liabilities</b>	<b>38.904.263</b>	<b>22.885.526</b>	<b>38.904.263</b>	<b>22.885.526</b>
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
<b>Financial Assets</b>						
Financial Assets Measured at Fair Value through Profit and Loss	215.005	138.208	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Incom	2.077.753	1.027.526	--	--	--	--
Derivative Financial Assets	--	--	1.271.860	707.365	--	--
Loans Measured at Fair Value through Profit and Loss	--	--	--	--	--	--
<b>Total</b>	<b>2.292.758</b>	<b>1.165.734</b>	<b>1.271.860</b>	<b>707.365</b>	<b>--</b>	<b>--</b>
<b>Financial Liabilities</b>						
Derivative Financial Liabilities	--	--	1.678.396	1.107.492	--	--
<b>Total</b>	<b>--</b>	<b>--</b>	<b>1.678.396</b>	<b>1.107.492</b>	<b>--</b>	<b>--</b>

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		Minumum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	21.904.874	18.541.156	1.752.390
2 Of which standardised approach (SA)	21.904.874	18.541.156	1.752.390
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	103.531	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 <b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>25.918.320</b>	<b>21.493.545</b>	<b>2.073.466</b>

<sup>4</sup>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

	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				Not subject to capital requirements or subject to deduction from
		Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	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	1.500.321	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	--	--	--	--	290.860
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 (**)	
<b>Assets</b>						
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	--	--	--	--
<b>Total Assets</b>	<b>27.237.631</b>	<b>26.227.602</b>	<b>1.333.899</b>	--	<b>707.365</b>	<b>91.027</b>
		--	--	--	--	--
<b>Liabilities</b>						
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
<b>Total Liabilities</b>	<b>27.237.631</b>	--	<b>610.160</b>	--	<b>1.107.492</b>	<b>24.760.190</b>

(\*) 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		Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
	Total				
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial	45.184.808	44.007.661	--	1.325.939
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	<b>Risk Amounts</b>	<b>70.778.255</b>	<b>51.246.297</b>	<b>1.541.064</b>	<b>507.688</b>

(\*)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		Items subject to credit risk framework	Items subject to securitisation framework	Items subject to counterparty credit risk framework	Items subject to market risk framework(*)
	Total				
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial	27.237.631	26.227.602	--	1.333.899
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	<b>Risk Amounts</b>	<b>48.410.487</b>	<b>29.964.071</b>	<b>1.535.221</b>	<b>596.750</b>

(\*)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
Current Period	Defaulted	Non-defaulted		
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
Prior Period	Defaulted	Non-defaulted	Allowances/ amortisation and impairments	Net value
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
<b>Total</b>	<b>22.114.721</b>	<b>19.006.911</b>

**Sectoral Breakdown:**

Loans and Other Receivables	Current Period	Prior Period
<b>Agriculture</b>	<b>449.607</b>	<b>281.562</b>
Farming and Stockbreeding	359.691	236.486
Forestry	89.916	45.076
Fishery	--	--
<b>Manufacturing</b>	<b>4.350.293</b>	<b>4.071.734</b>
Mining and Quarrying	864.797	559.653
Production	2.596.190	2.288.954
Electricity, Gas and Water	889.306	1.223.127
<b>Construction</b>	<b>1.123.870</b>	<b>2.312.369</b>
<b>Services</b>	<b>9.085.066</b>	<b>8.818.018</b>
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
<b>Others</b>	<b>7.105.885</b>	<b>3.523.228</b>
<b>Total</b>	<b>22.114.721</b>	<b>19.006.911</b>

**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	--	--	--
<b>Total</b>	<b>888.713</b>	<b>382.736</b>	<b>269.476</b>

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	--	--	--
<b>Total</b>	<b>619.425</b>	<b>388.750</b>	<b>242.412</b>

Current Period	Non-performing loans	Specific Provisions	Write-offs
<b>Agriculture</b>	<b>31.828</b>	<b>22.219</b>	<b>10.198</b>
Farming and Stockbreeding	26.330	18.154	7.940
Forestry	5.498	4.065	2.258
Fishery	--	--	--
<b>Manufacturing</b>	<b>66.876</b>	<b>51.553</b>	<b>35.450</b>
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
<b>Construction</b>	<b>448.364</b>	<b>118.952</b>	<b>27.530</b>
<b>Services</b>	<b>235.429</b>	<b>128.128</b>	<b>130.664</b>
Wholesale and Retail Trade	63.362	50.459	60.082
Accomodation 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
<b>Others</b>	<b>106.216</b>	<b>61.884</b>	<b>65.634</b>
<b>Total</b>	<b>888.713</b>	<b>382.736</b>	<b>269.476</b>

Prior Period	Non-performing loans	Specific Provisions	Write-offs
<b>Agriculture</b>	<b>53.394</b>	<b>31.684</b>	<b>16.517</b>
Farming and Stockbreeding	46.668	27.467	11.558
Forestry	6.726	4.217	4.959
Fishery	0	0	0
<b>Manufacturing</b>	<b>114.951</b>	<b>79.779</b>	<b>74.238</b>
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
<b>Construction</b>	<b>130.322</b>	<b>81.292</b>	<b>20.188</b>
<b>Services</b>	<b>264.969</b>	<b>162.429</b>	<b>91.902</b>
Wholesale and Retail Trade	131.745	83.442	79.088
Accomodation and Dining	11.438	6.981	2.697
Transportation and Telecommunication	72.496	43.622	6.507
Financial Institutions	438	258	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
<b>Others</b>	<b>55.789</b>	<b>33.566</b>	<b>39.567</b>
<b>Total</b>	<b>619.425</b>	<b>388.750</b>	<b>242.412</b>

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X. **Explanations on risk management objectives and policies (continued)**

Aging analysis:

	Current Period	Prior Period
Days past due	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
<b>Total</b>	<b>23.003.434</b>	<b>19.626.336</b>

**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	--
<b>Total</b>	<b>--</b>	<b>2.929.219</b>	<b>4.363</b>

(\*) 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	--
<b>Total</b>	<b>2.059.527</b>	<b>2.761.574</b>	<b>4.305</b>

(\*) 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	5.513.814	--	--	--	--	--	--
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	--	--	--	--

\*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 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 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)**

**Credit risk exposure and credit risk mitigation techniques**

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	11.739.928	--	11.757.211	--	--	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	373.654	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	1.288.589	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	2.325.009	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 coll. investment undertakings(*)	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%

(\*)Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodology.

(\*\*)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	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	4.117.134	--	4.184.170	--	--	0,0%
2 Exposures to regional and local governments	199.815	--	199.815	--	99.908	50,0%
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	0,0%
4 Exposures to multilateral development banks	--	--	--	--	--	0,0%
5 Exposures to international organizations	--	--	--	--	--	0,0%
6 Exposures to banks and brokerage houses	3.039.614	84.034	3.039.614	47.490	746.854	24,2%
7 Exposures to corporates	11.636.049	987.347	11.619.810	579.733	11.984.494	98,2%
8 Retail exposures	5.050.336	1.440.118	5.013.662	364.891	4.032.652	75,0%
9 Exposures secured by residential property	152.068	1.815	151.639	528	118.854	78,1%
10 Exposures secured by commercial property	1.385.231	46.874	1.377.189	39.387	942.441	66,5%
11 Past-due items	246.057	1.340	240.405	1.340	203.080	84,0%
12 Exposures in high-risk categories	26.256	3.489	26.256	1.745	26.313	94,0%
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	0,0%
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	0,0%
15 Exposures in the form of coll. investment undertakings(*)	103.531	--	103.531	--	103.531	100,0%
16 Other exposures	1.105.362	1.171.451	1.105.362	64.940	735.298	62,8%
17 Equity share investments	9.764	--	9.764	--	9.764	100,0%
18 Total	27.071.217	3.736.468	27.071.217	1.100.054	19.003.189	67,5%

(\*)Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content 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.

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**X. Explanations on risk management objectives and policies (continued)**

**Exposures by asset classes and risk weights:**

(Current Period)											
Risk Classes/ Risk Weight	0%	10%	20%	%35(*)	50%	%50(**)	75%	100%	150%	200%	Total risk amount (**)
1 Exposures to sovereigns and their central banks	11.757.211	--	--	--	--	--	--	--	--	--	11.757.211
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	412.624	--	1.504.978	--	962.381	--	--	6.050	--	--	2.886.033
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	--	--	--	--	--	--	--	559.457	--	--	559.457
16 Equity share investments	--	--	--	--	--	--	--	11.444	--	--	11.444
17 Other Exposures	959.680	--	--	--	--	--	--	1.011.811	--	--	1.971.491
18 Total	13.252.626	--	1.504.978	29.720	1.187.350	764.959	7.062.607	12.549.723	2.630.160	--	38.982.123

(\*) Collateralized by real estate mortgages  
(\*\*) After OCF 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)											
Risk Classes/ Risk Weight	0%	10%	20%	%35(*)	50%	%50(**)	75%	100%	150%	200%	Total risk amount (**)
1 Exposures to sovereigns and their central banks	4.184.170	--	--	--	--	--	--	--	--	--	4.184.170
2 Exposures to regional and local governments	--	--	--	--	199.815	--	--	--	--	--	199.815
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organizations	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to banks and brokerage houses	763.006	--	1.401.066	--	912.782	--	--	10.250	--	--	3.087.104
7 Exposures to corporates	215.049	--	--	--	--	--	--	11.984.494	--	--	12.199.543
8 Retail exposures	1.683	--	--	--	--	--	5.376.870	--	--	--	5.378.553
9 Exposures secured by residential property	--	--	--	51.251	--	--	--	100.916	--	--	152.167
10 Exposures secured by commercial property	--	--	--	--	--	948.269	--	468.307	--	--	1.416.576
11 Past-due items	--	--	--	--	140.449	--	--	38.177	63.119	--	241.745
12 Exposures in high-risk categories	--	--	--	--	3.612	--	--	24.153	236	--	28.001
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--	--
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--	--
15 Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	103.531	--	--	103.531
16 Equity share investments	--	--	--	--	--	--	--	9.764	--	--	9.764
17 Other Exposures	435.004	--	--	--	--	--	--	735.298	--	--	1.170.302
18 Total	5.598.912	--	1.401.066	51.251	1.256.658	948.269	5.376.870	13.474.890	63.355	--	28.171.271

(\*) Collateralized by real estate mortgages  
(\*\*) After OCF 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.



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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 * Current Period	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
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	--	--	--
<b>Total</b>	<b>38.982.123</b>	<b>537.065</b>	<b>863.863</b>	<b>17.283</b>

(\*) 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	4.184.170	--	--	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	--	--	--
<b>Total</b>	<b>28.171.271</b>	<b>979.738</b>	<b>1.046.113</b>	<b>67.036</b>

(\*) 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	--	--	--	--	-	-
<b>6 Total</b>	<b>703.298</b>	<b>215.125</b>	<b>--</b>	<b>1</b>	<b>1.541.064</b>	<b>615.138</b>

\* 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	--	--	--	--	--	--
<b>6 Total</b>	<b>205.281</b>	<b>201.322</b>	<b>--</b>	<b>--</b>	<b>1.535.221</b>	<b>358.502</b>

\* 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 3×multiplier)	--	--	--	--
2 (ii) Stressed VaR component (including the 3×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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**X. Explanations on risk management objectives and policies (continued)**

**CCR exposures by risk class and risk weights - standardised approach**

Current Period								
Risk weights	0%	10%	20%	50%	75%	100%	150%	Other Total 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	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--
Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--
Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	--
Equity share investments	--	--	--	--	--	--	--	--
Other Exposures	--	--	--	--	--	--	--	--
Other Assets*	--	--	--	--	--	--	--	--
<b>Total</b>	<b>420.646</b>	<b>--</b>	<b>271.477</b>	<b>566.685</b>	<b>19.024</b>	<b>263.232</b>	<b>--</b>	<b>1.541.064</b>

\*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	0%	10%	20%	50%	75%	100%	150%	Other Total credit risk (*)
Exposures to sovereigns and their central banks	12.192	--	--	--	--	--	--	12.192
Exposures to regional and local governments	--	--	--	--	--	--	--	--
Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--
Exposures to multilateral development banks	--	--	--	--	--	--	--	--
Exposures to international organizations	--	--	--	--	--	--	--	--
Exposures to banks and brokerage houses	763.006	--	316.392	291.896	--	63	--	1.371.357
Exposures to corporates	--	--	--	--	--	143.732	--	143.732
Retail exposures	632	--	--	--	7.308	--	--	7.940
Exposures secured by residential property	--	--	--	--	--	--	--	--
Past-due items	--	--	--	--	--	--	--	--
Exposures in high-risk categories	--	--	--	--	--	--	--	--
Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--
Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--
Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	--
Equity share investments	--	--	--	--	--	--	--	--
Other Exposures	--	--	--	--	--	--	--	--
Other Assets	--	--	--	--	--	--	--	--
<b>Total</b>	<b>775.830</b>	<b>--</b>	<b>316.392</b>	<b>291.896</b>	<b>7.308</b>	<b>143.795</b>	<b>--</b>	<b>1.535.221</b>

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X. **Explanations on risk management objectives and policies (continued)**

**Collaterals for CCR**

	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		
Current Period						
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	--	--	--	--	--	--
<b>Total</b>	<b>29</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>412.624</b>	<b>622.641</b>

\* 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.

	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		
Prior Period						
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	--	--	--	--	--	--
<b>Total</b>	<b>632</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>740.416</b>	<b>170.084</b>

\* 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)

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				Total/ No. of	Rate (%)	Total
	31 December 2018	31 December 2019	31 December 2020	Years of Positive Gross Income		
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				Total/ No. of	Rate (%)	Total
	31 December 2017	31 December 2018	31 December 2019	Years of Positive Gross Income		
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	--	--	--	--
<b>Total</b>	<b>936.627</b>	<b>11.978.033</b>	<b>466.024</b>	<b>2.455.668</b>

**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
<b>Total</b>	<b>854.653</b>	<b>11.091.719</b>	<b>411.057</b>	<b>2.174.032</b>

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	--
<b>Total</b>	<b>94</b>	<b>--</b>	<b>2.796</b>	<b>--</b>

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.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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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	--	--	--	--
<b>Total</b>	<b>1.268.454</b>	<b>3.406</b>	<b>696.959</b>	<b>10.406</b>

### 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	--	--	--	--
<b>Total</b>	<b>398.370</b>	<b>1.101.951</b>	<b>465.578</b>	<b>422.967</b>

#### 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	--
<b>Total</b>	<b>397.109</b>	<b>47.105</b>	<b>90.481</b>	<b>293.142</b>

### 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	--	--	--	--
<b>Total</b>	<b>196.700</b>	<b>944.749</b>	<b>2.929</b>	<b>717.544</b>

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	--
<b>Total</b>	<b>2.077.753</b>	<b>1.027.526</b>



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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 74.064 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 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
<b>Total</b>	<b>382.736</b>	<b>388.750</b>

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

**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)
<b>Movements of Stage 1 and Stage 2</b>			
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)	--
<b>Movements of Stage 3</b>			
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
<b>Current Period</b>			
Balance as of Period End	1.935	457.522	86.790
Provisions (-)	1.623	167.758	28.102
<b>Net Balance on Balance Sheet</b>	<b>312</b>	<b>289.764</b>	<b>58.688</b>
<b>Prior Period</b>			
Balance as of Period End	39.441	16.545	42.344
Provisions (-)	17.748	14.239	29.235
<b>Net Balance on Balance Sheet</b>	<b>21.693</b>	<b>2.306</b>	<b>13.109</b>

**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
<b>Current Period (Net)</b>	<b>24.547</b>	<b>366.929</b>	<b>114.501</b>
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)	--	--	--
<b>Prior Period (Net)</b>	<b>30.981</b>	<b>26.171</b>	<b>173.523</b>
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)	--	--	--

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

#### 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	--	--	--	--
<b>Total</b>	<b>59.880</b>	<b>2.888.813</b>	<b>48.344</b>	<b>858.607</b>

#### 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	--	--	--	--
<b>Total</b>	<b>190.594</b>	<b>3.015.309</b>	<b>187.659</b>	<b>1.006.930</b>

#### 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 (-)	--	--
<b>Total</b>	<b>3.230.721</b>	<b>1.207.902</b>

#### 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 (-)	--	--
<b>Total</b>	<b>3.230.721</b>	<b>1.207.902</b>

### 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.	İstanbul	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.	İstanbul	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.

*Informationon 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 Portfoy 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)
<b>Deferred Tax Asset/(Liability)</b>	<b>1.513.872</b>	<b>309.094</b>

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
<b>Deferred Tax Asset/(Liability)</b>	<b>959.206</b>	<b>191.840</b>

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)
<b>Deferred Tax Asset/(Liability) , Period End Balance</b>	<b>309.094</b>	<b>191.840</b>

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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

	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	633.668	--	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	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>6.592.476</b>	<b>--</b>	<b>13.832.670</b>	<b>9.004.671</b>	<b>1.095.928</b>	<b>175.055</b>	<b>299.564</b>	<b>--</b>	<b>31.000.365</b>

(\*) 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

	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	308.622	--	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	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>1.998.590</b>	<b>--</b>	<b>8.615.886</b>	<b>6.604.492</b>	<b>248.040</b>	<b>56.865</b>	<b>143.535</b>	<b>--</b>	<b>17.667.408</b>

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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	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	--	--	--	--
<b>Total</b>	<b>6.215.163</b>	<b>4.255.259</b>	<b>13.657.756</b>	<b>8.218.517</b>

**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	--	--	--	--
<b>Total</b>	<b>1.674.998</b>	<b>3.398</b>	<b>1.097.100</b>	<b>10.392</b>

**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
<b>Total</b>	<b>15.646</b>	<b>507.931</b>	<b>20.370</b>	<b>1.134.772</b>

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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 “TFRS 16 Leases” standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the “Lease Payables” as liability by lessees.

	Current Period		Prior Period	
	Gross	Net	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
<b>Total</b>	<b>100.000</b>	<b>3.790.148</b>	<b>100.000</b>	<b>2.127.599</b>

(\*) 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	--	--	--	--
<b>Total</b>	<b>129.399</b>	<b>(23.035)</b>	<b>3.850</b>	<b>18.413</b>

**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	--	--
<b>Period-end Balance</b>	<b>244</b>	<b>159</b>

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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
<b>Total</b>	<b>8.054.129</b>	<b>2.564.207</b>

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
<b>Total</b>	<b>1.004.177</b>	<b>1.266.562</b>

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
<b>Total</b>	<b>681.903</b>	<b>861.571</b>

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
<b>Total</b>	<b>1.004.177</b>	<b>1.266.562</b>

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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	(%)
<b>Agricultural</b>	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
<b>Manufacturing</b>	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
<b>Construction</b>	114.846	%25,2	51.876	%9,5	146.632	%24,2	47.920	%7,3
<b>Services</b>	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
<b>Other</b>	65.725	%14,4	31.311	%5,7	189.446	%31,2	68.498	%10,4
<b>Total</b>	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	--	--	--	--
<b>Non-Cash Loans</b>	<b>398.904</b>	<b>542.403</b>	<b>57.660</b>	<b>5.210</b>

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	--	--	--	--
<b>Non-Cash Loans</b>	<b>568.070</b>	<b>637.075</b>	<b>38.521</b>	<b>22.896</b>

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### 5. Information related to derivative financial instruments

	Current Period	Prior Period
<b>Types of trading transactions</b>		
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
<b>A. Total Derivative Transactions Held for Trading (I+II+III)</b>	<b>58.497.661</b>	<b>36.847.164</b>
<b>Types of hedging transactions</b>		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
<b>B. Total Derivative Transactions Held for Hedging Purposes</b>	<b>--</b>	<b>--</b>
<b>Total Derivative Transactions (A+B)</b>	<b>58.497.661</b>	<b>36.847.164</b>

### 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	--	--	--	--
<b>Total (*)</b>	<b>2.691.891</b>	<b>414.513</b>	<b>1.516.497</b>	<b>501.698</b>

(\*) 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	--	--	--	--
<b>Total</b>	<b>20.017</b>	<b>279</b>	<b>24.882</b>	<b>282</b>

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
<b>Total</b>	<b>33.031</b>	<b>160.543</b>	<b>24.868</b>	<b>87.527</b>

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
<b>Banks</b>	<b>3.037</b>	<b>13.925</b>	<b>1.613</b>	<b>41.668</b>
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	--	--	--	--
<b>Other Institutions</b>	<b>--</b>	<b>197.812</b>	<b>--</b>	<b>165.407</b>
<b>Total</b>	<b>3.037</b>	<b>211.737</b>	<b>1.613</b>	<b>207.075</b>

(\*)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
<b>Total</b>	<b>426.372</b>	<b>347.314</b>

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
<b>Profit/(loss) Before Tax</b>	<b>482.600</b>	<b>325.455</b>

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)
<b>Net Profit/(Loss) from Continuing Operations</b>	<b>418.346</b>	<b>237.055</b>

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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:

<b>Profit or Loss</b>	<b>229.835</b>
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
<b>Total Cash and Cash Equivalent Assets</b>	<b>2.537.372</b>	<b>2.123.003</b>

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
<b>Total Cash and Cash Equivalent Assets</b>	<b>11.641.085</b>	<b>2.537.372</b>

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

- 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 trasnsactions 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	--	--
<b>Total</b>	<b>1.076</b>	<b>707</b>

**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.