

**FİBANKA A.Ş. AND ITS SUBSIDIARY**

**LIMITED REVIEW REPORT,  
CONSOLIDATED FINANCIAL  
STATEMENTS AND FOOTNOTES  
FOR THE INTERIM PERIOD  
1 JANUARY – 31 MARCH 2016**

**(Convenience Translation of Financial Statements and  
Related Disclosures and Footnotes Originally Issued in  
Turkish)**

## LIMITED REVIEW REPORT FOR THE INTERIM FINANCIAL INFORMATION

**To the Board of Directors of Fibabanka A.Ş.**

### *Introduction*

We have reviewed the accompanying consolidated statement of financial position of Fibabanka A.Ş. (“the Bank”) and its consolidated subsidiary (together will be referred as “the Group”) as at 31 March 2016, and the consolidated income statement, consolidated statement of income and expense items under shareholders’ equity, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the three-month period then ended and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with 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 the Banking Regulation and Supervision Board and circulars and pronouncements published by the Banking Regulation and Supervision Agency, (all together referred as the “BRSA Accounting and Reporting Regulations”) and Turkish Accounting Standard 34 “Interim Financial Reporting”, except for the matters regulated by the BRSA Accounting and Reporting Regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Limited Review*

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



### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of Fibabanka A.Ş. and its subsidiary as at 31 March 2016, and of the results of their operations and their cash flows for the three-month period then ended in accordance with the BRSA Accounting and Reporting Regulations.

### **Report on Other Legal and Regulatory Requirements**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information provided in the Management's interim report included in section seven of the accompanying consolidated financial statements, are not consistent with the reviewed consolidated interim financial statements and the explanatory notes in all material respects.

### *Additional paragraph for English translation:*

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

**DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.**

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Müjde Şehsuvaroğlu  
Partner  
Istanbul, 5 May 2016

# THE CONSOLIDATED FINANCIAL REPORT OF FİBABANKA A.Ş. FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2016

Address : Esentepe Mah. Büyükdere Caddesi  
No: 129 Şişli 34394 İstanbul-Türkiye  
Telephone : (212) 381 82 82  
Fax : (212) 257 37 78  
Web Site : [www.fibabanka.com.tr](http://www.fibabanka.com.tr)  
Contact E-Mail : [alper.cilekar@fibabanka.com.tr](mailto:alper.cilekar@fibabanka.com.tr)

The consolidated financial report for the three months period 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
- LIMITED REVIEW REPORT
- INTERIM ACTIVITY REPORT

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

## Subsidiary:

- Fiba Portföy Yönetimi A.Ş.

The consolidated financial statements for the three months period 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 independently reviewed and presented as attached.

 Hüsnü Mustafa Özyeğin	 Fevzi Bozer	 Mevlüt Hamdi Aydın	 Bekir Dildar	 Elif Aİsev Utku Özbey	 Ayşe Akdaş
Chairman of Board of Directors	Deputy Chairman of Board of Directors and Chairman of the Audit Committee	Member of the Audit Committee	Member of Board of Directors and General Manager	Assistant General Manager Responsible for Financial Control and Reporting	Financial Control and Reporting Department Head

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

Name-Surname/Title : **Ayşe Akdaş** / Financial Control and Reporting Department Head  
Telephone Number : (212) 381 84 88  
Fax Number : (212) 257 37 78

**SECTION ONE****General Information**

I.	History of the Parent Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status	1
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	1
III.	Explanations Regarding the Shares of the Parent Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents	2
IV.	Individuals and Institutions That Have Qualified Shares in the Parent Bank	3
V.	Summary Information on the Parent Bank's Services and Activity Areas	3
VI.	Other Information	3
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	3
VII..	Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Parent Bank and Its Subsidiaries	

**SECTION TWO****Consolidated Financial Statements**

I.	Consolidated Balance Sheet	4
II.	Consolidated Statement of Off-Balance Sheet Contingencies and Commitments	6
III.	Consolidated Income Statement	7
IV.	Consolidated Statement of Income and Expense Items Accounted under Shareholders' Equity	8
V.	Consolidated Statement of Changes in Shareholders' Equity	9
VI.	Consolidated Cash Flow Statement	10

**SECTION THREE****Accounting Policies**

I.	Explanations on the Basis of Presentation	11
II.	Explanations on the Usage Strategy of Financial Instruments and on Foreign Currency Transactions	11
III.	Explanations on Consolidated Subsidiaries	12
IV.	Explanations on Forward Transactions, Option and Derivative Instruments	13
V.	Explanations on Interest Income and Expenses	13
VI.	Explanations on Fee and Commission Income and Expenses	13
VII.	Explanations on Financial Assets	13
VIII.	Explanations on Impairment of Financial Assets	14
IX.	Explanations on Offsetting Financial Instruments	14
X.	Explanations on Sale and Repurchase Agreements and Securities Lending Transactions	15
XI.	Explanations on Non-current Assets Held for Sale and Discontinued Operations and Related Liabilities	15
XII.	Explanations on Goodwill and Other Intangible Assets	15
XIII.	Explanations on Tangible Assets	16
XIV.	Explanations on Leasing Transactions	16
XV.	Explanations on Provisions and Contingent Liabilities	16
XVI.	Explanations on Contingent Assets	17
XVII.	Explanations on Liabilities for Employee Benefits	17
XVIII.	Explanations on Taxation	18
XIX.	Additional Explanations on Borrowings	19
XX.	Explanations on Share Certificates Issued	19
XXI.	Explanations on Bank Acceptances and Bills of Guarantee	19
XXII.	Explanations on Government Incentives	19
XXIII.	Explanations on Segment Reporting	19
XXIV.	Other Matters	19

**SECTION FOUR****Information on Financial Structure and Risk Management**

I.	Explanations Related to the Consolidated Components of Shareholders Equity	20
II.	Explanations on Consolidated Risk Management	28
III.	Explanations on Consolidated Currency Risk	29
IV.	Explanations on Consolidated Interest Rate Risk	31
V.	Explanations on Consolidated Share Position Risk	34
VI.	Explanations on Consolidated Liquidity Risk	34
VII	Explanations on Consolidated Segment Reporting	41

**SECTION FIVE****Explanations and Notes on the Consolidated Financial Statements**

I.	Explanations and Disclosures Related to the Consolidated Assets	42
II.	Explanations and Disclosures Related to the Consolidated Liabilities	55
III.	Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Contingencies and Commitments	63
IV.	Explanations and Disclosures Related to the Consolidated Income Statement	65
V.	Explanations on the Risk Group of the Parent Bank	70
VI.	Explanations on the Parent Bank's Domestic, Foreign, Off-shore Branches or Investments in Associates and Foreign Representative Offices	71
VII.	Events After Balance Sheet Date	71

**SECTION SIX****Limited Review Report**

I.	Explanations on the Independent Auditor's Limited Review Report	72
II.	Other Footnotes and Explanations Prepared by the Independent Auditors	72

**SECTION SEVEN****Interim Period Activity Report**

I.	Interim Activity Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager	73
----	---	----

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**SECTION ONE**

**GENERAL INFORMATION**

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

On 21 December 2001, Share Transfer Agreement was signed with Novabank S.A. for the sale of all shares of Sitebank A.Ş. under the control of SDIF and the sale transaction was approved by the decision of 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., has been realized.

In the extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. has been 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 has been completed as of 27 December 2010. Credit Europe Bank N.V. is 100% owned by Credit Europe Group N.V. which is a banking group incorporated in Netherlands and an affiliate of Fiba Holding A.Ş.

Credit Europe Bank N.V.’s share of capital increased from 95% to 97.6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97.6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2.4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. There were sales of equity shares to the management of the Bank in 2013. Total share of the management is 1.04%.

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.

As of 31 March 2016, the Bank’s paid-in capital is TL 847,515.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

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

<u>Name Surname</u>	<u>Title</u>	<u>Date</u>
<b><i>Board of Directors</i></b>		
Hüsni Mustafa Özyeğin	Chairman	27 December 2010
Fevzi Bozer	Deputy Chairman	27 December 2010
Mehmet Güleşci	Member	27 December 2010
Mevlüt Hamdi Aydın	Member	24 January 2013
İsmet Kaya Erdem	Member	11 February 2013
Bekir Dildar*	Member-General Manager	27 December 2010
<b><i>Audit Committee</i></b>		
Fevzi Bozer	Member	27 December 2010
Mevlüt Hamdi Aydın	Member	24 January 2013
<b><i>Assistant General Managers</i></b>		
Elif Alsev Utku Özbey	AGM-Financial Control & Reporting	7 January 2011
Adem Aykın	AGM-Information Technologies, Organizations and Projects	1 July 2011
Esra Osmanağaoğlu	AGM-Banking Operations	29 February 2012
Emre Ergun	AGM-Retail Banking	2 May 2013
Kerim Lokman Kuriş	AGM – Corporate & Commercial Banking	1 December 2015
Turgay Hasdiker	AGM – Corporate & Commercial Credits	1 December 2015
Ahu Dolu	AGM – Financial Institutions	1 December 2015
Cengiz Sinanoğlu	Coordinator – Retail Credits	7 February 2013
Ömer Rifat Gencal	Coordinator - Treasury	2 February 2015
Gerçek Önal	Coordinator - Legal	1 February 2016

(\*) Bekir Dildar was appointed as the General Manager on 7 January 2011.

Memduh Aslan Akçay was assigned as board of directors member on 13 April 2016.

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 OF**  
**1 JANUARY – 31 MARCH 2016**

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

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

<b>Name Surname/ Commercial Title</b>	<b>Share Amount (Nominal)</b>	<b>Share Ratios</b>	<b>Paid in Capital (Nominal)</b>	<b>Unpaid Shares</b>
Fiba Holding A.Ş.	670,055	79.06%	670,055	--
Hüsnü Mustafa Özyeğin	620,931	73.26%	620,931	--

**V. Summary Information on the Parent 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 March 2016, the Bank serves with 68 domestic branches and 1,363 employees.

**VI. Other Information**

The Bank's Commercial Title:	Fibabanka Anonim Şirketi
The Bank's Head Office Address:	Esentepe Mah. Büyükdere Caddesi No:129 Şişli 34394 İstanbul
The Bank's Phone and Fax Numbers:	Telephone : (0212) 381 82 82 Fax : (0212) 257 37 78
The Bank's Web Site Address:	www.fibabanka.com.tr
The Bank's E-Mail Address:	malikontrol@fibabanka.com.tr
Reporting Period:	1 January 2016 – 31 March 2016

The financial statements, related disclosures and notes in this report are prepared, unless otherwise stated, 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.**  
**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF 31 MARCH 2016**

(Amount expressed in thousands of Turkish Lira)

ASSETS	Note	CURRENT PERIOD			PRIOR PERIOD		
		(31/03/2016)			(31/12/2015)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	(5.1.1)	<b>39,444</b>	<b>1,515,972</b>	<b>1,555,416</b>	<b>33,358</b>	<b>1,440,751</b>	<b>1,474,109</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	(5.1.2)	<b>203,072</b>	<b>6,186</b>	<b>209,258</b>	<b>107,090</b>	<b>7,441</b>	<b>114,531</b>
2.1 Financial Assets Held for Trading		203,072	6,186	209,258	107,090	7,441	114,531
2.1.1 Government Debt Securities		16,147	3,876	20,023	15,832	4,044	19,876
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		162,461	1,575	164,036	91,258	2,714	93,972
2.1.4 Other Marketable Securities		24,464	735	25,199	-	683	683
2.2 Financial Assets Classified at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.2.1 Government Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
<b>III. BANKS</b>	(5.1.3)	<b>750</b>	<b>134,735</b>	<b>135,485</b>	<b>5,645</b>	<b>64,401</b>	<b>70,046</b>
<b>IV. MONEY MARKET PLACEMENTS</b>		-	<b>289,010</b>	<b>289,010</b>	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	289,010	289,010	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(5.1.4)	<b>77,201</b>	<b>485,083</b>	<b>562,284</b>	<b>84,302</b>	<b>529,469</b>	<b>613,771</b>
5.1 Share Certificates		-	2,723	2,723	-	2,697	2,697
5.2 Government Securities		77,201	222	77,423	75,373	324	75,697
5.3 Other Marketable Securities		-	482,138	482,138	8,929	526,448	535,377
<b>VI. LOANS</b>	(5.1.5)	<b>6,137,010</b>	<b>2,899,313</b>	<b>9,036,323</b>	<b>5,958,464</b>	<b>2,656,313</b>	<b>8,614,777</b>
6.1 Loans		6,054,542	2,899,313	8,953,855	5,889,699	2,656,313	8,546,012
6.1.1 Loans to the Bank's Risk Group		57	63	120	29	34	63
6.1.2 Government Securities		-	-	-	-	-	-
6.1.3 Others		6,054,485	2,899,250	8,953,735	5,889,670	2,656,279	8,545,949
6.2 Non-Performing Loans		181,452	-	181,452	147,230	-	147,230
6.3 Specific Provisions (-)		98,984	-	98,984	78,465	-	78,465
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. INVESTMENTS HELD TO MATURITY (Net)</b>	(5.1.6)	-	-	-	-	-	-
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(5.1.7)	-	-	-	-	-	-
9.1 Associates Accounted for Using the Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		-	-	-	-	-	-
9.2.1 Financial Associates		-	-	-	-	-	-
9.2.2 Non-Financial Associates		-	-	-	-	-	-
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(5.1.8)	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)</b>	(5.1.9)	-	-	-	-	-	-
11.1 Jointly Controlled Entities Accounted for Using the Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Jointly Controlled Entities		-	-	-	-	-	-
11.2.1 Jointly Controlled Financial Entities		-	-	-	-	-	-
11.2.2 Jointly Controlled Non-Financial Entities		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES</b>	(5.1.10)	-	-	-	-	-	-
12.1 Finance Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	(5.1.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Net Foreign Investment Hedge		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	(5.1.12)	<b>189,814</b>	-	<b>189,814</b>	<b>191,693</b>	-	<b>191,693</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	(5.1.13)	<b>5,471</b>	-	<b>5,471</b>	<b>5,364</b>	-	<b>5,364</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		5,471	-	5,471	5,364	-	5,364
<b>XVI. INVESTMENT PROPERTY (Net)</b>	(5.1.14)	-	-	-	-	-	-
<b>XVII. TAX ASSETS</b>		<b>255</b>	-	<b>255</b>	<b>1,901</b>	-	<b>1,901</b>
17.1 Current Tax Asset		192	-	192	188	-	188
17.2 Deferred Tax Asset	(5.1.15)	63	-	63	1,713	-	1,713
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(5.1.16)	<b>2,083</b>	-	<b>2,083</b>	<b>3,299</b>	-	<b>3,299</b>
18.1 Held for Sale		2,083	-	2,083	3,299	-	3,299
18.2 Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(5.1.17)	<b>105,787</b>	<b>14,673</b>	<b>120,460</b>	<b>82,599</b>	<b>14,494</b>	<b>97,093</b>
<b>TOTAL ASSETS</b>		<b>6,760,887</b>	<b>5,344,972</b>	<b>12,105,859</b>	<b>6,473,715</b>	<b>4,712,869</b>	<b>11,186,584</b>

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

**FİBANKA A.Ş.**

**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

**AS OF 31 MARCH 2016**

(Amount expressed in thousands of Turkish Lira)

LIABILITIES	Note	CURRENT PERIOD			PRIOR PERIOD		
		(31/03/2016)			(31/12/2015)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(5.II.1)	<b>3,955,953</b>	<b>3,660,047</b>	<b>7,616,000</b>	<b>3,938,356</b>	<b>3,517,368</b>	<b>7,455,724</b>
1.1 Deposits from the Bank's Risk Group		290,689	174,391	465,080	250,952	334,754	585,706
1.2 Other		3,665,264	3,485,656	7,150,920	3,687,404	3,182,614	6,870,018
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(5.II.2)	<b>182,122</b>	<b>1,589</b>	<b>183,711</b>	<b>80,892</b>	<b>2,716</b>	<b>83,608</b>
<b>III. FUNDS BORROWED</b>	(5.II.3)	<b>14,455</b>	<b>1,325,959</b>	<b>1,340,414</b>	<b>15,919</b>	<b>1,008,527</b>	<b>1,024,446</b>
<b>IV. MONEY MARKET FUNDS</b>		<b>83,299</b>	<b>401,228</b>	<b>484,527</b>	<b>67,572</b>	<b>437,250</b>	<b>504,822</b>
4.1 Interbank Money Market Funds		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Funds		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		83,299	401,228	484,527	67,572	437,250	504,822
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	(5.II.4)	<b>678,620</b>	<b>-</b>	<b>678,620</b>	<b>503,741</b>	<b>-</b>	<b>503,741</b>
5.1 Bills		678,620	-	678,620	503,741	-	503,741
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. SUNDRY CREDITORS</b>	(5.II.5)	<b>91,816</b>	<b>17,371</b>	<b>109,187</b>	<b>80,524</b>	<b>20,164</b>	<b>100,688</b>
<b>VIII. OTHER LIABILITIES</b>	(5.II.5)	<b>137,459</b>	<b>7,927</b>	<b>145,386</b>	<b>107,540</b>	<b>7,257</b>	<b>114,797</b>
<b>IX. FACTORING PAYABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. LEASE PAYABLES (Net)</b>	(5.II.6)	<b>-</b>	<b>143</b>	<b>143</b>	<b>-</b>	<b>171</b>	<b>171</b>
10.1 Finance Lease Payables		-	152	152	-	183	183
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	9	9	-	12	12
<b>XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	(5.II.7)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Net Foreign Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(5.II.8)	<b>134,995</b>	<b>-</b>	<b>134,995</b>	<b>113,812</b>	<b>-</b>	<b>113,812</b>
12.1 General Loan Loss Provision		104,890	-	104,890	91,103	-	91,103
12.2 Provision for Restructuring		-	-	-	-	-	-
12.3 Reserves for Employee Benefits		20,231	-	20,231	13,862	-	13,862
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		9,874	-	9,874	8,847	-	8,847
<b>XIII. TAX LIABILITY</b>	(5.II.9)	<b>32,342</b>	<b>-</b>	<b>32,342</b>	<b>35,949</b>	<b>-</b>	<b>35,949</b>
13.1 Current Tax Liability		31,441	-	31,441	35,949	-	35,949
13.2 Deferred Tax Liability		901	-	901	-	-	-
<b>XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS</b>	(5.II.10)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Held for Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	(5.II.11)	<b>-</b>	<b>312,580</b>	<b>312,580</b>	<b>-</b>	<b>211,913</b>	<b>211,913</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	(5.II.12)	<b>1,068,386</b>	<b>(432)</b>	<b>1,067,954</b>	<b>1,042,720</b>	<b>(5,807)</b>	<b>1,036,913</b>
<b>16.1 Paid-in Capital</b>		<b>847,515</b>	<b>-</b>	<b>847,515</b>	<b>847,515</b>	<b>-</b>	<b>847,515</b>
<b>16.2 Capital Reserves</b>		<b>68,401</b>	<b>(432)</b>	<b>67,969</b>	<b>67,023</b>	<b>(5,807)</b>	<b>61,216</b>
16.2.1 Share premium		73,379	-	73,379	73,379	-	73,379
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Revaluation Reserve		(2,542)	(432)	(2,974)	(3,920)	(5,807)	(9,727)
16.2.4 Tangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-	-	-
16.2.8 Hedge Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Accumulated Revaluation Reserves on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		(2,436)	-	(2,436)	(2,436)	-	(2,436)
<b>16.3 Profit Reserves</b>		<b>46,786</b>	<b>-</b>	<b>46,786</b>	<b>46,786</b>	<b>-</b>	<b>46,786</b>
16.3.1 Legal Reserves		3,711	-	3,711	3,711	-	3,711
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		43,075	-	43,075	43,075	-	43,075
16.3.4 Other Profit Reserves		-	-	-	-	-	-
<b>16.4 Profit or Loss</b>		<b>105,632</b>	<b>-</b>	<b>105,632</b>	<b>81,344</b>	<b>-</b>	<b>81,344</b>
16.4.1 Prior Years' Profit/Loss		81,344	-	81,344	(174)	-	(174)
16.4.2 Current Year Profit/Loss		24,288	-	24,288	81,518	-	81,518
<b>16.5 Minority Interest</b>	(5.II.13)	<b>52</b>	<b>-</b>	<b>52</b>	<b>52</b>	<b>-</b>	<b>52</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,379,447</b>	<b>5,726,412</b>	<b>12,105,859</b>	<b>5,987,025</b>	<b>5,199,559</b>	<b>11,186,584</b>

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

**FİBANKA A.Ş.**  
**CONSOLIDATED OFF-BALANCESHEET COMMITMENTS**  
**AS OF 31 MARCH 2016**

(Amount expressed in thousands of Turkish Lira)

	Note	CURRENT PERIOD (31/03/2016)			PRIOR PERIOD (31/12/2015)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>6,497,059</b>	<b>8,711,024</b>	<b>15,208,083</b>	<b>3,803,991</b>	<b>5,424,117</b>	<b>9,228,108</b>
<b>I. GUARANTEES AND SURETYSHIPS</b>	(5.III.1)	<b>368,619</b>	<b>691,000</b>	<b>1,059,619</b>	<b>380,111</b>	<b>665,519</b>	<b>1,045,632</b>
1.1. Letters of Guarantee		368,244	207,290	575,534	379,738	175,756	555,494
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		368,244	207,290	575,534	379,738	175,756	555,494
1.2. Bank Loans		375	85,976	86,351	375	106,491	106,866
1.2.1. Import Letters of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		375	85,976	86,351	375	106,491	106,866
1.3. Letters of Credit		-	397,734	397,734	-	383,272	383,272
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	397,734	397,734	-	383,272	383,272
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 Suretyships		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(5.III.1)	<b>449,718</b>	<b>257,657</b>	<b>707,375</b>	<b>420,094</b>	<b>245,421</b>	<b>665,515</b>
2.1. Irrevocable Commitments		449,718	257,657	707,375	420,094	245,421	665,515
2.1.1. Forward asset purchase and Sales commitments		102,155	257,657	359,812	110,809	245,421	356,230
2.1.2. Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		117,547	-	117,547	110,140	-	110,140
2.1.5. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Payment Commitment for Checks		158,437	-	158,437	145,123	-	145,123
2.1.8. Tax and Fund Liabilities from Export Commitments		3,519	-	3,519	3,553	-	3,553
2.1.9. Commitments for Credit Card Expenditure Limits		64,953	-	64,953	47,363	-	47,363
2.1.10. Commitments for Promotions Related with Credit Cards and Banking Activities		1	-	1	1	-	1
2.1.11. Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		3,106	-	3,106	3,105	-	3,105
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>5,678,722</b>	<b>7,762,367</b>	<b>13,441,089</b>	<b>3,003,784</b>	<b>4,513,177</b>	<b>7,516,961</b>
3.1. Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2. Held for Trading Transactions		5,678,722	7,762,367	13,441,089	3,003,784	4,513,177	7,516,961
3.2.1. Forward Foreign Currency Buy/Sell Transactions		220,146	663,048	883,194	245,552	580,104	825,656
3.2.1.1. Forward Foreign Currency Transactions-Buy		93,070	344,794	437,864	112,825	294,595	407,420
3.2.1.2. Forward Foreign Currency Transactions-Sell		127,076	318,254	445,330	132,727	285,509	418,236
3.2.2. Swap Transactions Related to F.C. and Interest Rates		2,364,494	4,072,416	6,436,910	1,217,730	2,358,058	3,575,788
3.2.2.1. Foreign Currency Swap-Buy		1,145,145	2,045,239	3,190,384	536,802	1,260,905	1,797,707
3.2.2.2. Foreign Currency Swap-Sell		1,169,349	2,027,177	3,196,526	680,928	1,097,153	1,778,081
3.2.2.3. Interest Rate Swaps-Buy		25,000	-	25,000	-	-	-
3.2.2.4. Interest Rate Swaps-Sell		25,000	-	25,000	-	-	-
3.2.3. Foreign Currency, Interest Rate and Securities Options		3,094,082	3,026,903	6,120,985	1,540,502	1,575,015	3,115,517
3.2.3.1. Foreign Currency Options-Buy		809,956	2,098,787	2,908,743	366,843	1,123,185	1,490,028
3.2.3.2. Foreign Currency Options-Sell		2,284,126	928,116	3,212,242	1,173,659	451,830	1,625,489
3.2.3.3. Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5. Securities Options-Buy		-	-	-	-	-	-
3.2.3.6. Securities Options-Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1. Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2. Foreign Currency Futures-sell		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>58,752,458</b>	<b>26,364,495</b>	<b>85,116,953</b>	<b>58,185,614</b>	<b>28,020,035</b>	<b>86,205,649</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>616,640</b>	<b>137,498</b>	<b>754,138</b>	<b>461,674</b>	<b>138,992</b>	<b>600,666</b>
4.1. Assets under Management		87,208	-	87,208	96,096	-	96,096
4.2. Investment Securities Held in Custody		80,968	63,062	144,030	10,660	63,373	74,033
4.3. Checks Received for Collection		342,743	66,416	409,159	270,365	73,383	343,748
4.4. Commercial Notes Received for Collection		105,721	8,020	113,741	84,553	2,236	86,789
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>58,135,818</b>	<b>26,226,997</b>	<b>84,362,815</b>	<b>57,723,940</b>	<b>27,881,043</b>	<b>85,604,983</b>
5.1. Marketable Securities		53,232	76,925	130,157	50,577	76,160	126,737
5.2. Guarantee Notes		181,383	71,896	253,279	148,183	55,751	203,934
5.3. Commodity		2,500	-	2,500	2,500	-	2,500
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		7,220,526	3,702,091	10,922,617	6,482,019	3,658,003	10,140,022
5.6. Other Pledged Items		50,678,177	22,376,085	73,054,262	51,040,661	24,091,129	75,131,790
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>65,249,517</b>	<b>35,075,519</b>	<b>100,325,036</b>	<b>61,989,605</b>	<b>33,444,152</b>	<b>95,433,757</b>

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

**FİBANKKA A.Ş.**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD 1 JANUARY - 31 MARCH 2016**  
(Amount expressed in thousands of Turkish Lira)

INCOME STATEMENT	Note	CURRENT PERIOD (01/01/2016- 31/03/2016)	PRIOR PERIOD (01/01/2015- 31/03/2015)
<b>I. INTEREST INCOME</b>	(5.IV.1)	<b>288,276</b>	<b>193,468</b>
1.1 Interest Income on Loans		277,615	183,420
1.2 Interest Received from Statutory Reserves		1,822	200
1.3 Interest Received from Banks		1,732	4,279
1.4 Interest Received from Money Market Placements		67	75
1.5 Interest Received from Marketable Securities Portfolio		6,984	5,454
1.5.1 Financial Assets Held for Trading		329	269
1.5.2 Financial Assets at Fair Value Through Profit and Loss		-	-
1.5.3 Financial Assets Available for Sale		6,655	5,185
1.5.4 Investments Held to Maturity		-	-
1.6 Finance Lease Income		-	-
1.7 Other Interest Income		56	40
<b>II. INTEREST EXPENSE</b>		<b>173,842</b>	<b>102,201</b>
2.1 Interest on Deposits	(5.IV.2)	142,781	78,696
2.2 Interest on Funds Borrowed	(5.IV.2)	9,233	9,748
2.3 Interest on Money Market Funds		164	-
2.4 Interest on Securities Issued	(5.IV.2)	18,378	12,510
2.5 Other Interest Expense		3,286	1,247
<b>III. NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>114,434</b>	<b>91,267</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>5,786</b>	<b>6,873</b>
4.1 Fees and Commissions Received		11,146	10,995
4.1.1 Non-cash Loans		2,250	3,328
4.1.2 Other	(5.IV.12)	8,896	7,667
4.2 Fees and Commissions Paid		5,360	4,122
4.2.1 Non-cash Loans		64	24
4.2.2 Other	(5.IV.12)	5,296	4,098
<b>V. DIVIDEND INCOME</b>	(5.IV.3)	-	-
<b>VI. TRADING INCOME/LOSS (Net)</b>	(5.IV.4)	<b>10,479</b>	<b>(4,970)</b>
6.1 Gains/Losses on Securities Trading		1,299	(302)
6.2 Derivative Financial Transactions Gains/Losses		8,101	(9,790)
6.3 Foreign Exchange Gains/Losses		1,079	5,122
<b>VII. OTHER OPERATING INCOME</b>	(5.IV.5)	<b>13,081</b>	<b>10,929</b>
<b>VIII. TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)</b>		<b>143,780</b>	<b>104,099</b>
<b>IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	(5.IV.6)	<b>37,085</b>	<b>21,421</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	(5.IV.7)	<b>71,553</b>	<b>56,168</b>
<b>XI. NET OPERATING INCOME/LOSS (VIII-IX-X)</b>		<b>35,142</b>	<b>26,510</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII. PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD</b>		-	-
<b>XIV. NET MONETARY POSITION GAIN/LOSS</b>		-	-
<b>XV. PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (XI+...+XIV)</b>	(5.IV.8)	<b>35,142</b>	<b>26,510</b>
<b>XVI. TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(5.IV.9)	<b>(10,854)</b>	<b>(5,686)</b>
16.1 Current Tax Charge		(9,992)	(2,386)
16.2 Deferred Tax Charge /(Benefit)		(862)	(3,300)
<b>XVII. NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XV±XVI)</b>	(5.IV.10)	<b>24,288</b>	<b>20,824</b>
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>		-	-
18.1 Income on Assets Held for Sale		-	-
18.2 Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
18.3 Other Income on Discontinued Operations		-	-
<b>XIX. EXPENSE ON DISCONTINUED OPERATIONS (-)</b>		-	-
19.1 Expense on Assets Held for Sale		-	-
19.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
19.3 Other Expense on Discontinued Operations		-	-
<b>XX. PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XVIII-XIX)</b>		-	-
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1 Current Tax Charge		-	-
21.2 Deferred Tax Charge /(Benefit)		-	-
<b>XXII. NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII. NET PERIOD PROFIT/LOSS (XVII+XXII)</b>	(5.IV.11)	<b>24,288</b>	<b>20,824</b>
23.1 Group's Profit/Loss		24,288	20,824
23.2 Minority Interest Profit/Loss		-	-
Earnings per Share		0.00029	0.00038

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

FİBANKA A.Ş.

**CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY  
FOR THE PERIOD 1 JANUARY - 31 MARCH 2016**

(Amount expressed in thousands of Turkish Lira)

		CURRENT PERIOD	PRIOR PERIOD
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY		(01/01/2016-31/03/2016)	(01/01/2015-31/03/2015)
<b>I.</b>	<b>ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE</b>	8,009	(3,807)
<b>II.</b>	<b>TANGIBLE ASSETS REVALUATION RESERVES</b>	-	-
<b>III.</b>	<b>INTANGIBLE ASSETS REVALUATION RESERVES</b>	-	-
<b>IV.</b>	<b>TRANSLATION ADJUSTMENT FOR FOREIGN CURRENCY TRANSACTIONS</b>	-	-
<b>V.</b>	<b>PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)</b>	-	-
<b>VI.</b>	<b>PROFIT/LOSS ON NET FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)</b>	-	-
<b>VII.</b>	<b>THE EFFECT OF CORRECTIONS OF THE ERRORS AND CHANGES IN THE ACCOUNTING POLICY</b>	-	-
<b>VIII.</b>	<b>OTHER INCOME AND EXPENSES RECOGNISED IN EQUITY IN ACCORDANCE WITH TAS</b>	-	-
<b>IX.</b>	<b>DEFERRED TAX EFFECT OF REVALUATION</b>	(1,688)	762
<b>X.</b>	<b>NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY (I+II+...+IX)</b>	6,321	(3,045)
<b>XI.</b>	<b>PROFIT/LOSS FOR THE PERIOD</b>	432	(3)
11.1	Net Changes in the Fair Values of Marketable Securities (Transfer to Profit/Loss)	432	(3)
11.2	The Portion of Cash-flow Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.3	The Portion of Net Foreign Investment Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.4	Other	-	-
<b>XII.</b>	<b>TOTAL PROFIT/LOSS RECOGNISED FOR THE PERIOD (X±XI)</b>	6,753	(3,048)

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

PHARANKA A.S. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2015 (Amount expressed in thousands of Turkish Lira)																				
CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid-in Capital	Paid-in Capital Inflation Adjustment	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Profit/Loss	Prior Period Profit/Loss	Marketable Securities Revaluation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares from Equity Participation	Hedge Funds	Accumulated Rev. Reserve on Assets Held for Sale and Discontinued Oper.	Total Equity			
																	Excluding Minority Interest	Minority Interest	Total Equity	
<b>PIOR PERIOD</b>																				
<b>01.01.2015-31.03.2015</b>																				
I.		550,000	-	-	-	-	-	-	(2,174)	74,139	(27,527)	(8,363)	-	-	-	-	-	586,075	53	586,128
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		550,000	-	-	-	-	-	-	(2,174)	74,139	(27,527)	(8,363)	-	-	-	-	-	586,075	53	586,128
Changes during the Period																				
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX.		-	-	-	-	-	-	-	-	20,824	-	-	-	-	-	-	-	20,824	-	20,824
XXI.		-	-	-	-	-	-	-	-	(74,139)	74,139	-	-	-	-	-	-	-	-	-
20.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3		-	-	-	-	-	-	-	-	(74,139)	74,139	-	-	-	-	-	-	-	-	-
Ending Balance (II+IV+V+.....+XVII+XIX+XX)		550,000	-	-	-	-	-	-	(2,174)	20,824	46,612	(11,411)	-	-	-	-	-	603,851	53	603,904
<b>CURRENT PERIOD</b>																				
<b>01.01.2016-31.03.2016</b>																				
I.		847,515	-	73,379	-	3,711	-	43,075	(2,436)	81,518	(174)	(9,727)	-	-	-	-	-	1,036,861	52	1,036,913
Changes during the Period																				
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.		-	-	-	-	-	-	-	-	-	-	6,753	-	-	-	-	-	6,753	-	6,753
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	(81,518)	81,518	-	-	-	-	-	-	-	-	-
Ending Balance (I+II+III+...+XVI+XVIII+XIX)		847,515	-	73,379	-	3,711	-	43,075	(2,436)	24,288	81,344	(2,974)	-	-	-	-	-	1,067,902	52	1,067,954

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

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

	Note	CURRENT PERIOD (01/01/2016-31/03/2016)	PRIOR PERIOD (01/01/2015-31/03/2015)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating Profit / Loss before Changes in Operating Assets and Liabilities</b>		<b>238,136</b>	<b>64,752</b>
1.1.1 Interest Received (+)		226,090	169,685
1.1.2 Interest Paid (-)		144,697	94,732
1.1.3 Dividend Received (+)		-	-
1.1.4 Fees and Commissions Received (+)		10,459	9,930
1.1.5 Other Income (+)		18,894	7,265
1.1.6 Collections from Previously Written Off Loans (+)		1,502	256
1.1.7 Cash Payments to Personnel and Service Suppliers (-)		54,632	42,754
1.1.8 Taxes Paid (-)		3,446	4,092
1.1.9 Other (+/-)		183,966	19,194
<b>1.2 Changes in Banking Operations Assets and Liabilities</b>		<b>(124,835)</b>	<b>258,617</b>
1.2.1 Net (Increase) Decrease in Financial Assets Held for Trading (+/-)		13,169	(43,011)
1.2.2 Net(Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		-	-
1.2.3 Net (Increase) Decrease in Due From Banks (+/-)		(81,934)	(70,995)
1.2.4 Net (Increase) Decrease in Loans (+/-)		(485,588)	(448,089)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)		(26,920)	9,493
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		(129,695)	86
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		263,575	388,973
1.2.8 Net Increase (Decrease) in Borrower Funds (+/-)		313,269	237,982
1.2.9 Net Increase (Decrease) in Matured Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)		9,289	184,178
<b>I Net Cash Flow Provided from Banking Operations (+/-)</b>		<b>113,301</b>	<b>323,369</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>II Net Cash Flow Provided from Investment Activities (+/-)</b>		<b>69,369</b>	<b>(271,739)</b>
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (-)		-	-
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (+)		-	-
2.3 Tangible Asset Purchases (-)		1,049	171,182
2.4 Tangible Asset Sales (+)		1,321	4,614
2.5 Cash Paid for Purchase of Financial Assets Available for Sale (-)		70,559	105,127
2.6 Cash Obtained from Sales of Financial Assets Available for Sale (+)		139,763	156
2.7 Cash Paid for Purchase of Investment Securities (-)		-	-
2.8 Cash Obtained from Sales of Investment Securities (+)		-	-
2.9 Other (+/-)		(107)	(200)
<b>C. CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>III Net Cash Provided from Financing Activities (+/-)</b>		<b>174,831</b>	<b>84,032</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)		344,031	293,492
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)		169,200	209,460
3.3 Share Certificates Issued (+)		-	-
3.4 Dividends Paid (-)		-	-
3.5 Payments for Finance Leases (-)		-	-
3.6 Other (+/-)		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>		<b>(3,679)</b>	<b>14,822</b>
<b>V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>353,822</b>	<b>150,484</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period (+)</b>		<b>201,712</b>	<b>481,750</b>
<b>VII. Cash and Cash Equivalents at the End of the Period (V+VI)</b>		<b>555,534</b>	<b>632,234</b>

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

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

(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 consolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Regulations” including the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks” and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The consolidated financial statements are prepared in thousands of TL based on the historical cost convention, 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 consolidated financial statements are selected and applied in accordance with the requirements set out in regulations, communiqués, statements and guidance and if there is no special regulation by the BRSA in accordance with to the principles within TAS/TFRS, are consistent with the accounting policies applied in the annual financial statements prepared for the year ended 31 December 2015. The accounting policies and valuation principles applied in the preparation of the accompanying financial statements are explained in Notes II and XXIII below.

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

**1. Usage strategy of the financial instruments**

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

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

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

The foreign currency position is controlled by the equilibrium of a currency basket to eliminate the foreign exchange risk.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

(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 (cond't)**

**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 as of 31 March 2016 are translated 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 at the end of the period and the related currency translation differences are recognized as foreign exchange gains and losses.

As at the end of the related periods foreign currency exchange rates are as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
US Dollar	2.8334	2.9076
Euro	3.2081	3.1776

**2.2 Foreign exchange gains and losses included in the income statement**

As of 31 March 2016, net foreign exchange gain included in the income statement amounts is TL 1,079 (1 January – 31 March 2015: TL 5,122 gain).

**III. Explanations on subsidiary**

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 March 2015. 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 on consolidation. Minority shares in the net income of consolidated subsidiary determined the net income of the Group and were demonstrated as a separate item in the income statement. Minority shares were presented under equity in the consolidated financial statement.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**IV. Explanations on forward transactions, options and derivative instruments**

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

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", forward foreign currency purchase/sale contracts, swaps and options are classified as "hedging purpose" and "trading purpose" transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the assets and liabilities arising from the derivative transactions are recorded as off-balance sheet items at their contractual notional amounts. The derivative transactions held for trading are valued at fair-value using market prices or pricing models subsequent to initial recognition and are presented in "derivative financial assets held for trading" or "derivative financial liabilities held for trading" items of the balance sheet depending on the difference's being positive or negative. The derivative transactions held for hedging are valued at fair value using market prices or pricing models subsequent to initial recognition and are presented in "derivative financial assets held for hedging purpose" or "derivative financial liabilities held for hedging" items of the balance sheet depending on the difference's being positive or negative. Gains and losses arising from a change in the fair value are recognized in the income statement.

**V. Explanations on interest income and expenses**

Interest income and expenses calculated using internal rate of return are recognized on accrual basis. In accordance with Banking Act No: 5411 Articles 53 and 93, based on the prevailing communique, interest accruals on loans becoming non-performing are reversed and also ceased to accrue interest on such loans until these loans are classified as performing or collected.

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

Fee and commission income / expenses are recognized based on cash basis or accrual basis upon the nature of the transaction.

**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 four groups as financial assets at fair value through profit or loss, held to maturity investments, loans and receivables and available-for-sale financial assets.

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

**1.1 *Financial assets held for trading***

Financial assets held for trading are recognized at their fair values and any gain or losses resulting from such valuation are recorded in the profit and loss accounts. Interests received during the holding period of such financial assets and the difference between the amortized cost (calculated using internal rate of return) and the acquisition cost are recognized as interest income in the income statement. Gains and losses on sale of held for trading financial assets before their maturity and the difference between market value and amortized cost (calculated using internal rate of return) of such financial assets are recognized in gains and losses on securities trading under income statement.

**1.2 *Financial assets at fair value through profit or loss***

The Group does not have any financial assets designated as "financial assets at fair value through profit or loss".

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**2. Available for sale financial assets**

Financial assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and originated loans and receivables. Financial assets available-for-sale are measured at their fair values subsequently.

Interest income of the investments securities available-for-sale; based on the internal rate of return; are included in the income statement. Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in “Marketable Securities Revaluation Reserve” under the shareholders’ equity. In case of disposal, gains/losses recognized under equity are realized and recognized directly in the income statement.

Purchase and sale transactions of securities are accounted for on a settlement date basis.

**3. Held to maturity investments**

The Group does not have any held to maturity investments as of 31 March 2016.

**4. Loans and receivables**

Loans and receivables are financial assets, which are generated by providing funds, goods or services to the debtor.

Loans and receivables are financial assets with fixed or determinable repayment schedules and they are not traded in an active market.

Loans are initially measured at their acquisition cost and subsequently measured at amortized cost calculated using effective interest rate method in accordance with TAS 39 “Financial Instruments: Recognition and Measurement”. Duty charges, transaction fees and other expenses paid for the collaterals of the loans are considered as part of the transaction costs and charged to the customers.

**VIII. Explanations on impairment of financial assets**

Financial asset or groups of financial assets are reviewed by the Group at each balance sheet date to determine whether there is objective evidence of impairment. If any such indicator exists, the Group determines the amount of impairment.

Impairment loss incurs if, and only if, there is objective evidence that the reliably estimated future cash flows of financial asset or group of financial assets are adversely affected by an event(s) (“loss event(s)”) incurred subsequent to initial recognition.

The Group provides specific and general allowances for loan and other receivables classified in accordance with the Communiqué published on the Official Gazette No.2633 dated November 1, 2006. The allowances are recorded in the income statement of the related period.

**IX. Explanations on offsetting financial instruments**

If the fair values of equity shares held for trading and quoted at the stock exchanges are lower than their carrying values, allowance for impairment is recognized and the recognized impairment is offset with the related assets on the face of the balance sheet.

Specific allowances for non-performing loan and other receivables are provided in accordance with “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”. Such allowances are offset with loans under follow-up on the asset side. Other financial assets and liabilities are offset when the Bank has a legally enforceable right to offset.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**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 and loss”, “Financial assets available for sale” or “Investments held to maturity” according to their purposes to be held in the Group’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 (internal rate of return) method on the difference between the sales and repurchase prices corresponding to the period designated by a repurchase agreement.

Reverse repo transactions are recorded under the “Receivables from reverse repurchase agreements” account.

**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 a 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 income statement.

**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 Group consist of software, intangible rights and other intangible assets.

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

Estimated useful lives of the intangible assets are 3 to 10 years, and amortization rates are 10% to 33.3%.

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

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**XIII. Explanations on tangible assets**

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

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

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

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

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

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

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

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

<b>Tangible Asset</b>	<b>Estimated useful lives (Years)</b>	<b>Depreciation Rate (%)</b>
Safe boxes	2-50	2-50
Vehicles	5	20
Real Estate	50	2
Other Tangible Assets	4-50	2-25

**XIV. Explanations on leasing transactions**

Duration of financial leasing contracts is maximum 4 years. Tangible assets obtained via financial leasing are classified as the Group's assets or liabilities resulting from financial leasing according to its nature. Assets obtained via financial leasing are depreciated in accordance with the principals for tangible assets. Rent payments for operating leases are recorded at equal amounts as expense during the payment period.

**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".

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**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 Group. 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 Standard on the Benefits Provided to Employees. 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 the actuarial gains and losses as are accounted for as other comprehensive income.

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

- Calculation is based on discount rate is as 10.75%, inflation rate as 7.75% and real rate of rise in salary as 0.00%.
- As ceiling salary amount TL 3,828.37 (full basis TL) (in use as of 31 December 2015) is based on.
- 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.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**XVIII. Explanations on taxation**

**1. Current Tax**

Effective from 1 January 2006, statutory income is subject to corporate tax at 20%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes.

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

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

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

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

**2. Deferred tax**

The Group calculates and recognizes 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".

Deferred tax assets and liabilities of the companies included in the consolidation are netted off but not netted off in consolidated balance sheet.

As of 31 March 2016, TL 63 of deferred tax asset and TL 901 deferred tax liability were recognized in the Group's financial statements. (31 December 2015: TL 1,713 deferred tax asset).

Deferred tax benefit/ (charge) is recognized within "Deferred tax benefit/ (charge)" in the income statement. For the current period, deferred tax charge is TL 862 (1 January – 31 March 2015: TL 3,300 charge). Deferred tax effects of the transactions and events recognized directly in the shareholders' equity are also recognized directly in the shareholders' equity which is TL 1,353 (benefit) (31 December 2015: TL 3,041 benefit).

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**3. Transfer pricing**

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

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

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

**XIX. Additional explanations on borrowings**

The Group provides resources from both domestic and foreign foundations and real persons through borrowings and securities issued.

Borrowing funds are initially measured at acquisition cost and subsequently measured at amortized cost. In the accompanying financial statements, foreign currency denominated borrowing funds are translated to Turkish Lira with the Group’s spot foreign exchange buying rates and interest expenses incurred during the period relating to the borrowing funds are recognized in income statement.

The Group applies general hedging techniques for mitigating the liquidity risk, interest rate risk and currency risk of the borrowing funds. Those techniques do not meet the definition of hedge accounting according to TAS 39. There are no convertible bonds or any other bonds issued by the Bank as at the balance sheet date.

**XX. Explanations on share certificates issued**

There are no certificate shares issued in the current period.

**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.

**XXIII. Explanations on segment reporting**

Segment reporting is presented under section four, note VIII.

**XXIV. Other matters**

None.

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**SECTION FOUR**

**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 March 2016, total capital has been calculated as 1,466,341 TL, capital adequacy standard ratio is % 13.73. As of 31 December 2015, Group’s total capital amounted to 1,263,042 TL, capital adequacy standard ratio was % 13.56 calculated pursuant to former regulations.

**I. Information related to the components of shareholders’ equity**

<b>TIER I CAPITAL</b>	Amount	Amount as per the regulation before 1/1/2014 (*)
Paid-in Capital to be Entitled for Compensation after All Creditors	847,515	--
Share Premium	73,379	
Reserves	46,786	
Other Comprehensive Income according to TAS	--	
Profit	105,886	
Current Period Profit	24,303	
Prior Period Profit	81,583	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	--	
Minority Shareholder	22	
<b>Tier I Capital Before Deductions</b>	<b>1,073,588</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 (-)	5,666	--
Improvement costs for operating leasing (-)	12,455	--
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	3,283	--
Net Deferred Tax Asset/Liability (-)	--	--
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	--	--
Unrealized gains and losses from changes in bank’s liabilities’ fair values due to changes in creditworthiness	--	--
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 (-)	--	--

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

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 1 Capital</b>	<b>21,404</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>1,052,184</b>	
<b>ADDITIONAL CORE 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	--	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	--	
<b>Additional Core Capital before Deductions</b>	<b>--</b>	
<b>Deductions from Additional Core Capital</b>		
Direct and Indirect Investments of the Bank on its own Additional Core 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 (-)	--	--
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 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	2,188	--
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 Core Capital</b>	<b>--</b>	
<b>Total Additional Core Capital</b>	<b>--</b>	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>1,049,996</b>	
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	311,674	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	
Provisions (Article 8 of the Regulation on the Equity of Banks)	104,890	
<b>Tier II Capital before Deductions</b>	<b>416,564</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 (-)	--	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core 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>--</b>	
<b>Total Tier II Capital</b>	<b>416,564</b>	
<b>CAPITAL</b>		
	<b>1,466,560</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	--	

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

for Sale but Retained more than Five Years (-)		
Other items to be Defined by the BRSA (-)	219	
<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 Core 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 Core 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>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>	<b>1,466,341</b>	--
Total Risk Weighted Assets	10,676,677	--
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Ratio (%)	9.86	--
Tier I Capital Ratio (%)	9.83	--
Capital Adequacy Ratio (%)	13.73	--
<b>BUFFERS</b>		
Bank-specific total CET1 Capital Ratio	--	--
Capital Conservation Buffer Ratio (%)	0.63	--
Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.63	--
The ratio of Additional Common Equity Tier 1 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	0.04	--
<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)	104,890	--
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	104,890	--
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**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

	<b>Prior Period (*)</b>
<b>TIER I CAPITAL</b>	
Paid-in Capital to be Entitled for Compensation after All Creditors	847,515
Share Premium	73,379
Share Cancellation Profits	--
Reserves	46,786
Other Comprehensive Income according to TAS	--
Profit	81,517
Current Period Profit	81,517
Prior Period Profit	--
General Reserves for Possible Losses	--
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	--
Minority Shares	32
<b>Tier I Capital Before Deductions</b>	<b>1,049,229</b>
<b>Deductions From Tier I Capital</b>	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	12,337
Leasehold Improvements on Operational Leases (-)	13,239
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	5,364
Net Deferred Tax Asset/Liability (-)	--
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	--
Direct and Indirect Investments of the Bank on its own 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 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 less 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 (-)	--
Mortgage Servicing Rights not deducted (-)	--
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 Tier I Capital</b>	<b>30,940</b>
<b>Total Tier I Capital</b>	<b>1,018,289</b>
<b>ADDITIONAL CORE 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 (Issued or Obtained after 1.1.2014)	--
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	--
<b>Additional Core Capital before Deductions</b>	<b>--</b>
<b>Deductions from Additional Core Capital</b>	
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	--
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 (-)	--
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 (-)	--
Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital (-)	--
<b>Total Deductions from Additional Core Capital</b>	<b>--</b>

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

<b>Total Additional Core Capital</b>	--
<b>Deductions from Core Capital</b>	<b>1,713</b>
Goodwill and Other Intangible Assets and Related Deferred Taxes 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 (-)	--
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 (-)	1,713
<b>Total Core Capital</b>	<b>1,016,576</b>
<b>TIER II CAPITAL</b>	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	--
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	155,600
Pledged Assets of the Shareholders to be used for the Bank's Capital	--
General Provisions	91,103
<b>Tier II Capital before Deductions</b>	<b>246,703</b>
<b>Deductions from Tier II Capital</b>	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	--
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 (-)	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core 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>--</b>
<b>Total Tier II Capital</b>	<b>246,703</b>
<b>CAPITAL</b>	<b>1,263,339</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 (-)	--
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	--
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--
Other items to be Defined by the BRSA (-)	237
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 Core 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 Core 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>1,263,042</b>
<b>Amounts lower than Excesses as per Deduction Rules</b>	<b>--</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	--

(\*) Total capital calculation has been changed in accordance with the "Regulations regarding to changes on Regulation on Equity of Banks" effective from date 31 March 2016, the information given for the prior period has been calculated pursuant to former regulation.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

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

The difference between “Equity” in equity table and “Shareholder’s Equity” in the unconsolidated balance sheet mainly arises from the subordinated loan, bonds and general provisions. In the calculation of Total Capital, general provision up to 125% credit risk is taken into consideration as Tier II Capital.

On the other hand, in the calculation of the ”Equity”, improvement costs for operating leases followed under tangible assets in the balance sheet, and related deferred tax liabilities, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

**Items included in shareholder’s equity**

Issuer	Fibabanka A.Ş.	Eco Trade And Development Bank
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	--
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" and English Law
<b>Status in Shareholders’ Equity Calculation</b>		
Situation of subjection to practice of being taken into consideration with 10% deduction after 1/1/2015	No	No
Validity situation of consolidated or unconsolidated based or consolidated and unconsolidated based	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Bond	Subordinated Loan
Considered amount of shareholders’ equity calculation (By last report date of – Million TL)	283	29
Nominal value of debt instrument (Million TL)	283	29
Related account of debt instrument	Subordinated Debt Instruments	Subordinated Loan
Export date of debt instrument	24/03/16	06/08/13
Maturity structure of debt instrument (Demand/Time)	Time	Time
Beginning term of of debt instrument	11 years	10 years
Whether there is right of reimbursment of exporter or not according to BRSA rules	There is a right to reimbursment	There is a right to reimbursment
Optional reimbursment date, options of conditional reimbursment and reimbursment amount	24/03/2022; 100 million \$	06/08/2018; 10 million \$
Following reimbursment option dates	None	None

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

<b>Interest/Dividend Payments</b>		
Fixed or floating interest/dividend payments	Floating interest	Floating interest
Interest rate or index value of interest rate	First 6 years 9.25% (6-years mid-swap rate + 7.389%); In the end of 6th year update 5-years mid-swap rate+%7.389	Libor + % 8.5
Whether there is any restriction to stop payment of capital bonus or not	None	The Bank can not pay dividends if becomes overdue according to subordinated loan agreement.
Feature of being full optional, partially optional or obligatory	Imperative	Imperative
Whether there is any stimulant to repayment like interest rate hike or not	None	None
Feature of being cumulative or noncumulative	--	--
<b>Feature of being convertible bonds</b>		
If there is convertible bonds, trigger incidents cause this conversion	--	Regulation, article 8-2(ğ)
If there is convertible bonds, feature of full or partially conversion	--	--
If there is convertible bonds, rate of conversion	--	--
If there is convertible bonds, feature of conversion –obligatory or optional-	--	--
If there is convertible bonds, types of convertible instruments	--	--
If there is convertible bonds, exporter of convertible debt instruments	--	--
<b>Feature of value reduction</b>		
If there is a feature of value reduction, trigger incidents cause this reduction	--	--
If there is a feature of value reduction, feature of full or partially reduction of value	--	--
If there is a feature of value reduction, feature of being constant of temporary	--	--
If there is a feature of value reduction, mechanism of value incrementation	--	--
Claiming rank in case of winding up (Instrument that is just above debt instrument)	--	--
Whether being provided with conditions of the 7th or 8th articles of Shareholders' Equity of Banks Regulation	It is provided with 8th article, not with 7th article.	It is provided with 8th article, not with 7th article
Has or has not been provided with which conditions of the 7th or 8th articles of Shareholders' Equity of Banks Regulation	--	--

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**II. Explanations on risk management**

Notes and explanations in this section have been prepared in accordance with the “Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks” that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to Communiqué have to be presented on a quarterly basis, due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented:

- 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)

Overview of RWA

		a		b	c
		Risk Weighted Amounts			Minimum Capital Requirements
		Current Period	Prior Period	Current Period	
1	Credit risk (excluding counterparty credit risk) (CCR)	9,512,141	8,585,907	760,971	
2	Of which standardised approach (SA)	9,512,141	8,585,907	760,971	
3	Of which internal rating-based (IRB) approach				
4	Counterparty credit risk	364,728	142,274	29,178	
5	Of which standardised approach for counterparty credit risk (SA-CCR)	364,728	142,274	29,178	
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				
9	Equity investments in funds – mandate-based approach				
10	Equity investments in funds – 1250% risk weighting approach				
11	Settlement risk	--	--	--	
12	Securitisation exposures in banking book	--	--	--	
13	Of which IRB ratings-based approach (RBA)				
14	Of which IRB supervisory formula approach (SFA)				
15	Of which SA/simplified supervisory formula approach (SSFA)				
16	Market risk	144,900	97,063	11,592	
17	Of which standardised approach (SA)	144,900	97,063	11,592	
18	Of which internal model approaches (IMM)				
19	Operational risk	654,905	488,484	52,392	
20	Of which basic indicator approach	654,905	488,484	52,392	
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>10,676,677</b>	<b>9,313,728</b>	<b>854,134</b>	

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**III. Explanations on currency risk**

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. The Bank does not take foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

As of 31 March 2016, the Group's net foreign currency short position is TL 134,874 (31 December 2015: TL 112,574 short position) resulting from short position on the off balance sheet amounting to TL 86,114 (31 December 2015: TL 47,170 long position) and short position on the balance amounting to TL 48,760 (31 December 2015: TL 159,744 short position). "Standard Method" is used in legal reporting to measure the foreign exchange risk.

The announced current foreign exchange buying rates of the Bank at 31 March 2016 and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 2.8334
Euro purchase rate as at the balance sheet date	TL 3.2081

<b>Date</b>	<b>USD</b>	<b>EUR</b>
25 March 2016	2.8789	3.2141
28 March 2016	2.8705	3.2049
29 March 2016	2.8733	3.2082
30 March 2016	2.8695	3.2114
31 March 2016	2.8334	3.2081

Simple arithmetic means of foreign exchange rates in March 2016 are 2.8917 TL for US dollar, and 3.2063 TL for Euro. (Full basis TL)

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**III. Explanations on currency risk (cont'd)**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>				
Cash and Balances with the Central Bank of Turkey	250,933	1,029,793	235,246	1,515,972
Banks	32,183	98,256	4,296	134,735
Financial Assets at Fair Value through Profit/Loss (*)	1,182	3,429	--	4,611
Interbank Money Market Placements	--	289,010	--	289,010
Financial Assets Available for Sale	62,700	422,383	--	485,083
Loans (**)	1,654,374	1,532,079	58,946	3,245,399
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	--	--	--	--
Investments Held to Maturity	--	--	--	--
Derivative Financial Assets Held for Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	1,362	323	--	1,685
<b>Total Assets</b>	<b>2,002,734</b>	<b>3,375,273</b>	<b>298,488</b>	<b>5,676,495</b>
<b>Liabilities</b>				
Banks Deposits	51,043	6,756	11,346	69,145
Foreign Currency Deposits	711,550	2,855,310	24,042	3,590,902
Interbank Money Market Received	50,655	350,573	--	401,228
Funds Borrowed from Other Financial Institutions	778,093	576,544	--	1,354,637
Sundry Creditors	4,210	12,585	576	17,371
Marketable Securities Issued	--	--	--	--
Derivative Financial Liabilities Held for Hedging Purposes	--	--	--	--
Other Liabilities(****)	1,768	290,204	--	291,972
<b>Total Liabilities</b>	<b>1,597,319</b>	<b>4,091,972</b>	<b>35,964</b>	<b>5,725,255</b>
<b>Net Balance Sheet Position</b>	<b>405,415</b>	<b>(716,699)</b>	<b>262,524</b>	<b>(48,760)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(469,714)</b>	<b>648,439</b>	<b>(264,839)</b>	<b>(86,114)</b>
Financial Derivative Assets(*****)	1,862,695	2,060,640	37,953	3,961,288
Financial Derivative Liabilities(*****)	2,332,409	1,412,201	302,792	4,047,402
Non-Cash Loans (*****)	144,664	546,336	--	691,000
<b>Prior Period</b>				
Total Assets	1,657,952	3,107,821	277,133	5,042,906
Total Liabilities	1,580,624	3,568,569	53,457	5,202,650
<b>Net Balance Sheet Position</b>	<b>77,328</b>	<b>(460,748)</b>	<b>223,676</b>	<b>(159,744)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(179,033)</b>	<b>450,735</b>	<b>(224,532)</b>	<b>47,170</b>
Derivative Financial Assets(*****)	1,145,641	1,141,211	116,033	2,402,885
Derivative Financial Liabilities(*****)	1,324,674	690,476	340,565	2,355,715
Non-Cash Loans (*****)	151,799	512,795	926	665,519

(\*) The balance does not include trading derivative assets discount amounting to TL 1,575.

(\*\*) The balance includes foreign currency indexed loans and accruals amounting to TL 346,086.

(\*\*\*)The balance does not include TL 12,988 of prepaid expenses.

(\*\*\*\*)The balance does not include trading derivative liabilities discount amounting to TL 1,589.

(\*\*\*\*\*)In the current period, exchange purchase commitments within the derivative financial assets amounted to TL 133,617 (31 December 2015: TL 121,023), exchange sale commitments within the derivative financial liabilities amounted to TL 112,706 (31 December 2015: TL 124,398).

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

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**IV. Explanations on interest rate risk**

Interest sensitivity of assets, liabilities and off-balance sheet items are evaluated weekly by considering market developments in the Asset-Liability Committee.

Standard method and asset-liability risk measurement methods are used to measure the bank's interest rate risk.

Measurements by employing 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 crises. 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)”:

<b>Current Period End</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Non-interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,503,417	--	--	--	--	51,999	<b>1,555,416</b>
Banks	48,169	--	--	--	--	87,316	<b>135,485</b>
Financial Assets at Fair Value Through Profit or Loss	8,014	8,902	19,908	101,066	46,904	24,464	<b>209,258</b>
Interbank Money Market Placements	289,010	--	--	--	--	--	<b>289,010</b>
Financial Assets Available-for-Sale	--	--	56,598	433,704	69,259	2,723	<b>562,284</b>
Loans	1,176,983	3,354,756	1,653,622	2,100,016	668,478	82,468	<b>9,036,323</b>
Investment Securities Held-to-Maturity	--	--	--	--	--	--	<b>--</b>
Other Assets (*)	--	--	--	--	--	318,083	<b>318,083</b>
<b>Total Assets</b>	<b>3,025,593</b>	<b>3,363,658</b>	<b>1,730,128</b>	<b>2,634,786</b>	<b>784,641</b>	<b>567,053</b>	<b>12,105,859</b>
<b>Liabilities</b>							
Bank Deposits	81,448	--	--	--	--	8,973	<b>90,421</b>
Other Deposits	4,154,616	2,409,058	533,082	20,641	--	408,182	<b>7,525,579</b>
Interbank Money Market Received	484,527	--	--	--	--	--	<b>484,527</b>
Sundry Creditors	--	--	--	--	--	109,187	<b>109,187</b>
Marketable Securities Issued	143,474	240,434	294,712	--	--	--	<b>678,620</b>
Funds Borrowed from Other Financial Institutions	175,292	926,020	261,688	6,092	--	--	<b>1,369,092</b>
Other Liabilities (**)	24,057	8,756	18,480	69,920	346,400	1,380,820	<b>1,848,433</b>
<b>Total Liabilities</b>	<b>5,063,414</b>	<b>3,584,268</b>	<b>1,107,962</b>	<b>96,653</b>	<b>346,400</b>	<b>1,907,162</b>	<b>12,105,859</b>
Balance Sheet Long Position	--	--	622,166	2,538,133	438,241	--	3,598,540
Balance Sheet Short Position	(2,037,821)	(220,610)	--	--	--	(1,340,109)	(3,598,540)
Off-Balance Sheet Long Position	--	--	--	25,000	--	6,722,539	6,747,539
Off-Balance Sheet Short Position	--	--	--	(25,000)	--	(7,028,362)	(7,053,362)
<b>Total Position</b>	<b>(2,037,821)</b>	<b>(220,610)</b>	<b>622,166</b>	<b>2,538,133</b>	<b>438,241</b>	<b>(1,645,932)</b>	<b>(305,823)</b>

(\*) Non-interest bearing column includes TL 189,814 tangible assets, TL 5,471 intangible assets, TL 255 tax asset, TL 2,083 assets held for sale and TL 120,460 other assets.

(\*\*) Non-interest bearing column includes TL 1,067,954 shareholders' equity, TL 145,386 other liabilities, TL 143 finance lease liabilities, TL 134,995 provisions and TL 32,342 tax liabilities.

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**IV. Explanations on interest rate risk (cont'd)**

“Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates)”:

<b>Prior Period End</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Non- interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,430,560	--	--	--	--	43,549	<b>1,474,109</b>
Banks	4,301	--	--	--	--	65,745	<b>70,046</b>
Financial Assets at Fair Value Through Profit or Loss	9,986	4,147	22,506	51,044	26,848	--	<b>114,531</b>
Interbank Money Market Placements	--	--	--	--	--	--	<b>--</b>
Financial Assets Available - for-Sale	8,929	--	40,565	492,590	68,990	2,697	<b>613,771</b>
Loans	1,250,287	3,044,920	1,469,279	2,227,114	554,412	68,765	<b>8,614,777</b>
Investment Securities Held-to-Maturity	--	--	--	--	--	--	<b>--</b>
Other Assets (*)	--	--	--	--	--	299,350	<b>299,350</b>
<b>Total Assets</b>	<b>2,704,063</b>	<b>3,049,067</b>	<b>1,532,350</b>	<b>2,770,748</b>	<b>650,250</b>	<b>480,106</b>	<b>11,186,584</b>
<b>Liabilities</b>							
Bank Deposits	495,035	--	--	--	--	16,649	<b>511,684</b>
Other Deposits	3,380,740	2,621,152	527,341	179	--	414,628	<b>6,944,040</b>
Interbank Money Market Received	504,822	--	--	--	--	--	<b>504,822</b>
Sundry Creditors	--	--	--	--	--	100,688	<b>100,688</b>
Marketable Securities Issued	--	201,035	302,706	--	--	--	<b>503,741</b>
Funds Borrowed from Other Financial Institutions	27,599	282,800	921,098	4,862	--	--	<b>1,236,359</b>
Other Liabilities (**)	5,022	3,591	22,403	35,378	17,214	1,301,642	<b>1,385,250</b>
<b>Total Liabilities</b>	<b>4,413,218</b>	<b>3,108,578</b>	<b>1,773,548</b>	<b>40,419</b>	<b>17,214</b>	<b>1,833,607</b>	<b>11,186,584</b>
Balance Sheet Long Position	--	--	--	2,730,329	633,036	--	3,363,365
Balance Sheet Short Position	(1,709,155)	(59,511)	(241,198)	--	--	(1,353,501)	(3,363,365)
Off-Balance Sheet Long Position	591	1,112	4,453	7,368	--	3,873,254	3,886,778
Off-Balance Sheet Short Position	(591)	(1,112)	(4,454)	(7,367)	--	(3,972,889)	(3,986,413)
<b>Total Position</b>	<b>(1,709,155)</b>	<b>(59,511)</b>	<b>(241,199)</b>	<b>2,730,330</b>	<b>633,036</b>	<b>(1,453,136)</b>	<b>(99,635)</b>

(\*) Non-interest bearing column includes TL 191,693 tangible assets, TL 5,364 intangible assets, TL 1,901 tax assets, TL 3,299 assets held for sale and TL 97,093 other assets.

(\*\*) Non-interest bearing column includes TL 1,036,913 shareholders' equity, TL 114,797 other liabilities, TL 171 finance lease liabilities, TL 113,812 provisions and TL 35,949 tax liabilities.

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**IV. Explanations on interest rate risk (cont'd)**

**Average interest rates applied to financial instruments**

<b>Current Period End</b>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	0.49	0.49	--	3.90
Banks	0.03	0.47	--	13.54
Financial Assets at Fair Value Through Profit/ Loss	2.83	5.15	--	16.59
Interbank Money Market Placements	--	0.45	--	--
Financial Assets Available-for-Sale	3.20	4.08	--	8.51
Loans	6.31	6.07	--	15.96
Investment Securities Held-to-Maturity	--	--	--	--
<b>Liabilities</b>				
Bank Deposits	0.12	0.40	--	10.49
Other Deposits	2.12	2.99	--	13.25
Interbank Money Market Funds	0.24	0.91	--	7.50
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	11.96
Funds Borrowed from Other Financial Institutions	2.14	2.16	--	6.60
<b>Prior Period End</b>				
	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	0.49	0.49	--	3.81
Banks	--	--	--	11.25
Financial Assets at Fair Value Through Profit/Loss	3.72	5.16	--	16.12
Interbank Money Market Placements	--	--	--	--
Financial Assets Available-for-Sale	3.35	4.07	--	8.90
Loans	6.38	6.01	--	15.66
Investment Securities Held-to-Maturity	--	--	--	--
<b>Liabilities</b>				
Bank Deposits	0.24	0.59	--	10.92
Other Deposits	1.63	2.51	--	12.88
Interbank Money Market Received	0.47	1.07	--	7.50
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	11.58
Funds Borrowed from Other Financial Institutions	1.78	1.63	--	6.61

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**V. Explanations on equity share position risk**

As of 31 March 2016, there is no any equity share position.

**VI. Explanations on liquidity risk**

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 being directly monitored and compensated by making the risk-return-cost evaluation.

It is included in the presentation on a weekly basis for long-term liquidity "Maturity Mismatch Report" made by ALCO. The Bank, resulting from the general structure of Turkish banking sector, has a liquidity gap at the 2 year maturity period. The Bank intend to eliminate liquidity mismatch shifting focus to long-term funding alternatives. Such protection decisions of the risk of incompatibility taken by ALCO. The Bank; diversifies its funding sources among customer deposits, domestic and foreign borrowings, bills and bonds issued; considers the maturity match between its assets and liabilities and keeps liquid assets in order to fully meet the liquidity requirements that may emerge in case of market volatility.

**Information on the use of stress testing**

Department of Risk Management implement stress testing according Liquidity and Funding Risk Policy approved by the Board of Directors on a weekly basis. These stress tests based on the scenarios of the deposit outflow, funds obtained from bonds issued will outflow, banks limits will not be used in a 14-day period, the results are included in the presentation of ALCO on a weekly basis and in 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 short-term liquidity shocks to take actions. In the case of a crisis or if deemed necessary, ALCO summon a meeting and take possible action plans immediately. These action plans are approved by the Board of Directors under the İSEDES. The bank reviews resources that are available in any emergency situation constantly and take 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 50 % for foreign currency assets/liabilities and 70 % for total assets/liabilities in the calculation of the banks' weekly and monthly reporting effective from 1 January 2016.

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**VI. Explanation related to the liquidity risk (cont'd)**

Current Period		Total Unweighted Value (*)		Total Weighted Value (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH-QUALITY LIQUID ASSETS</b>					
1	Total high-quality liquid assets (HQLA)			1,298,792	1,190,782
<b>CASH OUTFLOWS</b>					
2	Deposits from natural persons and retail deposits	4,128,427	1,801,407	278,951	111,453
3	Stable deposits	3,431,052	1,558,134	179,077	82,904
4	Less stable deposits	697,375	243,273	99,874	28,549
5	Retail deposits and deposits from small business customers, of which:	2,498,931	1,257,656	1,447,059	671,243
6	Operational deposits	--	--	--	--
7	Non-operational deposits	1,936,032	911,128	753,793	378,942
8	Unsecured funding	562,899	346,528	693,266	292,301
9	Secured funding			294,593	294,593
10	Other cash outflows	1,479,423	687,433	234,355	153,361
11	Outflows related to derivative exposures and other collateral requirements	182,506	71,129	96,448	90,779
12	Outflows related to restructured financial instruments	--	--	--	--
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	1,296,917	616,304	137,907	62,582
14	Other revocable off-balance sheet commitments and contractual obligations	68,192	67,817	--	--
15	Other irrevocable or conditionally revocable off-balance sheet obligations	--	--	3,539	3,520
16	<b>TOTAL CASH OUTFLOWS</b>			<b>2,258,497</b>	<b>1,234,170</b>
<b>CASH INFLOWS</b>					
17	Secured receivables	45,891	1,335	--	--
18	Unsecured receivables	513,992	103,071	526,338	217,879
19	Other cash inflows	15,752	2,907	14,653	3,322
20	<b>TOTAL CASH INFLOWS</b>	575,635	107,313	<b>540,991</b>	<b>221,201</b>
				Total Adjusted Value	
21	<b>TOTAL HQLA</b>			1,298,792	1,190,782
22	<b>TOTAL NET CASH OUTFLOWS</b>			1,717,507	1,012,969
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>75.62</b>	<b>117.55</b>

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

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**VI. Explanation related to the liquidity risk (cont'd)**

Prior Period		Total Unweighted Value (*)		Total Weighted Value (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH-QUALITY LIQUID ASSETS</b>					
1	Total high-quality liquid assets (HQLA)			1,167,776	1,075,731
<b>CASH OUTFLOWS</b>					
2	Deposits from natural persons and retail deposits	4,133,508	1,694,901	256,038	100,351
3	Stable deposits	3,149,448	1,382,790	157,632	69,140
4	Less stable deposits	984,060	312,110	98,406	31,211
5	Retail deposits and deposits from small business customers, of which:	1,820,493	854,139	1,498,926	784,822
6	Operational deposits	-	-	-	-
7	Non-operational deposits	1,799,814	835,655	719,925	334,262
8	Unsecured funding	20,679	18,484	779,001	450,560
9	Secured funding			292,381	292,381
10	Other cash outflows	1,219,644	468,464	234,381	158,742
11	Outflows related to derivative exposures and other collateral requirements	108,334	104,341	108,334	104,341
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	1,111,310	364,123	126,047	54,401
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	88,788	88,413	4,439	4,421
16	<b>TOTAL CASH OUTFLOWS</b>			<b>2,286,165</b>	<b>1,340,716</b>
<b>CASH INFLOWS</b>		<b>CASH INFLOWS</b>	-	-	-
17	Secured receivables	19,214	19,214	19,214	19,214
18	Unsecured receivables	785,674	151,345	450,009	113,297
19	Other cash inflows	10,845	6,227	10,845	6,227
20	<b>TOTAL CASH INFLOWS</b>	815,732	176,785	<b>480,067</b>	<b>138,737</b>
				Total Adjusted Value	
21	<b>TOTAL HQLA</b>			1,167,776	1,075,731
22	<b>TOTAL NET CASH OUTFLOWS</b>			1,806,098	1,201,979
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>64.66</b>	<b>89.50</b>

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

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**VI. Explanation related to the liquidity risk (cont'd)**

<b>Period</b>	<b>TL+FC</b>	<b>FC</b>
31 January 2016	70.19%	91.00%
29 February 2016	70.81%	123.08%
31 March 2016	89.17%	152.76%

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. The related regulations include items that are considered as high quality liquid assets; mainly the securities portfolio and cash assets and money held as required reserves. The important factors affecting the results of the liquidity coverage ratio; remaining maturities of 30 days exchange and money market transactions. 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 calculate cash flow and margin likely to transactions arising from derivative transactions in accordance with the Regulation on Banks' Liquidity Coverage Ratio dated 21 March 2014 and numbered 28948 published in Official Gazette as taking 24-month average into account .

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**VI. Explanation related to the liquidity risk (cont'd)**

Presentation of assets and liabilities according to their remaining maturities:

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>5 Years and Over</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	172,932	1,382,484	--	--	--	--	--	<b>1,555,416</b>
Banks	87,316	48,169	--	--	--	--	--	<b>135,485</b>
Financial Assets at Fair Value Through Profit or Loss	--	32,478	8,901	19,908	101,064	46,907	--	<b>209,258</b>
Interbank Money Market Placements	--	289,010	--	--	--	--	--	<b>289,010</b>
Financial Assets Available-for-Sale	--	--	--	56,598	433,704	69,259	2,723	<b>562,284</b>
Loans	--	1,131,529	1,243,673	3,710,343	2,405,296	463,014	82,468	<b>9,036,323</b>
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--	<b>--</b>
Other Assets (*)	--	--	--	--	--	--	318,083	<b>318,083</b>
<b>Total Assets</b>	<b>260,248</b>	<b>2,883,670</b>	<b>1,252,574</b>	<b>3,786,849</b>	<b>2,940,064</b>	<b>579,180</b>	<b>403,274</b>	<b>12,105,859</b>
<b>Liabilities</b>								
Bank Deposits	8,973	81,448	--	--	--	--	--	<b>90,421</b>
Other Deposits	408,182	4,154,616	2,409,058	533,082	20,641	--	--	<b>7,525,579</b>
Funds Borrowed from Other Financial Institutions	--	97,849	60,142	780,198	338,407	92,496	--	<b>1,369,092</b>
Interbank Money Market Received	--	484,527	--	--	--	--	--	<b>484,527</b>
Marketable Securities Issued	--	143,474	205,818	329,328	--	--	--	<b>678,620</b>
Sundry Creditors	--	109,187	--	--	--	--	--	<b>109,187</b>
Other Liabilities (**)	--	179,646	20,516	22,027	73,541	346,644	1,206,059	<b>1,848,433</b>
<b>Total Liabilities</b>	<b>417,155</b>	<b>5,250,747</b>	<b>2,695,534</b>	<b>1,664,635</b>	<b>432,589</b>	<b>439,140</b>	<b>1,206,059</b>	<b>12,105,859</b>
<b>Net Liquidity Gap</b>	<b>(156,907)</b>	<b>(2,367,077)</b>	<b>(1,442,960)</b>	<b>2,122,214</b>	<b>2,507,475</b>	<b>140,040</b>	<b>(802,785)</b>	<b>--</b>
<b>Net Off-Balance Sheet Position</b>								
Derivative Financial Assets	--	1,713,180	860,651	1,433,559	2,554,601	--	--	<b>6,561,991</b>
Derivative Financial Liabilities	--	1,741,272	872,630	1,518,930	2,746,266	--	--	<b>6,879,098</b>
Non-Cash Loans	--	78,051	144,184	363,751	136,750	336,883	--	<b>1,059,619</b>
<b>Prior Period</b>								
<b>Total Assets</b>	<b>227,413</b>	<b>2,422,706</b>	<b>966,747</b>	<b>3,885,576</b>	<b>2,800,165</b>	<b>502,700</b>	<b>381,277</b>	<b>11,186,584</b>
<b>Total Liabilities</b>	<b>431,277</b>	<b>4,637,877</b>	<b>2,853,839</b>	<b>1,602,636</b>	<b>282,740</b>	<b>226,503</b>	<b>1,151,712</b>	<b>11,186,584</b>
<b>Net Liquidity Gap</b>	<b>(203,864)</b>	<b>(2,215,171)</b>	<b>(1,887,092)</b>	<b>2,282,940</b>	<b>2,517,425</b>	<b>276,197</b>	<b>(770,435)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>								
Derivative Financial Assets	--	721,138	451,533	1,022,630	1,499,854	--	--	<b>3,695,155</b>
Derivative Financial Liabilities	--	720,767	465,763	1,052,326	1,582,950	--	--	<b>3,821,806</b>
Non-Cash Loans	--	6,844	162,889	413,408	276,474	186,017	--	<b>1,045,632</b>

(\*) 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.

(\*\*) Shareholders' equity and provisions are classified in other liabilities in unallocated column.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**VI. Explanation related to the consolidated liquidity risk (continued)**

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 on 18 August 2015 and dated 19/08/2015, total amount of assets and risk in the consolidated financial statements prepared in accordance with Turkish Accounting Standards shown below;

		<b>Current Period(**)</b>	<b>Prior Period</b>
1	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*)	21,056,276	17,443,409
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	(6,134,819)	(4,095,323)
4	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	--	--
5	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	--	--
6	Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	--	--
7	Total risk amount	14,921,457	13,348,086

(\*)Consolidated financial statements prepared in compliance with the Article 6 of the communiqué 5 "Preparation of Consolidated Financial Statements..

(\*\*)Amounts in the table are three-month average amounts.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**VI. Explanation related to the liquidity risk (cont'd)**

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;

	<b>On – balance sheet assets</b>	<b>Current Period(*)</b>	<b>Prior Period(*)</b>
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	12,180,516	10,974,528
2	(Assets deducted in determining Tier 1 capital)	(27,033)	(35,696)
3	Total on-balance sheet risks (sum of lines 1 and 2)	12,153,483	10,938,832
	<b>Derivative financial instruments and credit derivatives</b>		
4	Replacement cost associated with all derivative financial instruments and credit derivatives	212,197	101,960
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	134,023	86,787
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	346,220	188,748
	<b>Securities or commodity financing transactions (SCFT)</b>		
7	Risks from SCFT assets (except for on-balance sheet)	560,501	552,260
8	Risks from brokerage activities related exposures	--	--
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	560,501	552,260
	<b>Other off-balance sheet transactions</b>		
10	Gross notional amounts of off-balance sheet transactions	1,861,254	1,668,246
11	(Adjustments for conversion to credit equivalent amounts)	--	--
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	1,861,254	1,668,246
	<b>Capital and total risks</b>		
13	Tier 1 capital	1,038,923	927,052
14	Total risks (sum of lines 3, 6, 9 and 12)	14,921,458	13,348,086
	<b>Leverage ratio</b>		
15	Leverage ratio	6.96	6.95

(\*) Amounts in the table are three-month average amounts.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**VII. Explanations on segment reporting**

The Bank operates in customer banking services, individual customer 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 customer banking services and commercial services. Fiba Portföy, the Bank’s consolidated subsidiary, performs portfolio management activities and results of its operations and its assets and liabilities are presented under “Treasury and Headquarters” segment.

	<b>Retail Banking</b>	<b>Commercial &amp; Corporate Banking</b>	<b>Treasury &amp; Headquarters</b>	<b>Total Operations of the Bank</b>
<b>Current Period</b>				
<b>1 January – 31 March 2016</b>				
Operating Income	58,342	70,438	15,001	143,781
Operating Profit	10,156	44,178	(19,192)	35,142
Taxation				(10,854)
<b>Net Profit/(Loss) for the Period</b>				<b>24,288</b>
<b>Current Period- 31 March 2016</b>				
Segment Assets	3,101,968	5,851,887	3,152,004	12,105,859
Unallocated Assets				
<b>Total Assets</b>				<b>12,105,859</b>
Segment Liabilities	5,271,542	2,258,734	3,507,629	11,037,905
Unallocated Liabilities				
Shareholders’ Equity				1,067,954
<b>Total Liabilities</b>				<b>12,105,859</b>
<b>Prior Period</b>				
<b>1 January – 31 March 2015</b>				
Operating Income	42,344	52,690	9,065	104,099
Operating Profit	(2,754)	34,705	(5,441)	26,510
Taxation				(5,686)
<b>Net Profit/(Loss) for the Period</b>				<b>20,824</b>
<b>Prior Period- 31 December 2015</b>				
Segment Assets	2,875,840	5,670,173	2,640,571	11,186,584
Unallocated Assets				--
<b>Total Assets</b>				<b>11,186,584</b>
Segment Liabilities	4,865,298	2,083,502	3,200,871	10,149,671
Unallocated Liabilities				--
Shareholders’ Equity				1,036,913
<b>Total Liabilities</b>				<b>11,186,584</b>

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**SECTION FIVE**

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**I. Explanations and disclosures 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	19,801	32,199	15,703	27,846
Balances with the Central Bank of Turkey	19,643	1,483,773	17,655	1,412,905
Other	--	--	--	--
<b>Total</b>	<b>39,444</b>	<b>1,515,972</b>	<b>33,358</b>	<b>1,440,751</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	19,643	101,290	17,655	100,464
Unrestricted Time Deposits	--	16,041	--	--
Restricted Time Deposits	--	1,366,442	--	1,312,441
<b>Total</b>	<b>19,643</b>	<b>1,483,773</b>	<b>17,655</b>	<b>1,412,905</b>

According to the communiqué No: 2005/1 on “Reserve Deposits” of CBRT, the banks operating in Turkey are required to keep reserve deposit at the rates varying from 5% - 11.50% for TL liabilities depending on maturities of liabilities and at the rate 5% - 25% and denominated mainly in EUR and USD for FC liabilities. According to the Central Bank of Turkey’s press announcement No. 2014-72 dated 21 October 2014, the Reserve Deposits as from November of 2014 are paid interest on the portion held in Turkish Lira and press announcement No. 2015-35 dated 2 May 2015 the Reserve Deposits as from May of 2015 are paid interest on the portion held in USD.

**2. Information on financial assets at fair value through profit or loss:**

**2.1 Information on financial assets at fair value through profit and loss given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	6,526	--	8,666	--
Other	--	--	--	--
<b>Total</b>	<b>6,526</b>	<b>--</b>	<b>8,666</b>	<b>--</b>

Trading securities given as collateral represent those collaterals given to the Central Bank of Turkey, and Istanbul Stock Exchange Clearing and Custody Bank (Takasbank) for liquidity, interbank money market, foreign exchange market and other transactions, as of balance sheets dates.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**2.2** *Financial assets at fair value through profit and loss subject to repurchase agreements*

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	9,231	--	6,749	--
<b>Total</b>	<b>9,231</b>	<b>--</b>	<b>6,749</b>	<b>--</b>

**2.3** *Positive differences relating to derivative financial assets held-for-trading*

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	9,603	--	13,273	--
Swap Transactions	70,642	1	38,324	1
Futures Transactions	--	--	--	--
Options	82,216	1,574	39,661	2,713
Other	--	--	--	--
<b>Total</b>	<b>162,461</b>	<b>1,575</b>	<b>91,258</b>	<b>2,714</b>

**3. Information on Banks**

**3.1** *Information on banks*

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	505	48,169	4,694	--
Foreign	245	86,566	951	64,401
Foreign head-offices and branches	--	--	--	--
<b>Total</b>	<b>750</b>	<b>134,735</b>	<b>5,645</b>	<b>64,401</b>

**3.2** *Due from foreign banks*

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

**4. Information on financial assets available-for-sale**

**4.1** *Financial assets 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	74,700	479,134	72,264	515,988
Other	--	--	--	--
<b>Total</b>	<b>74,700</b>	<b>479,134</b>	<b>72,264</b>	<b>515,988</b>

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**4.2** *Details of financial assets available-for-sale*

	<b>Current Period</b>	<b>Prior Period</b>
Debt instruments	559,561	611,074
Quoted on Stock Exchange	559,561	600,609
Unquoted on Stock Exchange	--	10,465
Share certificates	2,723	2,697
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	2,723	2,697
Impairment provision (-)	--	--
<b>Total</b>	<b>562,284</b>	<b>613,771</b>

**5. Information on loans**

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

	<b>Current Period</b>		<b>Prior Period</b>	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct Loans to Shareholders</b>	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
<b>Indirect Loans to Shareholders</b>	--	--	--	--
<b>Loans to Employees</b>	<b>3,252</b>	--	<b>2,800</b>	--
<b>Total</b>	<b>3,252</b>	--	<b>2,800</b>	--

**5.2** *Information on the first and second group loans and other receivables including restructured or rescheduled loans*

	<b>Standard Loans and Other Receivables</b>			<b>Loans and Other Receivables under Close Monitoring</b>		
	<i>Loans and Other Receivables (Total)</i>	<i>Loan and Receivables with Revised Contract Terms</i>		<i>Loans and Other Receivables (Total)</i>	<i>Loan and Receivables with Revised Contract Terms</i>	
		<i>Extension of Repayment Plan</i>	<i>Other</i>		<i>Extension of Repayment Plan</i>	<i>Other</i>
<b>Cash Loans</b>						
<b>Loans</b>	<b>8,321,797</b>	<b>135</b>	--	<b>383,785</b>	<b>233,159</b>	<b>14,979</b>
Working Capital Loans	--	--	--	--	--	--
Export Loans	217,614	--	--	13,180	11,452	--
Import Loans	--	--	--	--	--	--
Loans to Financial Sector	313,661	--	--	29	--	--
Consumer Loans	468,655	30	--	28,382	7,893	3,355
Credit Cards	51,510	--	--	4,619	--	--
Others	7,270,357	105	--	337,575	213,814	11,624
<b>Specialization Loans</b>	--	--	--	--	--	--
<b>Other Receivables</b>	--	--	--	--	--	--
<b>Total</b>	<b>8,321,797</b>	<b>135</b>	--	<b>383,785</b>	<b>233,159</b>	<b>14,979</b>

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

5.2

***Information on the first and second group loans and other receivables including restructured or rescheduled loans (cont'd)***

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
<b>Number of Extensions</b>	<b>135</b>	<b>233,159</b>
1 or 2 times	135	224,571
3, 4 or 5 times	--	8,588
Over 5 times	--	--

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
<b>Extension Periods</b>	<b>135</b>	<b>233,159</b>
0-6 months	105	12,096
6 -12 months	--	14,882
1 – 2 years	30	44,441
2 – 5 years	--	116,396
5 years and over	--	45,344

***The overdue analysis of close monitoring loans***

<b><i>Current Period</i></b>	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Total</b>
1-30 days	103,807	6,745	110,552
31-60 days	57,341	16,233	73,574
61-90 days	106,071	10,959	117,030
<b>Total</b>	<b>267,219</b>	<b>33,937</b>	<b>301,156</b>

<b><i>Prior Period</i></b>	<b>Corporate/ Commercial Loans</b>	<b>Consumer Loans</b>	<b>Total</b>
1-30 days	67,288	6,441	73,729
31-60 days	86,425	18,348	104,773
61-90 days	64,788	13,407	78,195
<b>Total</b>	<b>218,501</b>	<b>38,196</b>	<b>256,697</b>

***Maturity analysis of cash loans***

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

5.3

**Information on consumer loans, individual credit cards and credit cards given to personnel:**

	Short-Term	Medium or Long Term	Total
<b>Consumer Loans-TL</b>	<b>10,492</b>	<b>413,319</b>	<b>423,811</b>
Real Estate Loans	503	277,217	277,720
Vehicle Loans	45	7,675	7,720
General Purpose Loans	9,944	128,427	138,371
Other	--	--	--
<b>Consumer Loans-Indexed to FC</b>	<b>--</b>	<b>74,559</b>	<b>74,559</b>
Real Estate Loans	--	72,441	72,441
Vehicle Loans	--	--	--
General Purpose Loans	--	2,118	2,118
Other	--	--	--
<b>Consumer Loans-FC</b>	<b>--</b>	<b>1,630</b>	<b>1,630</b>
Real Estate Loans	--	1,630	1,630
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Individual Credit Cards-TL</b>	<b>4,183</b>	<b>--</b>	<b>4,183</b>
With Instalment	452	--	452
Without Instalment	3,731	--	3,731
<b>Individual Credit Cards-FC</b>	<b>48</b>	<b>--</b>	<b>48</b>
With Instalment	--	--	--
Without Instalment	48	--	48
<b>Loans Given to Employees-TL</b>	<b>181</b>	<b>2,218</b>	<b>2,399</b>
Real Estate Loans	--	241	241
Vehicle Loans	--	--	--
General Purpose Loans	181	1,977	2,158
Other	--	--	--
<b>Loans Given to Employees - Indexed to FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Loans Given to Employees - FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Personnel Credit Cards – TL</b>	<b>850</b>	<b>--</b>	<b>850</b>
With Instalment	212	--	212
Without Instalment	638	--	638
<b>Personnel Credit Cards – FC</b>	<b>3</b>	<b>--</b>	<b>3</b>
With Instalment	--	--	--
Without Instalment	3	--	3
<b>Overdraft Loans-TL (Real Persons)</b>	<b>5,916</b>	<b>--</b>	<b>5,916</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>21,673</b>	<b>491,726</b>	<b>513,399</b>

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

5.4

***Information on commercial loans with installments and corporate credit cards***

	Short Term	Medium or Long Term	Total
<b>Instalment Commercial Loans – TL</b>	<b>263,991</b>	<b>1,528,538</b>	<b>1,792,529</b>
Real Estate Loans	--	471	471
Vehicle Loans	2,086	43,729	45,815
General Purpose Loans	261,905	1,484,338	1,746,243
Other	--	--	--
<b>Instalment Commercial Loans – Indexed to FC</b>	<b>1,093</b>	<b>154,013</b>	<b>155,106</b>
Real Estate Loans	--	1,709	1,709
Vehicle Loans	--	10,059	10,059
General Purpose Loans	1,093	142,245	143,338
Other	--	--	--
<b>Instalment Commercial Loans - FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Corporate Credit Cards – TL</b>	<b>50,956</b>	<b>--</b>	<b>50,956</b>
With Instalment	7,389	--	7,389
Without Instalment	43,567	--	43,567
<b>Corporate Credit Cards – FC</b>	<b>89</b>	<b>--</b>	<b>89</b>
With Instalment	--	--	--
Without Instalment	89	--	89
<b>Overdraft Loans-TL (Legal Entities)</b>	<b>101,233</b>	<b>--</b>	<b>101,233</b>
<b>Overdraft Loans-FC (Legal Entities)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>417,362</b>	<b>1,682,551</b>	<b>2,099,913</b>

5.5

***Allocation of loans by customers***

	Current Period	Prior Period
Public Sector	--	--
Private Sector	8,953,855	8,546,012
<b>Total</b>	<b>8,953,855</b>	<b>8,546,012</b>

5.6

***Allocation of Domestic and Foreign Loans***

	Current Period	Prior Period
Domestic Loans	8,443,325	8,029,397
Foreign Loans	510,530	516,615
<b>Total</b>	<b>8,953,855</b>	<b>8,546,012</b>

5.7

***Loans granted to subsidiaries and associates***

None.

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**5.8 Specific provisions provided against loans**

<b>Specific Provisions</b>	<b>Current Period</b>	<b>Prior Period</b>
Loans and Receivables with Limited Collectability	9,348	4,572
Loans and Receivables with Doubtful Collectability	20,074	15,711
Uncollectible Loans and Receivables	69,562	58,182
<b>Total</b>	<b>98,984</b>	<b>78,465</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**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>	--	--	<b>230</b>
(Gross Amounts before Specific Provisions)			
Restructured Loans and Other Receivables	--	--	230
Rescheduled Loans and Other Receivables	--	--	--
<b>Prior Period</b>	--	--	<b>272</b>
(Gross Amounts before Specific Provisions)			
Restructured Loans and Other Receivables	--	--	272
Rescheduled Loans and Other Receivables	--	--	--

**5.9.2 Movement on non-performing loans**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Balances at Beginning of Period</b>	<b>24,646</b>	<b>36,959</b>	<b>85,625</b>
Additions (+)	42,137	524	686
Transfers from Other Categories of Non-Performing Loans (+)	--	23,757	14,906
Transfers to Other Categories of Non-Performing Loans (-)	23,840	14,823	--
Collections (-)	1,837	1,114	1,910
Write-offs (-) (*)	--	--	4,264
Corporate and Commercial Loans	--	--	4,264
Retail Loans	--	--	--
Credit Cards	--	--	--
Other	--	--	--
<b>Balances at End of the Period</b>	<b>41,106</b>	<b>45,303</b>	<b>95,043</b>
Specific Provisions (-)	9,348	20,074	69,562
<b>Net Balance on Balance Sheet</b>	<b>31,758</b>	<b>25,229</b>	<b>25,481</b>

(\*) Loans amounting TL 4,264 were transferred/sold to the asset management company in February 2016.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**5.9.3 Information on non-performing loans and other receivables in foreign currencies**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period</b>			
Balance as of the Period End	3,037	1,774	24,490
Specific Provisions (-)	607	875	7,389
<b>Net Balance on Balance Sheet</b>	<b>2,430</b>	<b>899</b>	<b>17,101</b>
<b>Prior Period</b>			
Balance as of the Period End	1,698	59	24,247
Specific Provisions (-)	337	29	7,297
<b>Net Balance on Balance Sheet</b>	<b>1,361</b>	<b>30</b>	<b>16,950</b>

**5.9.4 Information regarding gross and net amounts of non-performing loans with respect to user groups**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period (Net)</b>	<b>31,758</b>	<b>25,229</b>	<b>25,481</b>
Loans Granted to Real Persons and Legal Entities (Gross)	41,106	45,303	95,043
Specific provisions (-)	9,348	20,074	69,562
Loans Granted to Real Persons and Legal Entities (Net)	31,758	25,229	25,481
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
<b>Prior Period (Net)</b>	<b>20,074</b>	<b>21,248</b>	<b>27,443</b>
Loans Granted to Real Persons and Legal Entities (Gross)	24,646	36,959	85,625
Specific provisions (-)	4,572	15,711	58,182
Loans Granted to Real Persons and Legal Entities (Net)	20,074	21,248	27,443
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**5.10** *Liquidation policy for uncollectible loans and other receivables*

100% provision is provided for uncollectible loans. In case of having collaterals, non-performing loans and other receivables are collected through liquidation of these collaterals. In the absence of collateral, periodical market intelligence is performed to determine the assets acquired subsequently by the debtor and the legal follow-up process is applied.

**5.11** *Explanations related to write-off policy*

In case of all necessary conditions based on the relevant regulation occur, all impaired loans are written-off by the Board of Directors' decision.

**6. Information on held-to-maturity investments**

None.

**7. Information on associates**

None.

**8. Information on consolidated subsidiary**

The Bank has TL 5,445 of consolidated subsidiaries in its consolidated financial statements as of 31 March 2016.

*Information on capital adequacy of major subsidiary.*

<b>Current Period</b>	<b>Fiba Portföy Yönetimi A.Ş.</b>
<b>CORE CAPITAL</b>	<b>5,244</b>
Paid-in Capital	5,500
Inflation Adjustments to Paid-in Capital	--
Share Premium	--
Reserves	--
Current Period's Profit and Prior Periods' Profit	--
Current Period's Losses and Prior Periods' Losses	256
Leasehold Improvements on Operational Leases (-)	--
Intangible Assets (-)	--
Goodwill (Net) (-)	--
<b>SUPPLEMENTARY CAPITAL</b>	<b>--</b>
<b>CAPITAL</b>	<b>5,244</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>--</b>
<b>NET AVAILABLE EQUITY</b>	<b>5,244</b>

The Parent Bank does not have any capital needs for its subsidiary included in the calculation of its consolidated capital adequacy standard ratio.

**8.1** *Information on the subsidiaries which are not subject to consolidation*

The Group does not have any subsidiaries which are not subject to consolidation.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**8.2 Movement of consolidated investment in subsidiary**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balances at Beginning of Period</b>	5,445	5,445
<b>Movements during the Period</b>		
Acquisitions and Capital Increases	--	--
Bonus Shares Received	--	--
Dividends from the Current Year Profit	--	--
Sales/Liquidations	--	--
Reclassification of shares	--	--
Increase / (Decrease) in Market Values	--	--
Currency Differences on Foreign Subsidiaries	--	--
Reversal of Impairment Loses/ Impairment Losses (-)	--	--
<b>Balances at the End of Period</b>	<b>5,445</b>	<b>5,445</b>
<b>Capital Commitments</b>	<b>--</b>	<b>--</b>
<b>Share of Capital at the end of Period (%)</b>	<b>99</b>	<b>99</b>

Fiba Portföy Yönetimi A.Ş. was established on 26 September 2013 with 99% participation of Fibabanka A.Ş.

Investment valuation of consolidated subsidiaries

	<b>Current Period</b>	<b>Prior Period</b>
Valued at Cost	5,445	5,445
Valued at Fair	--	--

Sectoral distribution of consolidated investments in subsidiary

	<b>Current Period</b>	<b>Prior Period</b>
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	5,445	5,445

*Quoted consolidated investments in subsidiary*

None.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**Information on subsidiaries**

Subsidiary	Address (City / Country)	Bank's share– If different voting rights (%)	Bank's risk group share (%)	Consolidation Method
Fiba Portföy Yönetimi A.Ş.	İstanbul	99.0%	99.0%	Full Consolidation

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
5,423	5,244	10	162	--	(15)	10	5,244

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

**9. Information on entities under common control (Joint Ventures)**

None.

**10. Information on lease receivables**

None.

**11. Information on derivative financial assets held for hedging purposes**

**11.1 Positive valuation derivative financial assets held for hedging purposes**

None.

**12. Information on tangible assets**

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**13. Information on intangible assets**

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**14. Information on investment properties**

None.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**15. Information on deferred tax asset**

**15.1 Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits**

As of 31 March 2016, the deferred tax liability amounting to TL 838 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2015: TL 1,713 deferred tax asset)

Deferred tax assets consist of deferred tax asset and liability items recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements of the Group 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.

	<b>Current Period</b>	
	<b>Deferred Tax Base</b>	<b>Deferred Tax Asset/ (Liability)</b>
Financial Assets Valuation	(10,232)	(2,046)
Unearned Commission Income	(859)	(172)
Retirement Pay and Unused Vacation Provision	9,780	1,956
Tangible Assets Base Differences	(3,372)	(674)
Carry Forward Tax Losses	250	49
Other	243	49
<b>Deferred Tax Asset/(Liability)</b>	<b>(4,190)</b>	<b>(838)</b>

	<b>Prior Period</b>	
	<b>Deferred Tax Base</b>	<b>Deferred Tax Asset/ (Liability)</b>
Financial Assets Valuation	(1,566)	(313)
Unearned Commission Income	1,544	309
Retirement Pay and Unused Vacation Provision	9,011	1,802
Tangible Assets Base Differences	(3,945)	(789)
Carry Forward Tax Losses	231	46
Other	3,289	658
<b>Deferred Tax Asset/(Liability)</b>	<b>8,564</b>	<b>1,713</b>

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

	<b>1 January-31 March 2016</b>	<b>1 January-31 December 2015</b>
Deferred Tax Asset, 1 January	1,713	2,236
Deferred Tax Income / (Expense)	(862)	(930)
Deferred Tax Recognized Directly Under Equity	(1,688)	406
Other	(1)	1
<b>Deferred Tax Asset/(Liability), End of the Period</b>	<b>(838)</b>	<b>1,713</b>

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**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.

**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 March 2016, the Group has TL 2,083 assets held for sale (31 December 2015: TL 3,299).

**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 March 2016, total prepaid expenses are TL 25,472 (31 December 2015: TL 20,431).

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**II. Explanations and disclosures related to consolidated liabilities**

**1. Information on deposits**

**1.1 Information on maturity structure of deposits**

*Current Period*

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
<b>Saving Deposits</b>	<b>36,822</b>	--	<b>94,907</b>	<b>1,575,493</b>	<b>427,351</b>	<b>196,723</b>	<b>52,018</b>	--	<b>2,383,314</b>
<b>Foreign Currency</b>									
<b>Deposits</b>	<b>207,133</b>	--	<b>191,953</b>	<b>2,799,309</b>	<b>214,605</b>	<b>74,423</b>	<b>100,607</b>	--	<b>3,588,030</b>
Residents in Turkey	196,731	--	191,953	2,733,682	210,480	30,945	7,412	--	3,371,203
Residents Abroad	10,402	--	--	65,627	4,125	43,478	93,195	--	216,827
<b>Public Sector Deposits</b>	<b>20,160</b>	--	--	<b>2,624</b>	--	--	--	--	<b>22,784</b>
<b>Commercial Deposits</b>	<b>140,132</b>	--	<b>134,549</b>	<b>703,508</b>	<b>152,184</b>	<b>195,481</b>	<b>107,048</b>	--	<b>1,432,902</b>
<b>Other Ins. Deposits</b>	<b>1,064</b>	--	<b>590</b>	<b>45,915</b>	<b>31,309</b>	<b>16,799</b>	--	--	<b>95,677</b>
<b>Precious Metal</b>									
<b>Deposits</b>	<b>2,872</b>	--	--	--	--	--	--	--	<b>2,872</b>
<b>Interbank Deposits</b>	<b>8,973</b>	--	<b>22,667</b>	<b>58,781</b>	--	--	--	--	<b>90,421</b>
Central Bank of									
Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	13	--	6,732	--	--	--	--	--	6,745
Foreign Banks	8,733	--	15,935	58,781	--	--	--	--	83,449
Special Finan.Inst.	227	--	--	--	--	--	--	--	227
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>417,156</b>	--	<b>444,666</b>	<b>5,185,630</b>	<b>825,449</b>	<b>483,426</b>	<b>259,673</b>	--	<b>7,616,000</b>

*Prior Period*

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Cumulative Deposit	Total
<b>Saving Deposits</b>	<b>35,261</b>	--	<b>29,662</b>	<b>1,631,960</b>	<b>452,723</b>	<b>142,111</b>	<b>33,226</b>	--	<b>2,324,943</b>
<b>Foreign Currency</b>									
<b>Deposits</b>	<b>172,830</b>	--	<b>206,294</b>	<b>2,218,714</b>	<b>352,970</b>	<b>60,170</b>	<b>102,487</b>	--	<b>3,113,465</b>
Residents in Turkey	161,943	--	135,604	2,203,890	349,319	16,729	7,308	--	2,874,793
Residents Abroad	10,887	--	70,690	14,824	3,651	43,441	95,179	--	238,672
<b>Public Sector Deposits</b>	<b>370</b>	--	--	--	<b>4</b>	--	--	--	<b>374</b>
<b>Commercial Deposits</b>	<b>200,180</b>	--	<b>91,396</b>	<b>711,597</b>	<b>180,875</b>	<b>133,605</b>	<b>92,922</b>	--	<b>1,410,575</b>
<b>Other Ins. Deposits</b>	<b>1,142</b>	--	<b>651</b>	<b>59,352</b>	<b>12,440</b>	<b>16,239</b>	<b>14</b>	--	<b>89,838</b>
<b>Precious Metal</b>									
<b>Deposits</b>	<b>4,845</b>	--	--	--	--	--	--	--	<b>4,845</b>
<b>Interbank Deposits</b>	<b>16,649</b>	--	<b>409,901</b>	<b>85,134</b>	--	--	--	--	<b>511,684</b>
Central Bank of									
Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	13	--	343,646	--	--	--	--	--	343,659
Foreign Banks	16,628	--	66,255	85,134	--	--	--	--	168,017
Special Finan. Inst.	8	--	--	--	--	--	--	--	8
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>431,277</b>	--	<b>737,904</b>	<b>4,706,757</b>	<b>999,012</b>	<b>352,125</b>	<b>228,649</b>	--	<b>7,455,724</b>

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**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	720,911	662,868	1,651,701	1,647,273
Foreign Currency Saving Deposits	171,221	153,380	1,942,477	1,611,494
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>892,132</b>	<b>816,248</b>	<b>3,594,178</b>	<b>3,258,767</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	50,725	26,184
Deposits of Chairman and Members of the Board of Directors and their Close Families	3,169	3,009
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	--	--
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**

Trading Purpose Derivative Financial Liabilities	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	10,107	--	16,949	--
Swap Transactions	89,438	--	23,708	--
Futures Transactions	--	--	--	--
Options	82,577	1,589	40,235	2,716
Other	--	--	--	--
<b>Total</b>	<b>182,122</b>	<b>1,589</b>	<b>80,892</b>	<b>2,716</b>

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**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	14,455	26,667	15,919	23,672
From Foreign Banks, Institutions and Funds	--	1,299,292	--	984,855
<b>Total</b>	<b>14,455</b>	<b>1,325,959</b>	<b>15,919</b>	<b>1,008,527</b>

**3.2 Maturity analysis of borrowings**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	14,455	187,600	15,919	245,191
Medium and Long Term	--	1,138,359	--	763,336
<b>Total</b>	<b>14,455</b>	<b>1,325,959</b>	<b>15,919</b>	<b>1,008,527</b>

**3.3 Additional explanation related to the concentrations of the Group's major liabilities:**

In the scope of normal banking operations, the Group funds itself through funds provided by deposits, bank borrowings and bond issuance.

**4. Informations related with issued instruments**

	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	692,940	--	--	--
Cost	692,940	--	--	--
Carrying Amount	678,625	--	--	--

**5. Sundry Creditors and Other Liabilities**

Sundry creditors and other liabilities of balance sheet does not exceed % 10 of the balance sheet total.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**6. Criteria used in the determination of lease instalments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts**

**6.1 Changes in agreements and further commitments arising**

None.

**6.2 Obligations under financial leases**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	107	99	110	100
Between 1-4 Years	45	44	73	70
More than 4 Years	--	--	--	--
<b>Total</b>	<b>152</b>	<b>143</b>	<b>183</b>	<b>171</b>

**6.3 Information on operational leases**

The Group has operational lease agreements for the headquarters and some of its branches. If the rental payments is made in advance, the paid amount is accounted under prepaid expenses in “Other Assets”, in the following months, the rental expenses belonging to those months are recorded in profit/loss accounts.

The Group does not incur any liability as a result of any changes in operational lease agreements. The Group does not have any obligation from operational lease agreements.

**6.4 Information on “Sale-and-lease back” agreements**

In the current period, there is no sale and lease back agreements.

**7. Information on derivative financial liabilities for hedging purposes**

There are no derivative financial liabilities for hedging purposes in the current period.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**8. Information on provisions**

**8.1 Information on general provisions**

	<b>Current Period</b>	<b>Prior Period</b>
Loans and Receivables in Group 1	78,573	72,444
- Additional Provision for Loan and Receivables with Extended Maturities	7	2
Loans and Receivables in Group 2	20,792	14,573
- Additional Provision for Loan and Receivables with Extended Maturities	11,889	9,552
Non-Cash Loans	5,525	4,086
Others	--	--
<b>Total</b>	<b>104,890</b>	<b>91,103</b>

**8.2 Foreign exchange losses on the foreign currency indexed loans and finance lease receivables**

The foreign exchange losses on the foreign currency indexed loans as of 31 March 2016, amounting to TL 1,264 (31 December 2015: TL 134) are deducted from loans on the balance sheet.

**8.3 The specific provisions provided for unindemnified non cash loans**

As of 31 March 2016, the specific provision provided for unindemnified non-cash loans is TL 1,271 (31 December 2015: TL 1,271).

**8.4 Explanation on other provisions**

**8.4.1 Provisions for probable losses**

None.

**8.4.2 The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total provisions**

None.

**8.4.3 Explanations on reserves for employee benefits**

As of 31 March 2016, the Group has reserves for employee benefits amounting to TL 20,231 (31 December 2015: TL 13,862) comprise TL 6,488 reserve for employee termination benefits (31 December 2015: TL 6,038), TL 3,293 unused vacation pay liability (31 December 2015: TL 2,974) and TL 10,450 personnel premium accrual (31 December 2015: TL 4,850).

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**9. Explanations on tax liabilities**

**9.1 Explanations on current tax liability**

**9.1.1 Explanations on tax provision**

As of 31 March 2016, The Group's current tax liability is TL 31,441 (31 December 2015: TL 35,949). As of 31 March 2016 the Bank's corporate tax liability is TL 10,044 (31 December 2015: Corporate tax liability is TL 25,598 and after netting TL 10,441 of prepaid taxes, liability related to corporate tax is TL 15,157.)

**9.1.2 Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate taxes payable	10,044	15,157
Taxation on securities	8,928	8,310
Property tax	293	357
Banking and Insurance Transaction Tax (BITT)	7,663	7,202
Taxes on foreign exchange transactions	--	--
Value added taxes payable	201	228
Income tax ceased from wages	1,439	2,074
Other	384	463
<b>Total</b>	<b>28,952</b>	<b>33,791</b>

**9.1.3 Information on premiums**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums- Employee	1,054	915
Social Security Premiums- Employer	1,217	1,051
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	73	63
Unemployment Insurance- Employer	145	129
Other	--	--
<b>Total</b>	<b>2,489</b>	<b>2,158</b>

**9.2 Explanations on deferred tax liabilities**

As of balance sheet date, after netting the Group's deferred tax asset, deferred tax liability is TL 901.(31 December 2015 : None)

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

None.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**11. Explanations on subordinated loans**

	<i>Current Period</i>		<i>Prior Period</i>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Domestic Banks	--	--	--	--
Domestic Other Institutions	--	283,902	--	--
Foreign Banks	--	28,678	--	95,217
Foreign Other Institutions	--	--	--	116,696
<b>Total</b>	<b>--</b>	<b>28,678</b>	<b>--</b>	<b>211,913</b>

Instead of the subordinated loans those have lost their supplementary capital feature after the changes made in Equity Regulation by the BRSA, the Bank issued USD 100.000.000 of subordinated bonds in March 2016 in abroad which meets the conditions required from supplementary capital.

**12. Information on shareholders' equity**

**12.1 Paid-in capital**

	<b>Current Period</b>	<b>Prior Period</b>
Common Stock	847,515	847,515
Preferred Stock	--	--

**12.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital ceiling:**

Registered share capital system is not applied.

**12.3 Information on share capital increases and their sources; other information on increased capital shares in current period**

None.

**12.4 Information on share capital increases from revaluation funds**

None.

**12.5 Information on capital commitments the purpose and the sources until the end of the fiscal year and the subsequent interim period:**

The capital is totally paid in and there are no capital commitments.

**12.6 Indicators of the Bank's income, profitability and liquidity for the prior periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Bank's equity:**

None.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**12.7 Information on privileges given to stocks representing the capital**

The Bank does not have any preferred shares.

**12.8 Common stock issue premiums, shares and equity instruments**

Number of shares issued with premiums and the related share premiums are presented below:

	Current Period	Prior Period
Number of Shares (Thousand)	16,865,550	16,865,550
Number of Privileged Shares	--	--
Share Premium	73,379	73,379
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	(2,542)	(432)	(3,920)	(5,807)
Exchange Difference	--	--	--	--
<b>Total</b>	<b>(2,542)</b>	<b>(432)</b>	<b>(3,920)</b>	<b>(5,807)</b>

**12.10 Information on revaluation reserve**

None.

**12.11 Bonus shares of Subsidiaries, Associates and Joint Ventures**

None.

**12.12 Information on legal reserves**

	Current Period	Prior Period
Primary Legal Reserves	3,711	3,711
Secondary Legal Reserve	--	--
Other Legal Reserves Per Special Legislation	--	--

**12.13 Information on extraordinary reserves**

	Current Period	Prior Period
Reserves allocated by the General Assembly	43,075	43,075
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Difference	--	--

**13. Information on minority shares**

	Current Period	Prior Period
Balance at Beginning of Period	52	53
Profit Share of Affiliates Net Profits	--	(1)
Prior Period Dividend Payment	--	--
Increase/(Decrease) in Minority Interest due to Sales	--	--
Other	--	--
<b>Balance at End of Period</b>	<b>52</b>	<b>52</b>

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments**

**1. Information on consolidated off-balance sheet commitments**

**1.1 Nature and amount of irrevocable loan commitments**

	<b>Current Period</b>	<b>Prior Period</b>
Asset Sale and Purchase Commitments	359,812	356,230
Credit Card Limit Commitments	64,953	47,363
Commitments for Credit Allocation with the Guarantee of Usage	117,547	110,140
Export Commitments	3,519	3,553
Commitment for Cheques	158,437	145,123
Other Irrevocable Commitments	3,107	3,106
<b>Total</b>	<b>707,375</b>	<b>665,515</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**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Guarantee TL	368,244	379,738
Letters of Guarantee FC	207,290	175,756
Letters of Credit	397,734	383,272
Bills of Exchange and Acceptances	86,351	106,866
<b>Total</b>	<b>1,059,619</b>	<b>1,045,632</b>

**1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies**

	<b>Current Period</b>	<b>Prior Period</b>
Revocable Letters of Guarantee	27,853	32,418
Irrevocable Letters of Guarantee	417,497	431,355
Letters of Guarantee Given in Advance	103,372	57,415
Letters of Guarantee Given to Customs	13,525	12,023
Other Letters of Guarantee	13,287	22,283
<b>Total</b>	<b>575,534</b>	<b>555,494</b>

**2. Total amount of non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
Non-Cash Loans Given against Cash Loans	9,756	18,508
With Original Maturity of 1 Year or Less Than 1 Year	4,817	2,908
With Original Maturity of More Than 1 Year	4,939	15,600
Other Non-Cash Loans	1,049,863	1,027,124
<b>Total</b>	<b>1,059,619</b>	<b>1,045,632</b>

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**3. Information on sectoral risk concentrations of non-cash loans**

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

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

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

**5. Information related to derivative financial instruments**

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

**6. Credit derivatives and risk exposures on credit derivatives**

None.

**7. Explanations on contingent liabilities and assets**

As of balance sheet date, the Group provided provision of TL 1,391 for the legal cases pending against the Group where the cash out flows are highly probable (31 December 2015: TL 1,316).

**8. Custodian and intermediary services**

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of contingencies and commitments.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**IV. Explanations and disclosures related to the consolidated income statement**

**1. Interest income**

**1.1 Information on interest on loans (\*)**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest on loans</b>	<b>232,810</b>	<b>43,303</b>	<b>149,388</b>	<b>33,716</b>
Short Term Loans	148,647	5,992	89,937	6,838
Medium and Long Term Loans	84,163	37,311	59,451	26,878
Interest on Non-Performing Loans	1,502	--	256	60
Premiums received from Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>234,312</b>	<b>43,303</b>	<b>149,644</b>	<b>33,776</b>

\*Includes fees and commissions obtained from cash loans.

**1.2 Information on interest income received from banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	--	1	--	--
Domestic Banks	1,623	78	4,212	37
Foreign Banks	--	30	--	30
Branches and Head Office Abroad	--	--	--	--
<b>Total</b>	<b>1,623</b>	<b>109</b>	<b>4,212</b>	<b>67</b>

**1.3 Interest received from marketable securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	285	44	212	57
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Financial Assets Available-for-Sale	1,794	4,861	651	4,534
Investment Securities Held-to-Maturity	--	--	--	--
<b>Total</b>	<b>2,079</b>	<b>4,905</b>	<b>863</b>	<b>4,591</b>

**1.4 Information on interest income received from associates and subsidiaries**

None.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**2. Interest expense**

**2.1 Information on interest on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>239</b>	<b>4,055</b>	<b>395</b>	<b>3,057</b>
The Central Bank of Turkey	--	--	--	--
Domestic Banks	239	91	395	171
Foreign Banks	--	3,964	--	2,886
Branches and Head Office Abroad	--	--	--	--
<b>Other Institutions</b>	<b>--</b>	<b>4,939</b>	<b>--</b>	<b>6,296</b>
<b>Total</b>	<b>239</b>	<b>8,994</b>	<b>395</b>	<b>9,353</b>

**2.2 Information on interest expenses to associates and subsidiaries**

None.

**2.3 Information on interest expenses to securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	18,378	--	12,510	--

**2.4 Distribution of interest expense on deposits based on maturity of deposits:**

Account Description	Demand Deposits	Time Deposits					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
<b>Turkish Lira</b>								
Bank Deposits	--	890	--	--	--	--	--	890
Saving Deposits	--	907	51,456	17,257	5,144	1,102	--	75,866
Public Sector Deposits	--	--	25	--	--	--	--	25
Commercial Deposits	--	6,437	23,410	6,794	7,144	1,284	--	45,069
Other	--	11	2,117	438	546	--	--	3,112
7 Day Call Accounts	--	--	--	--	--	--	--	--
<b>Total</b>	<b>--</b>	<b>8,245</b>	<b>77,008</b>	<b>24,489</b>	<b>12,834</b>	<b>2,386</b>	<b>--</b>	<b>124,962</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	--	364	13,663	2,334	419	750	--	17,530
Bank Deposits	--	289	--	--	--	--	--	289
7 Day Call Accounts	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
<b>Total</b>	<b>--</b>	<b>653</b>	<b>13,663</b>	<b>2,334</b>	<b>419</b>	<b>750</b>	<b>--</b>	<b>17,819</b>
<b>Grand Total</b>	<b>--</b>	<b>8,898</b>	<b>90,671</b>	<b>26,823</b>	<b>13,253</b>	<b>3,136</b>	<b>--</b>	<b>142,781</b>

**3. Information on dividend income**

None.

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**4. Information on net trading income / loss**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Income</b>	<b>414,463</b>	<b>196,955</b>
Gains on Capital Market Operations	1,330	21
Gains on Derivative Financial Instruments	260,262	44,061
Foreign Exchange Gains	152,871	152,873
<b>Loss (-)</b>	<b>403,984</b>	<b>201,925</b>
Losses on Capital Market Operations	31	323
Losses on Derivative Financial Instruments	252,161	53,851
Foreign Exchange Losses	151,792	147,751
<b>Net Trading Income / ( Loss )</b>	<b>10,479</b>	<b>(4,970)</b>

**5. Information on other operating income**

In the current period, other operating income consists of reversal of general and specific provisions, profit from sale of assets, commissions on cheques and notes and costs recharged.

**6. Impairment on loans and other receivables**

	<b>Current Period</b>	<b>Prior Period</b>
Specific Provisions on Loans and Other Receivables:	23,297	16,233
<i>III. Group Loans and Receivables</i>	6,579	451
<i>IV. Group Loans and Receivables</i>	3,015	2,164
<i>V. Group Loans and Receivables</i>	13,703	13,618
General Loan Loss Provisions	13,788	5,188
Free Provision for Probable Risks	--	--
Impairment Losses on Securities:	--	--
<i>Financial Assets at Fair Value Through Profit or Loss</i>	--	--
<i>Financial Assets Available-for-Sale</i>	--	--
Impairment Losses on Associates, Subsidiaries, Joint Ventures and Investment Securities Held to Maturity:	--	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investments Held to Maturity</i>	--	--
Other	--	--
<b>Total</b>	<b>37,085</b>	<b>21,421</b>

**FİBANKKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**7. Information related to other operational expenses (cond't)**

	Current Period	Prior Period
Personnel Expenses	33,586	29,280
Provision for Employee Termination Benefits	450	330
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	2,928	2,311
Impairment Losses on Intangible Assets	--	--
Amortization Charges of Intangible Assets	992	947
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	18	15
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	16,541	13,114
<i>Operational Leases Expenses</i>	7,051	7,203
<i>Repair and Maintenance Expenses</i>	355	236
<i>Advertisement Expenses</i>	1,583	281
<i>Other Expenses</i>	7,552	5,394
Losses on Sale of Assets	--	--
Other	17,038	10,171
<b>Total</b>	<b>71,553</b>	<b>56,168</b>

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

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

**9. Information on tax provision from continued and discontinued operations**

**9.1 Current period taxation benefit or charge and deferred tax benefit or charge**

For the period ended as of 31 March 2016, deferred tax charge of the Group is TL 862 and current tax charge is TL 9,992. (1 January – 31 March 2015: TL 3,300 deferred tax charge, TL 2,386 current tax charge)

	Current Period	Prior Period
Deferred Tax Benefit/ (Charge)	(862)	(3,300)
Provision for Deferred Tax	--	--
Net Deferred Tax Benefit/ (Charge)	(862)	(3,300)

**9.2 Deferred tax benefit / (charge) arising from origination or reversal of temporary differences**

<i>Deferred tax benefit / (charge) arising from origination or reversal of temporary differences</i>	Current Period	Prior Period
Arising from Origination of Deductible Temporary Differences (+)	4,510	903
Arising from Reversal of Deductible Temporary Differences (-)	(505)	(152)
Arising from Origination of Taxable Temporary Differences (-)	(7,311)	(4,573)
Arising from Reversal of Taxable Temporary Differences (+)	2,444	522
Arising from Origination of Financial Losses (+)	--	--
Arising from Reversal of Financial Losses (-)	--	--
Arising from Origination of Tax Deductions and Exemptions (+)	--	--
Arising from Reversal of Tax Deductions and Exemptions (-)	--	--
<b>Total</b>	<b>(862)</b>	<b>(3,300)</b>
Provision	--	--
<b>Net deferred tax</b>	<b>(862)</b>	<b>(3,300)</b>

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**9.3** *Deferred tax benefit / (charge) arising from temporary differences, tax losses or unused tax credits*

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	4,005	751
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	(4,867)	(4,051)
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	--
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
<b>Total</b>	<b>(862)</b>	<b>(3,300)</b>
Provision	--	--
<b>Net deferred tax income/(expense)</b>	<b>(862)</b>	<b>(3,300)</b>

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

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

**11. Information on net profit/loss for the period**

**11.1** *The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period*

In the current and prior periods, the 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 Bank with respect to the financial statement items do not have a material effect on profit/loss.*

**11.3** *Profit or loss attributable to the minority shares: Current period – None (2015: TL (1))*

**12. If “other” lines of the income statement exceeds 10% of the period profit/loss, information on components making up at least 20% of “other” items**

Current period “fees and commissions income” majorly comprised of money transfer commissions, insurance commissions, investment fund commissions, credit cards commissions and account maintenance fee.

Current period “fees and commissions expense” majorly comprised of borrowing commissions, commissions to correspondent banks and commission on issuance of securities.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**V. Explanations and disclosures on the risk group of the Parent Bank**

**1. Information on the volume of transactions with the Bank’s risk group, lending and deposits outstanding at period end and income and expenses in the current period**

**1.1 Current Period**

Bank’s Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables (**)					
Balance at the Beginning of the Period	--	--	--	20	5,720	17,242
Balance at the End of the Period	--	--	--	22	1,574	42,083
Interest and Commission Income Received	--	--	--	--	61	84

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

(\*\*) Includes all transactions accepted 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	770	15,000
Balance at the End of the Period	--	--	--	20	5,720	17,242
Interest and Commission Income Received	--	--	--	4	41	28

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

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

**1.2 Information on deposits of the Bank’s risk group**

Bank’s Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Deposits					
Balance at the Beginning of the Period	--	--	89,173	31,138	496,533	161,257
Balance at the End of the Period	--	--	53,217	89,173	411,863	496,533
Deposit Interest Expense	--	--	2,683	776	9,863	3,089

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

**1.3 Information on funds obtained from the Parent Bank’s risk group**

As of 31 March 2016, funds obtained from other real persons and legal entities in risk group is TL 557,772 (31 December 2015: TL 243,536) and TL 223,609 (31 December 2015: TL 219,450) of this amount is from IFC and EBRD in the form of borrowings and TL 283,902 is from Fiba Holding A.Ş. through the issuance of subordinated bonds.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**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	--	--	--	--	344,668	76,728
Balance at the End of the Period	--	--	--	--	421,979	344,668
Total Income/Loss	--	--	--	--	(4,060)	1,488
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 Parent 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 March 2016, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 0.02% (31 December 2015 : 0.07 %) and the ratio of the deposits of entities of risk group to total deposits is 6.11% (31 December 2015 :7.86 %). Ratio of funds obtained from entities of risk group to total funds borrowed is 24.1%. Dispersion is 14.4 % Fiba Group, 9.7 % IFC and EBRD. (31 December 2015: 17.7%).

In current period benefits provided to the key management of the Group is TL 1,524 (1 January 31 March 2015: TL 1,166).

**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.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**VI. Explanations on the Parent Bank’s domestic, foreign, off-shore branches or investments in associates and foreign representative offices**

**1. Information related to the Bank’s domestic and foreign branch and representatives**

	Number	Number of Employees			
Domestic Branch	68	1,363			
			Country of Incorporations		
Foreign Representation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

**Domestic Consolidated Subsidiaries**

	Number of Employees	Assets	Legal Capital
Fiba Portföy Yönetimi A.Ş.	6	5,423	5,500

**VII. Events after balance sheet date**

None.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**SECTION SIX**

**OTHER EXPLANATIONS ON THE OPERATIONS OF THE PARENT BANK**

None.

**AUDITORS' LIMITED REVIEW REPORT**

**I. Explanations on the auditors' limited review report**

The Bank's publicly available consolidated financial statements and footnotes have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditors' limited review report is presented in front of the financial statements.

**II. Other footnotes and explanations prepared by the independent auditors**

None.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**SECTION SEVEN**

**Interim Activity Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager**

**1. Brief History of Fibabanka A.Ş. and its Shareholder Structure**

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 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 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 Parent Bank's shares to Credit Europe Bank N.V. and the legal approval process has been completed as of 27 December 2010. In the extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. has been amended as Fibabanka A.Ş. ("the Bank").

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, capital was increased in the total amount of TL 123,350, in order to have TL 17,415 from inflation adjustment difference, TL 9,502 from the profit from the sale of real estate and tl 96,432 TL cash from Fiba Holding. On 31 March 2015 share capital was increased from TL 550,000. 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.

According to the Subscription Agreement signed on the date of 23 October 2015, by and between the Bank and International Finance Corporation ("IFC") and European Bank for Reconstruction and Development ("EBRD"), IFC and EBRD have separately subscribed an amount of TL 121,017.- including the share premium (TL 84,328.- of said amount is the share of capital; TL 36,689.- thereof is the share premium), which makes a total amount of TL 242,034.-, in the share capital of our Bank by way of capital increase

As of 31 March 2016, the Bank's paid-in capital is 847,515 million TL.

**As of 31 Mart 2016, The Bank's Shareholder Structure:**

<b>Commercial Title</b>	<b>Share Amount (TL)</b>	<b>Share Ratios (%)</b>
Fiba Holding A.Ş	670,055,489.25	79.06
International Finance Corporation	84,327,750.28	9.95
European Bank for Reconstruction and Development	84,327,750.28	9.95
Other	8,804,088.39	1.04
<b>TOTAL</b>	<b>847,515,078.20</b>	<b>100.00</b>

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**2. Chairman and the Members of the Board of Directors, Statutory Auditors, General Manager and Assistant General Managers, Members of the Audit , and Managers of the Departments within the scope of Internal Systems**

<b>Name</b>	<b>Duty</b>	<b>Responsibility Area</b>	<b>Date of Appointment</b>	<b>Educational Status</b>	<b>Professional Experience</b>
<b>Hüsnü Mustafa Özyeğin</b>	Chairman of the Board of Directors		27.12.2010	Graduate	41 years
<b>Fevzi Bozer</b>	Vice Chairman of the Board of Directors		27.12.2010	Graduate	33 years
<b>İsmet Kaya Erdem</b>	Member of the Board of Directors		11.02.2013	Undergraduate	65 years
<b>Mehmet Güleşçi</b>	Member of the Board of Directors		27.12.2010	Graduate	31 years
<b>Mevlüt Hamdi Aydın</b>	Member of the Board of Directors		24.01.2013	Undergraduate	32 years
<b>Bekir Dildar</b>	Member of the Board of Directors and General Manager		27.12.2010	Undergraduate	28 years
<b>Elif Alev Utku Özbey</b>	Assistant General Manager	Financial Control and Financial Reporting	07.01.2011	Graduate	21 years
<b>Adem Aykın</b>	Assistant General Manager	Information Technologies, Organisation and Project Management	01.07.2011	Undergraduate	27 years
<b>Esra Osmanağaoğlu</b>	Assistant General Manager	Banking Operations	29.02.2012	Undergraduate	27 years
<b>Emre Ergun</b>	Assistant General Manager	Retail Banking	02.05.2013	Graduate	18 years
<b>Ahu Dolu</b>	Assistant General Manager	Financial Institutions	01.12.2015	Undergraduate	18 years
<b>Turgay Hasdiker</b>	Assistant General Manager	Corporate and Commercial Credits	01.12.2015	Undergraduate	24 years
<b>Kerim Lokman Kuriş</b>	Assistant General Manager	Corporate and Commercial Banking	01.12.2015	Undergraduate	17 years
<b>Cengiz Sinanoğlu</b>	Coordinator	Retail Credits	07.02.2013	Graduate	21 years
<b>Ömer Rifat Gencal</b>	Coordinator	Treasury	02.02.2015	Undergraduate	24 years
<b>Gerçek Önal</b>	Coordinator	Legal Consultancy	01.02.2016	Graduate	15 years
<b>Ahmet Cemil Borucu</b>	Department Head	Board of Inspection	07.02.2011	Graduate	18 years
<b>Ayşe Tulgar</b>	Department Head	Risk Management	15.03.2011	Undergraduate	17 years
<b>Serdal Yıldırım</b>	Department Head	Legislation and Compliance	06.04.2011	Graduate	19 years
<b>Erman Eltut</b>	Coordinator	Internal Control	06.02.2012	Undergraduate	15 years

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**3. Brief Financial Information Relating to Results of Activities During the Period**

**Unconsolidated Summary Balance Sheet**

(TL Thousand)	<u>31/03/16</u>	<u>31/12/15</u>	<u>Increase/ Decrease %</u>
Cash and Balances with the Central Bank	1,555,416	1,474,109	6%
Financial Assets at Fair Value Through Profit or Loss (Net)	209,258	114,531	83%
Due from Banks	135,179	69,744	94%
Receivables from Money Market	289,010	--	100%
Financial Assets Available for Sale (Net)	562,284	613,771	(8%)
Loans to Customers (Net)	9,036,323	8,614,777	5%
<b>Total Assets</b>	<b>12,110,579</b>	<b>11,191,373</b>	<b>8%</b>
Deposits	7,620,698	7,460,485	2%
Derivative Financial Liabilities Held for Trading	183,711	83,608	120%
Funds Borrowed	1,340,414	1,024,446	31%
Money Market Funds	484,527	504,822	(4%)
Securities Issued (Net)	962,522	503,741	91%
Subordinated Debts	28,678	211,913	(86%)
Shareholder's Equity	1,068,156	1,037,100	3%
<b>Total Liabilities</b>	<b>12,110,579</b>	<b>11,191,373</b>	<b>8%</b>

**Consolidated Summary Balance Sheet**

(TL Thousand)	<u>31/03/16</u>	<u>31/12/15</u>	<u>Increase/ Decrease %</u>
Cash and Balances with The Central Bank	1,555,416	1,474,109	6%
Financial Assets at Fair Value Through Profit or Loss (Net)	209,258	114,531	83%
Due from Banks	135,485	70,046	93%
Receivables from Money Market	289,010	--	100%
Financial Assets Available for Sale (Net)	562,284	613,771	(8%)
Loans to Customers (Net)	9,036,323	8,614,777	5%
<b>Total Assets</b>	<b>12,105,859</b>	<b>11,186,584</b>	<b>8%</b>
Deposits	7,616,000	7,455,724	2%
Derivative Financial Liabilities Held for Trading	183,711	83,608	120%
Funds Borrowed	1,340,414	1,024,446	31%
Money Market Funds	484,527	504,822	(4%)
Securities Issued (Net)	962,522	503,741	91%
Subordinated Debts	28,678	211,913	(86%)
Shareholder's Equity	1,067,955	1,036,913	3%
<b>Total Liabilities</b>	<b>12,105,859</b>	<b>11,186,584</b>	<b>8%</b>

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

**Unconsolidated Summary Income Statement**

(TL Thousand)	<u>01/01/2016-</u> <u>31/03/2016</u>	<u>01/01/2015-</u> <u>31/03/2015</u>	<u>Increase/</u> <u>Decrease %</u>
Net Interest Income	114,272	91,135	25%
Net Fees and Commission Income	5,554	6,614	(16%)
Trading Income/ Loss (Net)	10,479	(4,970)	>300%
Other Operating Revenues	13,126	10,964	20%
<b>Total Operating Income”</b>	<b>143,432</b>	<b>103,743</b>	<b>38%</b>
Provision for Losses and Other Receivables (-)	37,085	21,421	73%
Other Operating Expenses (-)	71,186	55,825	28%
<b>Net Operating Income / Loss</b>	<b>35,161</b>	<b>26,497</b>	<b>33%</b>
<b>Profit/Loss on Continuing Operations Before</b>			
<b>Tax</b>	<b>35,161</b>	<b>26,497</b>	<b>33%</b>
Tax Provision for Continuing Operations	(10,858)	(5,683)	91%
<b>Net Period Profit / Loss</b>	<b>24,303</b>	<b>20,814</b>	<b>17%</b>

**Consolidated Summary Income Statement**

(TL Thousand)	<u>01/01/2016-</u> <u>31/03/2016</u>	<u>01/01/2015-</u> <u>31/03/2015</u>	<u>Increase/</u> <u>Decrease %</u>
Net Interest Income	114,435	91,267	25%
Net Fees and Commission Income	5,786	6,873	(16%)
Trading Income/ Loss (Net)	10,479	(4,970)	>300%
Other Operating Income	13,081	10,929	20%
<b>Total Operating Income</b>	<b>143,781</b>	<b>104,099</b>	<b>38%</b>
Provision for Losses and Other Receivables (-)	37,085	21,421	73%
Other Operating Expenses (-)	71,554	56,168	27%
<b>Net Operating Income / Loss</b>	<b>35,142</b>	<b>26,510</b>	<b>33%</b>
<b>Profit/Loss on Continuing Operations Before</b>			
<b>Tax</b>	<b>35,142</b>	<b>26,510</b>	<b>33%</b>
Tax Provision for Continuing Operations	(10,854)	(5,686)	91%
<b>Net Period Profit / Loss</b>	<b>24,288</b>	<b>20,824</b>	<b>17%</b>

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**4. Evaluations of the Chairman of the Board of Directors and the General Manager Regarding the Interim Period**

As of first quarter of 2016, Fibabanka has increased its loan portfolio and reached to TL 9 billion at the end of 2015 by an increase of 5%. Growth was achieved especially in SME and commercial loans, SME and commercial loan portfolio has reached TL 8.4 billion by an increase of 5%. In the same period, share of SME and commercial loans in loan portfolio is approximately 94%.

Despite the increase in the loan portfolio, the share of non-performing loans in total loans, realized 2.0% level, well below the sector.

Our Bank, has funded its growing loan portfolio with customer deposits also in 2016. In this period, customer deposits constitutes 62% of total liabilities. In 2016, for the purpose of diversifying the funding resources, securities were issued domestically with nominal value of TL 645.3 million have been issued in the first three months of the year.

In 2016, with the changes on regulation on equity by Banking Regulation and Supervision Agency, decision was made for subordinated loans has to meet the new terms and conditions specified in the regulations to be taken into consideration as a supplementary capital, loans that doesn't meet these conditions will not be taken into consideration as a supplementary capital. In this context, loan amount of USD 10.000.000 provided from Eco Trade and Development Bank (ETDB) in 2013 was accommodated to these conditions, subordinated loan amount of USD 40.000.000 provided from the International Finance Corporation ("IFC") in the same year was converted to a loan which has no supplementary capital feature in agreement with IFC in March 2016, and again in 2013 loan amount of EUR 20.000.000 provided from the European Bank for Reconstruction and Development ("EBRD") was closed before its maturity in agreement with EBRD in April 2016.

After all these changes on regulation, Fibabanka issued amount of USD 100 million subordinated bond in abroad in March 2016 providing with having the characteristics to be considered in supplementary capital account.

In line with these developments, in the first quarter of 2016, while loan volume has been increased, loans are diversified both in terms of maturity and sectors, it was targeted portfolio with higher return and increasing commission income by increasing customers, in addition, the Bank's profit has been achieved a steady growth with sustainable profit by keeping operating expenses under control carefully. As a result, the Bank realised profit before tax amount of TL 35.2 million and profit amount of TL 24.3 million after tax in the first quarter of 2016. As of 31 March 2016, capital adequacy ratio of our Bank is 13.74%.

Our strategic partnership continues conformably after World Bank Organization IFC (International Finance Corporation) and the EBRD (European Bank for Reconstruction and Development) took in partnership with our Bank by 19.90% in the last quarter of 2015, and this partnership contributes Fibabanka to reach its growth targets quickly.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**4. Evaluations of the Chairman of the Board of Directors and the General Manager Regarding the Interim Period (cont'd)**

Our bank, as of first quarter continues to perform its structural organizational goals within its plans as well as financial goals, as of 31 March 2016 offers services to our customers with 68 branches and 1,363 employees.

Hereby, we thank all of our employees, partners and our valued customers which contribute to reaching our targets.

Best regards,

**Hüsnü Mustafa Özyeğin**  
**Chairman of the Board of Directors**

**Bekir Dildar**  
**Member of the Board of Directors and**  
**General Manager**

**FİBANKA A.Ş. AND ITS SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF**  
**1 JANUARY – 31 MARCH 2016**

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

---

**5. Evaluations Relating to the Bank’s Financial Situation**

As of 31 March 2016, the Bank serves with 68 domestic branch and 1,363 employees.

Total assets of Fibabanka have increased at the rate of 8% as of first quarter of 2016 and realised as TL 12,105,859 on consolidated basis and as TL 12,110,579 on unconsolidated basis.

According to consolidated and unconsolidated financial statements, the loan volume, which used to be TL 8,614,777 at the end of 2015, increased by 5% and reached to TL 9,036,323 as of first quarter of the year. Share of the loans in total assets has been realised as 75%.

Credit worthiness of loans and other receivables are monitored systematically in accordance with related laws and regulations. For new credits opened, the Bank complies with the limits determined under the Banking Laws and Regulations. Collaterals are taken for the loans disbursed in order to reduce risk. According to consolidated and unconsolidated financial statements, as of first quarter of 2016, NPLs have been realised as TL 181,452 and provisions in the amount of TL 98,984 have been set aside relating to these loans.

According to consolidated and unconsolidated financial statements, securities portfolio held for trading purposes increased by 120% and realised TL 45,222 compared to the year-end values in 2015. Securities portfolio available for sale increased to TL 562,284 as of first quarter of 2016. Ratio of securities portfolio to total assets has been realised as 5%.

As of first quarter of 2016, consolidated deposit volume has been realised as TL 7,616,000 ; and the unconsolidated deposit volume has been realised as TL 7,620,698.

According to consolidated financial statements, while first quarter of 2015 closed with TL 20,824 net profit, in first quarter of 2016 net profit has been realised as TL 24,288.

According to consolidated financial statements, net interest income of the Bank in three months of 2016 increased by 25% compared to the previous year and realised as TL 114,434. Net commission income in 2016 as the quarterly was realized as TL 5,786. Total operating income of the Bank increased by 38% compared to the previous year and realised as TL 143,780 as parallel to the growth of the Bank, and other operating expenses increased by 28% has been realised as TL 71,553.

As of 31 March 2016, the Bank’s unconsolidated capital adequacy ratio is 13.74%, consolidated capital adequacy ratio is 13.73%.