

# **Fibabanka A.Ş. and Its Subsidiary**

**INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT,  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND  
RELATED DISCLOSURES FOR THE THREE MONTHS  
PERIOD ENDED 31 MARCH 2018**

(Convenience translation of publicly announced consolidated financial statements, related disclosures and auditor's review report originally issued in Turkish)

**Convenience Translation of the Review Report  
Originally Prepared and Issued in Turkish to English (See Note I in Section Three)**

**Interim Review Report on Consolidated Interim Financial Information**

**To the Board of Directors of Fibabanka Anonim Şirketi**

***Introduction***

We have reviewed the consolidated statement of financial position of Fibabanka A.Ş. (“the Bank”) and its subsidiaries (“the Group”) at March 31, 2018 and the related consolidated income statement, consolidated statement of income and expense items under shareholders’ equity, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by BRSA Legislation (together referred as “BRSA Accounting and Financial Reporting Legislation”). Our responsibility is to express a conclusion on these interim financial statements based on our review.

***Scope of Review***

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

***Basis of Qualified Conclusion***

As explained in detail in Note II-8 of Section 5, the accompanying consolidated financial statements as at March 31, 2018 include a general reserve which does not meet the relevant criterias in TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" for possible risks provided by the Bank Management for possible results of the circumstances which may arise from possible changes in the economy and market conditions amounting to TL 66,500 thousands out of which TL 55,500 thousands and TL 11,000 thousands which were provided during previous years and within the current period, respectively.

### ***Qualified Conclusion***

Based on our review, except for the effect of the matter referred in the basis of qualified conclusion paragraph on the prior and current period consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true view of the financial position of Fibabanka A.Ş. at March 31, 2018 and of the results of its operations and its cash flows for the three-month-period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

### ***Report on other regulatory requirements arising from legislation***

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

### ***Additional paragraph for convenience translation to English***

As explained in detail in Note I of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
*A member firm of Ernst&Young Global Limited*

Damla Harman, SMMM  
Partner

May 14, 2018  
Istanbul, Turkey

**THE CONSOLIDATED FINANCIAL REPORT OF  
FİBABANKA A.Ş.  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**

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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:




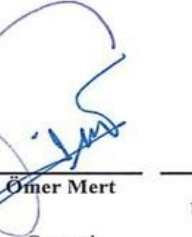
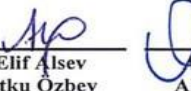

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- EXPLANATORY DISCLOSURES AND FOOTNOTES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

|   |  |   |   |  |  |
|---|--|---|---|--|--|
| <br>Hüsnü Mustafa<br>Özyeğin<br>Chairman of the<br>Board of<br>Directors | <br>Fevzi<br>Bozer<br>Deputy Chairman of<br>the Board of<br>Directors and<br>Chairman of the<br>Audit Committee | <br>Mevlüt Hamdi<br>Aydın<br>Member of the<br>Audit<br>Committee | <br>Ömer Mert<br>General<br>Manager and<br>Member of the<br>Board of<br>Directors | <br>Elif Aİsev<br>Utku Özbey<br>Deputy<br>General Manager | <br>Ayşe<br>Akdaş<br>Department<br>Head<br>Financial<br>Control<br>and<br>Reporting |
|---|--|---|---|--|--|

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

Name-Surname/Title : **Ayşe Akdaş** / Financial Control and Reporting Department Head  
Telephone Number : (212) 381 84 88  
Fax Number : (212) 258 37 78

|  |  |    |
|--|--|----|
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# FİBABANKA A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018

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

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### SECTION ONE

#### GENERAL INFORMATION

##### **I. History of the Parent Bank including its incorporation date, initial status and amendments to the initial status**

On 21 December 2001, Share Transfer Agreement was signed with Novabank S.A. for the sale of all shares of Sitebank A.Ş. under the control of SDIF and the sale transaction was approved by the decision of BRSA numbered 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.’s share of capital increased from 95% to 97.6% after the capital increase during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97.6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2.4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. There were sales of equity shares to the management of the Bank in 2013. As of March 31, 2018 the total shares held by the Bank’s Management represent 0.57% of the Bank’s Capital.

The Parent Bank, applied to the BRSA on 14 January 2015 for permission of the subordinated loan provided from Fiba Holding A.Ş. in the amount of USD 50 million to be converted to share capital. Following the authorization of the BRSA on 4 March 2015, the Board of Directors decision was taken on 5 March 2015 regarding share capital increase from TL 550,000 to TL 678,860. TL 127,045 of the increase was provided by the subordinated loan granted by Fiba Holding A.Ş. which had been approved to be converted to capital and TL 1,815 of total capital was paid in cash by the other shareholders, capital increase was recognised in financial statements following the completion of the legal procedures on 7 May 2015.

The Parent Bank’s paid-in capital amount of 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 to TL 168,655 in total. In addition, share issuance premium of TL 73,379 was recognised in the shareholders’ equity.

**FİBABANKA A.Ş. AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018**

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

**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 (continued)**

The Parent Bank’s paid-in capital amounting to TL 847,515 was increased to TL 941,161 on 7 September 2016 with the capital contribution of TurkFinance B.V. by TL 93,646. In addition, TL 55,299 was recorded to the equity as share premium. As of 31 March 2018, paid-in capital of The Parent Bank is TL 941,161 and all paid in.

**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**

| <b><u>Name Surname</u></b>               | <b><u>Title</u></b>                                  | <b><u>Assignment Date</u></b> |
|--|--|-------------------------------|
| <b><i>Board of Directors</i></b>         |  |                               |
| Hüsnü Mustafa Özyeğin                    | Chairman   | 27-Dec-10                     |
| Fevzi Bozer                              | Deputy Chairman                                      | 27-Dec-10                     |
| Mehmet Güleşci                           | Member   | 27-Dec-10                     |
| Mevlüt Hamdi Aydın                       | Member   | 24-Jan-13                     |
| İsmet Kaya Erdem                         | Member   | 11-Feb-13                     |
| Memduh Aslan Akçay                       | Member   | 13-Apr-16                     |
| Selçuk Yorgancıoğlu                      | Member   | 22-Sep-16                     |
| Hülya Kefeli                             | Member   | 15-May-17                     |
| Ömer Mert                                | General Manager - Member                             | 18-Jan-17                     |
| <b><i>Audit Committee</i></b>            |  |                               |
| Fevzi Bozer                              | Member   | 27-Dec-10                     |
| Mevlüt Hamdi Aydın                       | Member   | 24-Jan-13                     |
| <b><i>Assistant General Managers</i></b> |  |                               |
| Elif Alsev Utku Özbey                    | Deputy GM - Financial Control & Reporting            | 07-Jan-11                     |
| Adem Aykın                               | AGM - Information Technologies                       | 01-Jul-11                     |
| Sezin Erken                              | AGM - Consumer Banking & Funding Resource Management | 10-Aug-17                     |
| Kerim Lokman Kuriş                       | AGM - Corporate & Commercial Banking                 | 01-Dec-15                     |
| Turgay Hasdikler                         | AGM - Credits  | 01-Dec-15                     |
| Ahu Dolu                                 | AGM - Financial Institutions and Project Finance     | 01-Dec-15                     |
| Orhan Hatipoğlu                          | AGM – Banking Operations & Supporting Services       | 02-Jan-17                     |
| Ömer Rifat Gencal                        | AGM – Treasury                                       | 01-May-17                     |
| Gerçek Önal                              | Chief Legal Officer                                  | 01-Feb-16                     |

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 2018

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

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

| Name Surname/ Commercial Title | Share Amount (Nominal) | Share Ratios | Paid in Capital (Nominal) | Unpaid Shares |
|--------------------------------|------------------------|--------------|---------------------------|---------------|
| Fiba Holding A.Ş.              | 673,456                | 71.56%       | 673,456                   | --            |
| Hüsnü Mustafa Özyeğin          | 666,739                | 70.84%       | 666,739                   | --            |

#### 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. The Head Office of the Bank is located in Istanbul, Turkey. As of 31 March 2018, the Bank serves with 83 domestic branches and 1,684 employees.

#### VI. Other Information

|                                   |  |
|-----------------------------------|--|
| The Bank's Commercial Title:      | Fibabanka Anonim Şirketi                                       |
| The Bank's Head Office Address:   | Esentepe Mah. Büyükdere Caddesi<br>No:129 Şişli 34394 İstanbul |
| The Bank's Phone and Fax Numbers: | Telephone: (0212) 381 82 82<br>Fax : (0212) 258 37 78          |
| The Bank's Web Site Address:      | www.fibabanka.com.tr   |
| The Bank's E-Mail Address:        | malikontrol@fibabanka.com.tr                                   |
| Reporting Period:                 | 1 January 2018 – 31 March 2018                                 |

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

#### VII. Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods

As per the Regulation on Preparation of Consolidated Financial Statements of Banks, the investments in financial affiliates are subject to consolidation whereas as per the Turkish Accounting Standards, the investments in both financial and non-financial subsidiaries are subject to consolidation. There are no investments in entities subject to proportional consolidation or to deduction from equity.

#### VIII. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries

None.

**SECTION TWO**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**FİBANKA A.Ş. AND ITS SUBSIDIARY**
**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS OF 31 MARCH 2018**

(Amounts expressed in thousands of Turkish Lira (TL).)

| ASSETS  | Footnotes | CURRENT PERIOD<br>(31/03/2018) |                  |                   |
|---|-----------|--------------------------------|------------------|-------------------|
|   |           | TL                             | FC               | Total             |
| <b>I. FINANCIAL ASSETS (Net)</b>  |           | <b>2,003,824</b>               | <b>2,958,496</b> | <b>4,962,320</b>  |
| <b>1.1 Cash and Cash Equivalents</b>  | (5.1.1)   | <b>882,063</b>                 | <b>2,331,399</b> | <b>3,213,462</b>  |
| 1.1.1 Cash and Balances at Central Bank   |           | 872,237                        | 2,260,161        | 3,132,398         |
| 1.1.2 Banks   | (5.1.3)   | 9,826                          | 71,238           | 81,064            |
| 1.1.3 Money Market Placements   |           | -                              | -                | -                 |
| <b>1.2 Financial Assets Measured at Fair Value Through Profit or Loss</b>                   | (5.1.2)   | <b>65,671</b>                  | <b>5,030</b>     | <b>70,701</b>     |
| 1.2.1 Government Debt Securities  |           | 18,829                         | 4,179            | 23,008            |
| 1.2.2 Equity Securities   |           | -                              | -                | -                 |
| 1.2.3 Other Financial Assets  |           | 46,842                         | 851              | 47,693            |
| <b>1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>       | (5.1.4)   | <b>26,748</b>                  | <b>609,196</b>   | <b>635,944</b>    |
| 1.3.1 Government Debt Securities  |           | 14,195                         | 12,543           | 26,738            |
| 1.3.2 Equity Securities   |           | -                              | 1,891            | 1,891             |
| 1.3.3 Other Financial Assets  |           | 12,553                         | 594,762          | 607,315           |
| <b>1.4 Financial Assets Measured at Amortised Cost</b>                                      | (5.1.6)   | <b>164,879</b>                 | <b>-</b>         | <b>164,879</b>    |
| 1.4.1 Government Debt Securities  |           | 164,879                        | -                | 164,879           |
| 1.4.2 Other Financial Assets  |           | -                              | -                | -                 |
| <b>1.5 Derivative Financial Assets</b>  |           | <b>867,115</b>                 | <b>12,871</b>    | <b>879,986</b>    |
| 1.5.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss            |           | 867,115                        | 12,871           | 879,986           |
| 1.5.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income |           | -                              | -                | -                 |
| <b>1.6 Non-Performing Financial Assets</b>  |           | <b>14,167</b>                  | <b>-</b>         | <b>14,167</b>     |
| <b>1.7 Expected Credit Loss (-)</b>   |           | <b>16,819</b>                  | <b>-</b>         | <b>16,819</b>     |
| <b>II. LOANS (Net)</b>  |           | <b>10,355,676</b>              | <b>5,160,937</b> | <b>15,516,613</b> |
| <b>2.1 Loans</b>  | (5.1.5)   | <b>10,442,692</b>              | <b>5,160,937</b> | <b>15,603,629</b> |
| 2.1.1 Loans Measured at Amortised Cost  |           | 9,457,309                      | 5,160,937        | 14,618,246        |
| 2.1.2 Loans Measured at Fair Value Through Profit or Loss                                   |           | 985,383                        | -                | 985,383           |
| 2.1.3 Loans Measured at Fair Value Through Other Comprehensive Income                       |           | -                              | -                | -                 |
| <b>2.2 Lease Receivables</b>  | (5.1.10)  | <b>-</b>                       | <b>-</b>         | <b>-</b>          |
| 2.2.1 Finance Lease Receivables   |           | -                              | -                | -                 |
| 2.2.2 Operating Lease Receivables   |           | -                              | -                | -                 |
| 2.2.3 Unearned Income ( - )   |           | -                              | -                | -                 |
| <b>2.3 Factoring Receivables</b>  | (5.1.5)   | <b>22,701</b>                  | <b>-</b>         | <b>22,701</b>     |
| 2.3.1 Factoring Receivables Measured at Amortised Cost                                      |           | 22,701                         | -                | 22,701            |
| 2.3.2 Factoring Receivables Measured at Fair Value Through Profit or Loss                   |           | -                              | -                | -                 |
| 2.3.3 Factoring Receivables Measured at Fair Value Through Other Comprehensive Income       |           | -                              | -                | -                 |
| <b>2.4 Non-Performing Loans</b>   |           | <b>562,739</b>                 | <b>-</b>         | <b>562,739</b>    |
| <b>2.5 Expected Credit Loss (-)</b>   |           | <b>672,456</b>                 | <b>-</b>         | <b>672,456</b>    |
| 2.5.1 12- Month Expected Credit Loss (Stage 1)  |           | 111,782                        | -                | 111,782           |
| 2.5.2 Significant Increase in Credit Risk (Stage 2)   |           | 180,631                        | -                | 180,631           |
| 2.5.3 Credit-Impaired (Stage 3)   |           | 380,043                        | -                | 380,043           |
| <b>III. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>                          | (5.1.16)  | <b>38,704</b>                  | <b>-</b>         | <b>38,704</b>     |
| 3.1 Assets Held for Sale  |           | 38,704                         | -                | 38,704            |
| 3.2 Assets of Discontinued Operations   |           | -                              | -                | -                 |
| <b>IV. EQUITY INVESTMENTS</b>   |           | <b>9,897</b>                   | <b>-</b>         | <b>9,897</b>      |
| <b>4.1 Investments in Associates (net)</b>  | (5.1.7)   | <b>9,897</b>                   | <b>-</b>         | <b>9,897</b>      |
| 4.1.1 Associates Accounted by Using Equity Method   |           | -                              | -                | -                 |
| 4.1.2 Unconsolidated Associates   |           | 9,897                          | -                | 9,897             |
| <b>4.2 Investments in Subsidiaries (net)</b>  | (5.1.8)   | <b>-</b>                       | <b>-</b>         | <b>-</b>          |
| 4.2.1 Unconsolidated Financial Subsidiaries   |           | -                              | -                | -                 |
| 4.2.2 Unconsolidated Non-Financial Subsidiaries   |           | -                              | -                | -                 |
| <b>4.3 Joint Ventures (net)</b>   | (5.1.9)   | <b>-</b>                       | <b>-</b>         | <b>-</b>          |
| 4.3.1 Joint Ventures Accounted by Using Equity Method                                       |           | -                              | -                | -                 |
| 4.3.2 Unconsolidated Joint Ventures   |           | -                              | -                | -                 |
| <b>V. TANGIBLE ASSETS (Net)</b>   | (5.1.12)  | <b>192,064</b>                 | <b>-</b>         | <b>192,064</b>    |
| <b>VI. INTANGIBLE ASSETS (Net)</b>  | (5.1.13)  | <b>7,391</b>                   | <b>-</b>         | <b>7,391</b>      |
| 6.1 Goodwill  |           | -                              | -                | -                 |
| 6.2 Other   |           | 7,391                          | -                | 7,391             |
| <b>VII. INVESTMENT PROPERTY (Net)</b>   | (5.1.14)  | <b>-</b>                       | <b>-</b>         | <b>-</b>          |
| <b>VIII. CURRENT TAX ASSET</b>  |           | <b>345</b>                     | <b>-</b>         | <b>345</b>        |
| <b>IX. DEFERRED TAX ASSET</b>   | (5.1.15)  | <b>100,074</b>                 | <b>-</b>         | <b>100,074</b>    |
| <b>X. OTHER ASSETS</b>  | (5.1.17)  | <b>121,864</b>                 | <b>19,554</b>    | <b>141,418</b>    |
| <b>TOTAL ASSETS</b>   |           | <b>12,829,839</b>              | <b>8,138,987</b> | <b>20,968,826</b> |

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

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**
**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS OF 31 DECEMBER 2017**

(Amounts expressed in thousands of Turkish Lira (TL).)

| ASSETS   | Footnotes | PRIOR PERIOD<br>(31/12/2017) |                  |                   |
|--|-----------|------------------------------|------------------|-------------------|
|  |           | TL                           | FC               | Total             |
| <b>I. CASH AND BALANCES WITH CENTRAL BANK</b>                          | (5.I.1)   | <b>275,601</b>               | <b>2,211,655</b> | <b>2,487,256</b>  |
| <b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b> | (5.I.2)   | <b>1,332,566</b>             | <b>11,467</b>    | <b>1,344,033</b>  |
| 2.1 Financial Assets Held for Trading                                  |           | 732,410                      | 11,467           | 743,877           |
| 2.1.1 Public Sector Debt Securities                                    |           | 18,450                       | 4,174            | 22,624            |
| 2.1.2 Share Certificates   |           | -                            | -                | -                 |
| 2.1.3 Positive Value of Trading Purpose Derivatives                    |           | 682,024                      | 6,477            | 688,501           |
| 2.1.4 Other Securities   |           | 31,936                       | 816              | 32,752            |
| 2.2 Financial Assets Designated at Fair Value                          |           | 600,156                      | -                | 600,156           |
| 2.2.1 Public Sector Debt Securities                                    |           | -                            | -                | -                 |
| 2.2.2 Share Certificates   |           | -                            | -                | -                 |
| 2.2.3 Loans  |           | 600,156                      | -                | 600,156           |
| 2.2.4 Other Securities   |           | -                            | -                | -                 |
| <b>III. BANKS</b>  | (5.I.3)   | <b>48,135</b>                | <b>271,881</b>   | <b>320,016</b>    |
| <b>IV. DUE FROM MONEY MARKETS</b>                                      |           | <b>-</b>                     | <b>376,334</b>   | <b>376,334</b>    |
| 4.1 Interbank Money Market   |           | -                            | -                | -                 |
| 4.2 Istanbul Stock Exchange  |           | -                            | 376,334          | 376,334           |
| 4.3 Reverse Repurchase Agreements                                      |           | -                            | -                | -                 |
| <b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>                    | (5.I.4)   | <b>184,756</b>               | <b>581,407</b>   | <b>766,163</b>    |
| 5.1 Share Certificates   |           | -                            | 1,727            | 1,727             |
| 5.2 Public Sector Debt Securities                                      |           | 167,708                      | 12,147           | 179,855           |
| 5.3 Other Securities   |           | 17,048                       | 567,533          | 584,581           |
| <b>VI. LOANS AND RECEIVABLES</b>                                       | (5.I.5)   | <b>9,627,446</b>             | <b>4,860,555</b> | <b>14,488,001</b> |
| 6.1 Loans and Receivables  |           | 9,329,948                    | 4,860,555        | 14,190,503        |
| 6.1.1 Loans Utilized to the Bank's Risk Group                          |           | 4,714                        | 72               | 4,786             |
| 6.1.2 Public Sector Debt Securities                                    |           | -                            | -                | -                 |
| 6.1.3 Others   |           | 9,325,234                    | 4,860,483        | 14,185,717        |
| 6.2 Loans under Follow-Up  |           | 468,493                      | -                | 468,493           |
| 6.3 Specific Provisions (-)  |           | 170,995                      | -                | 170,995           |
| <b>VII. FACTORING RECEIVABLES</b>                                      |           | <b>-</b>                     | <b>-</b>         | <b>-</b>          |
| <b>VIII. INVESTMENT HELD TO MATURITY (Net)</b>                         | (5.I.6)   | <b>-</b>                     | <b>-</b>         | <b>-</b>          |
| 8.1 Public Sector Debt Securities                                      |           | -                            | -                | -                 |
| 8.2 Other Securities   |           | -                            | -                | -                 |
| <b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>                             | (5.I.7)   | <b>4,897</b>                 | <b>-</b>         | <b>4,897</b>      |
| 9.1 Associates accounted for Under Equity Method                       |           | -                            | -                | -                 |
| 9.2 Unconsolidated Associates  |           | 4,897                        | -                | 4,897             |
| 9.2.1 Financial Associates   |           | 4,897                        | -                | 4,897             |
| 9.2.2 Non-Financial Associates   |           | -                            | -                | -                 |
| <b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>                            | (5.I.8)   | <b>-</b>                     | <b>-</b>         | <b>-</b>          |
| 10.1 Unconsolidated Financial Subsidiaries                             |           | -                            | -                | -                 |
| 10.2 Unconsolidated Non-Financial Subsidiaries                         |           | -                            | -                | -                 |
| <b>XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)</b>           | (5.I.9)   | <b>-</b>                     | <b>-</b>         | <b>-</b>          |
| 11.1 Joint Ventures accounted for Under Equity Method                  |           | -                            | -                | -                 |
| 11.2 Unconsolidated Joint Ventures                                     |           | -                            | -                | -                 |
| 11.2.1 Financial Joint Ventures  |           | -                            | -                | -                 |
| 11.2.2 Non-Financial Joint Ventures                                    |           | -                            | -                | -                 |
| <b>XII. LEASE RECEIVABLES (Net)</b>                                    | (5.I.10)  | <b>-</b>                     | <b>-</b>         | <b>-</b>          |
| 12.1 Financial Lease Receivables                                       |           | -                            | -                | -                 |
| 12.2 Operational Lease Receivables                                     |           | -                            | -                | -                 |
| 12.3 Others  |           | -                            | -                | -                 |
| 12.4 Unearned Income (-)   |           | -                            | -                | -                 |
| <b>XIII. HEDGING PURPOSE DERIVATIVES</b>                               | (5.I.11)  | <b>17,902</b>                | <b>-</b>         | <b>17,902</b>     |
| 13.1 Fair Value Hedge  |           | 17,902                       | -                | 17,902            |
| 13.2 Cash Flow Hedge   |           | -                            | -                | -                 |
| 13.3 Hedging of a Net Investment in Foreign Subsidiaries               |           | -                            | -                | -                 |
| <b>XIV. TANGIBLE ASSETS (Net)</b>                                      | (5.I.12)  | <b>191,962</b>               | <b>-</b>         | <b>191,962</b>    |
| <b>XV. INTANGIBLE ASSETS (Net)</b>                                     | (5.I.13)  | <b>5,948</b>                 | <b>-</b>         | <b>5,948</b>      |
| 15.1 Goodwill  |           | -                            | -                | -                 |
| 15.2 Others  |           | 5,948                        | -                | 5,948             |
| <b>XVI. INVESTMENT PROPERTIES (Net)</b>                                | (5.I.14)  | <b>-</b>                     | <b>-</b>         | <b>-</b>          |
| <b>XVII. TAX ASSET</b>   |           | <b>9,831</b>                 | <b>-</b>         | <b>9,831</b>      |
| 17.1 Current Tax Assets  |           | 327                          | -                | 327               |
| 17.2 Deferred Tax Assets   | (5.I.15)  | 9,504                        | -                | 9,504             |
| <b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>   | (5.I.16)  | <b>23,795</b>                | <b>-</b>         | <b>23,795</b>     |
| 18.1 Held for Sale   |           | 23,795                       | -                | 23,795            |
| 18.2 Discontinued Operations   |           | -                            | -                | -                 |
| <b>XIX. OTHER ASSETS</b>   | (5.I.17)  | <b>54,254</b>                | <b>21,276</b>    | <b>75,530</b>     |
| <b>TOTAL ASSETS</b>  |           | <b>11,777,093</b>            | <b>8,334,575</b> | <b>20,111,668</b> |

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

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**

**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS OF 31 MARCH 2018**

(Amounts expressed in thousands of Turkish Lira (TL).)

| LIABILITIES   | Footnotes | CURRENT PERIOD    |                   |                   |
|---|-----------|-------------------|-------------------|-------------------|
|   |           | (31/03/2018)      |                   |                   |
|   |           | TL                | FC                | Total             |
| <b>I. DEPOSITS</b>  | (5.II.1)  | <b>6,594,267</b>  | <b>5,112,834</b>  | <b>11,707,101</b> |
| <b>II. FUNDS BORROWED</b>   | (5.II.3)  | <b>21,066</b>     | <b>2,298,623</b>  | <b>2,319,689</b>  |
| <b>III. MONEY MARKET FUNDS</b>  |           |                   | <b>505,229</b>    | <b>505,229</b>    |
| <b>IV. SECURITIES ISSUED (Net)</b>  | (5.II.4)  | <b>1,323,197</b>  | <b>1,197,396</b>  | <b>2,520,593</b>  |
| 4.1 Bills   |           | 1,323,197         | -                 | 1,323,197         |
| 4.2 Asset Backed Securities   |           | -                 | -                 | -                 |
| 4.3 Bonds   |           | -                 | 1,197,396         | 1,197,396         |
| <b>V. FUNDS</b>   |           |                   |                   |                   |
| 5.1 Borrower Funds  |           | -                 | -                 | -                 |
| 5.2 Other   |           | -                 | -                 | -                 |
| <b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>                       |           |                   |                   |                   |
| <b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>  | (5.II.2)  | <b>848,666</b>    | <b>12,873</b>     | <b>861,539</b>    |
| 7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss                   |           | 848,666           | 12,873            | 861,539           |
| 7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income       |           | -                 | -                 | -                 |
| <b>VIII. FACTORING PAYABLES</b>   |           |                   |                   |                   |
| <b>IX. LEASE PAYABLES</b>   | (5.II.6)  |                   | <b>474</b>        | <b>474</b>        |
| 9.1 Financial Lease Payables  |           | -                 | 528               | 528               |
| 9.2 Operating Lease Payables  |           | -                 | -                 | -                 |
| 9.3 Other   |           | -                 | -                 | -                 |
| 9.4 Deferred Financial Lease Expenses ( - )   |           | -                 | 54                | 54                |
| <b>VIII. PROVISIONS</b>   | (5.II.8)  | <b>112,453</b>    |                   | <b>112,453</b>    |
| 10.1 Provisions for Restructuring   |           | -                 | -                 | -                 |
| 10.2 Reserve for Employee Benefits  |           | 25,240            | -                 | 25,240            |
| 10.3 Insurance Technical Reserves (net)   |           | -                 | -                 | -                 |
| 10.4 Other Provisions   |           | 87,213            | -                 | 87,213            |
| <b>XI. CURRENT TAX LIABILITY</b>  | (5.II.9)  | <b>35,449</b>     |                   | <b>35,449</b>     |
| <b>XII. DEFERRED TAX LIABILITY</b>  |           |                   |                   |                   |
| <b>XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>         | (5.II.10) |                   |                   |                   |
| 13.1 Held for Sale  |           | -                 | -                 | -                 |
| 13.2 Related to Discontinued Operations   |           | -                 | -                 | -                 |
| <b>XIV. SUBORDINATED DEBTS</b>  | (5.II.11) |                   | <b>1,226,809</b>  | <b>1,226,809</b>  |
| 14.1 Loans  |           | -                 | 40,154            | 40,154            |
| 14.2 Other Debt Instruments   |           | -                 | 1,186,655         | 1,186,655         |
| <b>XV. OTHER LIABILITIES</b>  | (5.II.5)  | <b>298,208</b>    | <b>191,108</b>    | <b>489,316</b>    |
| <b>XVI. SHAREHOLDERS' EQUITY</b>  | (5.II.12) | <b>1,192,491</b>  | <b>(2,317)</b>    | <b>1,190,174</b>  |
| 16.1 Paid-in Capital  |           | 941,161           | -                 | 941,161           |
| 16.2 Capital Reserves   |           | 128,678           | -                 | 128,678           |
| 16.2.1 Equity Share Premium   |           | 128,678           | -                 | 128,678           |
| 16.2.2 Share Cancellation Profits   |           | -                 | -                 | -                 |
| 16.2.3 Other Capital Reserves   |           | -                 | -                 | -                 |
| 16.3 Accumulated Other Comprehensive Income or Loss not Reclassified Through Profit or Loss |           | (5,131)           | (2,317)           | (7,448)           |
| 16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss     |           | -                 | -                 | -                 |
| 16.5 Profit Reserves  |           | 410,286           | -                 | 410,286           |
| 16.5.1 Legal Reserves   |           | 21,886            | -                 | 21,886            |
| 16.5.2 Statutory Reserves   |           | -                 | -                 | -                 |
| 16.5.3 Extraordinary Reserves   |           | 388,400           | -                 | 388,400           |
| 16.5.4 Other Profit Reserves  |           | -                 | -                 | -                 |
| 16.6 Profit or Loss   |           | (282,558)         | -                 | (282,558)         |
| 16.6.1 Prior Periods' Profit or Loss  |           | (322,629)         | -                 | (322,629)         |
| 16.6.2 Current Period net Profit or Loss  |           | 40,071            | -                 | 40,071            |
| 16.7 Minority Interest  | (5.II.13) | 55                | -                 | 55                |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |           | <b>10,425,797</b> | <b>10,543,029</b> | <b>20,968,826</b> |

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

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**
**CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS OF 31 DECEMBER 2017**

(Amounts expressed in thousands of Turkish Lira (TL).)

| LIABILITIES AND EQUITY                            |  | Footnotes | PRIOR PERIOD      |                  |                   |
|---|--|-----------|-------------------|------------------|-------------------|
|   |  |           | (31/12/2017)      |                  |                   |
|   |  |           | TL                | FC               | Total             |
| <b>I.</b>   | <b>DEPOSITS</b>  | (5.II.1)  | <b>6,371,720</b>  | <b>5,896,185</b> | <b>12,267,905</b> |
| 1.1   | Deposits of the Bank's Risk Group                                      |           | 460,861           | 248,535          | 709,396           |
| 1.2   | Others   |           | 5,910,859         | 5,647,650        | 11,558,509        |
| <b>II.</b>  | <b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>               | (5.II.2)  | <b>742,447</b>    | <b>7,143</b>     | <b>749,590</b>    |
| <b>III.</b>                                       | <b>FUNDS BORROWED</b>  | (5.II.3)  | <b>21,789</b>     | <b>2,063,062</b> | <b>2,084,851</b>  |
| <b>IV.</b>  | <b>DUE TO MONEY MARKETS</b>  |           | <b>3,503</b>      | <b>476,377</b>   | <b>479,880</b>    |
| 4.1   | Interbank Money Market   |           | -                 | -                | -                 |
| 4.2   | İstanbul Stock Exchange  |           | 3,503             | -                | 3,503             |
| 4.3   | Repurchase Agreements  |           | -                 | 476,377          | 476,377           |
| <b>V.</b>   | <b>SECURITIES ISSUED (Net)</b>   | (5.II.4)  | <b>1,255,066</b>  | -                | <b>1,255,066</b>  |
| 5.1   | Bills  |           | 1,255,066         | -                | 1,255,066         |
| 5.2   | Asset backed securities  |           | -                 | -                | -                 |
| 5.3   | Bonds  |           | -                 | -                | -                 |
| <b>VI.</b>  | <b>FUNDS</b>   |           | -                 | -                | -                 |
| 6.1   | Borrower funds   |           | -                 | -                | -                 |
| 6.2   | Other  |           | -                 | -                | -                 |
| <b>VII.</b>                                       | <b>SUNDRY CREDITORS</b>  | (5.II.5)  | <b>219,012</b>    | <b>93,520</b>    | <b>312,532</b>    |
| <b>VIII.</b>                                      | <b>OTHER EXTERNAL RESOURCES</b>  | (5.II.5)  | <b>74,439</b>     | <b>28,763</b>    | <b>103,202</b>    |
| <b>IX.</b>  | <b>FACTORING PAYABLES</b>  |           | -                 | -                | -                 |
| <b>X.</b>   | <b>LEASE LIABILITIES</b>   | (5.II.6)  | -                 | <b>469</b>       | <b>469</b>        |
| 10.1  | Financial lease payables   |           | -                 | 526              | 526               |
| 10.2  | Operating lease payables   |           | -                 | -                | -                 |
| 10.3  | Other  |           | -                 | -                | -                 |
| 10.4  | Deferred financial lease expenses ( - )                                |           | -                 | 57               | 57                |
| <b>XI.</b>  | <b>HEDGING PURPOSE DERIVATIVES</b>                                     | (5.II.7)  | <b>3,664</b>      | -                | <b>3,664</b>      |
| 11.1  | Fair Value Hedge   |           | 3,664             | -                | 3,664             |
| 11.2  | Cash Flow Hedge  |           | -                 | -                | -                 |
| 11.3  | Hedging of a Net Investment in Foreign Subsidiaries                    |           | -                 | -                | -                 |
| <b>XII.</b>                                       | <b>PROVISIONS</b>  | (5.II.8)  | <b>153,080</b>    | -                | <b>153,080</b>    |
| 12.1  | General Provisions   |           | 70,580            | -                | 70,580            |
| 12.2  | Restructuring Provisions   |           | -                 | -                | -                 |
| 12.3  | Reserve for Employee Benefits  |           | 21,393            | -                | 21,393            |
| 12.4  | Insurance Technical Provisions (Net)                                   |           | -                 | -                | -                 |
| 12.5  | Other Provisions   |           | 61,107            | -                | 61,107            |
| <b>XIII.</b>                                      | <b>TAX LIABILITIES</b>   | (5.II.9)  | <b>42,256</b>     | -                | <b>42,256</b>     |
| 13.1  | Current Tax Liability  |           | 42,256            | -                | 42,256            |
| 13.2  | Deferred Tax Liability   |           | -                 | -                | -                 |
| <b>XIV.</b>                                       | <b>SALE AND DISCONTINUED OPERATIONS (Net)</b>                          | (5.II.10) | -                 | -                | -                 |
| 14.1  | Held for sale  |           | -                 | -                | -                 |
| 14.2  | Discontinued Operations  |           | -                 | -                | -                 |
| <b>XV.</b>  | <b>SUBORDINATED LOANS</b>  | (5.II.11) | -                 | <b>1,194,561</b> | <b>1,194,561</b>  |
| <b>XVI.</b>                                       | <b>SHAREHOLDERS' EQUITY</b>  | (5.II.12) | <b>1,462,398</b>  | <b>2,214</b>     | <b>1,464,612</b>  |
| <b>16.1</b>                                       | <b>Paid-in capital</b>   |           | <b>941,161</b>    | -                | <b>941,161</b>    |
| <b>16.2</b>                                       | <b>Capital reserves</b>  |           | <b>110,929</b>    | <b>2,214</b>     | <b>113,143</b>    |
| 16.2.1  | Equity share premium   |           | <b>128,678</b>    | -                | 128,678           |
| 16.2.2  | Share cancellation profits   |           | -                 | -                | -                 |
| 16.2.3  | Securities Revaluation Reserve   |           | (13,113)          | 2,214            | (10,899)          |
| 16.2.4  | Revaluation Fund on Tangible Assets                                    |           | -                 | -                | -                 |
| 16.2.5  | Revaluation Fund on Intangible Assets                                  |           | -                 | -                | -                 |
| 16.2.6  | Revaluation Fund on Investment Properties                              |           | -                 | -                | -                 |
| 16.2.7  | Bonus Shares Obtained from Associates, Subsidiaries and Joint Ventures |           | -                 | -                | -                 |
| 16.2.8  | Hedging Fund (Effective Portion)                                       |           | -                 | -                | -                 |
| 16.2.9  | Revaluation Fund on Assets Held for Sale and Discontinued Operations   |           | -                 | -                | -                 |
| 16.2.10   | Other Supplementary Capital  |           | (4,636)           | -                | (4,636)           |
| <b>16.3</b>                                       | <b>Profit reserves</b>   |           | <b>243,284</b>    | -                | <b>243,284</b>    |
| 16.3.1  | Legal Reserves   |           | 13,535            | -                | 13,535            |
| 16.3.2  | Statutory Reserves   |           | -                 | -                | -                 |
| 16.3.3  | Extraordinary reserves   |           | 229,749           | -                | 229,749           |
| 16.3.4  | Other profit reserves  |           | -                 | -                | -                 |
| <b>16.4</b>                                       | <b>Profit or loss</b>  |           | <b>166,970</b>    | -                | <b>166,970</b>    |
| 16.4.1  | Prior years' profits or losses   |           | (158)             | -                | (158)             |
| 16.4.2  | Current period net profit or loss                                      |           | 167,128           | -                | 167,128           |
| <b>16.5</b>                                       | <b>Minority Shares</b>   | (5.II.13) | <b>54</b>         | -                | <b>54</b>         |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |  |           | <b>10,349,374</b> | <b>9,762,294</b> | <b>20,111,668</b> |

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

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**
**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS  
AS OF 31 MARCH 2018**

(Amounts expressed in thousands of Turkish Lira (TL).)

|  | Footnotes | CURRENT PERIOD<br>(31/03/2018) |                   |                    |
|--|-----------|--------------------------------|-------------------|--------------------|
|  |           | TL                             | FC                | Total              |
| <b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>                       |           | <b>18,095,321</b>              | <b>29,752,033</b> | <b>47,847,354</b>  |
| <b>I. GUARANTEES AND WARRANTIES</b>                                      | (5.III.1) | <b>631,134</b>                 | <b>1,203,337</b>  | <b>1,834,471</b>   |
| 1.1. Letters of Guarantee  |           | 631,134                        | 312,142           | 943,276            |
| 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  |           | 631,134                        | 312,142           | 943,276            |
| 1.2. Bank Acceptances  |           | -                              | 473,585           | 473,585            |
| 1.2.1. Import Letter of Acceptance                                       |           | -                              | -                 | -                  |
| 1.2.2. Other Bank Acceptances  |           | -                              | 473,585           | 473,585            |
| 1.3. Letters of Credit   |           | -                              | 417,610           | 417,610            |
| 1.3.1. Documentary Letters of Credit                                     |           | -                              | -                 | -                  |
| 1.3.2. Other Letters of Credit   |           | -                              | 417,610           | 417,610            |
| 1.4. Prefinancing Given as Guarantee                                     |           | -                              | -                 | -                  |
| 1.5. Endorsements  |           | -                              | -                 | -                  |
| 1.5.1. Endorsements to the Central Bank of Turkey                        |           | -                              | -                 | -                  |
| 1.5.2. Other Endorsements  |           | -                              | -                 | -                  |
| 1.6. Purchase Guarantees for Securities Issued                           |           | -                              | -                 | -                  |
| 1.7. Factoring Guarantees  |           | -                              | -                 | -                  |
| 1.8. Other Guarantees  |           | -                              | -                 | -                  |
| 1.9. Other Collaterals   |           | -                              | -                 | -                  |
| <b>II. COMMITMENTS</b>   | (5.III.1) | <b>2,015,165</b>               | <b>1,256,319</b>  | <b>3,271,484</b>   |
| 2.1. Irrevocable Commitments   |           | 2,015,165                      | 1,256,319         | 3,271,484          |
| 2.1.1. Asset Purchase and Sale Commitments                               |           | 1,187,804                      | 1,256,319         | 2,444,123          |
| 2.1.2. Deposit Purchase and Sales Commitments                            |           | -                              | -                 | -                  |
| 2.1.3. Share Capital Commitments to Associates and Subsidiaries          |           | -                              | -                 | -                  |
| 2.1.4. Loan Granting Commitments   |           | 445,920                        | -                 | 445,920            |
| 2.1.5. Securities Issuance Brokerage Commitments                         |           | -                              | -                 | -                  |
| 2.1.6. Commitments for Reserve Requirements                              |           | -                              | -                 | -                  |
| 2.1.7. Commitments for Cheque Payments                                   |           | 252,084                        | -                 | 252,084            |
| 2.1.8. Tax and Fund Liabilities from Export Commitments                  |           | 5,682                          | -                 | 5,682              |
| 2.1.9. Commitments for Credit Card Limits                                |           | 120,521                        | -                 | 120,521            |
| 2.1.10. Commitments for Credit Cards and Banking Services Promotions     |           | 1                              | -                 | 1                  |
| 2.1.11. Receivables from Short Sale Commitments of Marketable Securities |           | -                              | -                 | -                  |
| 2.1.12. Payables for Short Sale Commitments of Marketable Securities     |           | -                              | -                 | -                  |
| 2.1.13. Other Irrevocable Commitments                                    |           | 3,153                          | -                 | 3,153              |
| 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>15,449,022</b>              | <b>27,292,377</b> | <b>42,741,399</b>  |
| 3.1. Hedging Derivative Financial Instruments                            |           | 482,049                        | 533,102           | 1,015,151          |
| 3.1.1. Fair Value Hedges   |           | 482,049                        | 533,102           | 1,015,151          |
| 3.1.2. Cash Flow Hedges  |           | -                              | -                 | -                  |
| 3.1.3. Net Foreign Investment Hedges                                     |           | -                              | -                 | -                  |
| 3.2. Trading Derivative Financial Instruments                            |           | 14,966,973                     | 26,759,275        | 41,726,248         |
| 3.2.1. Forward Foreign Currency Buy/Sell Transactions                    |           | 3,062,819                      | 4,883,106         | 7,945,925          |
| 3.2.1.1. Forward Foreign Currency Transactions-Buy                       |           | 1,488,052                      | 2,484,861         | 3,972,913          |
| 3.2.1.2. Forward Foreign Currency Transactions-Sell                      |           | 1,574,767                      | 2,398,245         | 3,973,012          |
| 3.2.2. Currency and Interest Rate Swaps                                  |           | 6,114,585                      | 13,713,316        | 19,827,901         |
| 3.2.2.1. Currency Swaps-Buy  |           | 2,093,453                      | 7,785,513         | 9,878,966          |
| 3.2.2.2. Currency Swaps-Sell   |           | 3,971,132                      | 5,927,803         | 9,898,935          |
| 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. Currency, Interest Rate and Securities Options                    |           | 5,751,919                      | 8,118,698         | 13,870,617         |
| 3.2.3.1. Currency Options-Buy  |           | 2,995,971                      | 3,939,451         | 6,935,422          |
| 3.2.3.2. Currency Options-Sell   |           | 2,755,948                      | 4,179,247         | 6,935,195          |
| 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. Currency Futures  |           | -                              | -                 | -                  |
| 3.2.4.1. Currency Futures-Buy  |           | -                              | -                 | -                  |
| 3.2.4.2. 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   |           | 37,650                         | 44,155            | 81,805             |
| <b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>                         |           | <b>107,637,874</b>             | <b>44,896,927</b> | <b>152,534,801</b> |
| <b>IV. ITEMS HELD IN CUSTODY</b>   |           | <b>1,791,208</b>               | <b>292,832</b>    | <b>2,084,040</b>   |
| 4.1. Customer Fund and Portfolio Balances                                |           | 192,597                        | -                 | 192,597            |
| 4.2. Investment Securities Held in Custody                               |           | 289,702                        | 104,935           | 394,637            |
| 4.3. Cheques Received for Collection                                     |           | 842,073                        | 130,275           | 972,348            |
| 4.4. Commercial Notes Received for Collection                            |           | 152,656                        | 57,622            | 210,278            |
| 4.5. Other Assets Received for Collection                                |           | -                              | -                 | -                  |
| 4.6. Assets Received for Public Offering                                 |           | -                              | -                 | -                  |
| 4.7. Other Items Under Custody   |           | 314,180                        | -                 | 314,180            |
| 4.8. Custodians  |           | -                              | -                 | -                  |
| <b>V. PLEDGES RECEIVED</b>   |           | <b>105,846,666</b>             | <b>44,604,095</b> | <b>150,450,761</b> |
| 5.1. Securities  |           | 191,070                        | 37,653            | 228,723            |
| 5.2. Guarantee Notes   |           | 163,478                        | 190,239           | 353,717            |
| 5.3. Commodity   |           | -                              | -                 | -                  |
| 5.4. Warranty  |           | -                              | -                 | -                  |
| 5.5. Immovables  |           | 9,640,919                      | 6,689,136         | 16,330,055         |
| 5.6. Other Pledged Items   |           | 95,851,199                     | 37,687,067        | 133,538,266        |
| 5.7. Pledged Items-Depository  |           | -                              | -                 | -                  |
| <b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>                      |           | <b>-</b>                       | <b>-</b>          | <b>-</b>           |
| <b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>                         |           | <b>125,733,195</b>             | <b>74,648,960</b> | <b>200,382,155</b> |

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

**FİBANKA A.Ş. AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS  
AS OF 31 DECEMBER 2017**

(Amounts expressed in thousands of Turkish Lira (TL).)

|  | Footnotes | PRIOR PERIOD<br>(31/12/2017) |                   |                    |
|--|-----------|------------------------------|-------------------|--------------------|
|  |           | TL                           | FC                | Total              |
| <b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>                       |           | <b>15,098,165</b>            | <b>26,819,511</b> | <b>41,917,676</b>  |
| <b>I. GUARANTEES AND WARRANTIES</b>                                      | (5.III.1) | <b>759,810</b>               | <b>1,271,184</b>  | <b>2,030,994</b>   |
| 1.1. Letters of Guarantee  |           | 759,390                      | 294,942           | 1,054,332          |
| 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  |           | 759,390                      | 294,942           | 1,054,332          |
| 1.2. Bank Acceptances  |           | 420                          | 421,119           | 421,539            |
| 1.2.1. Import Letter of Acceptance                                       |           | -                            | -                 | -                  |
| 1.2.2. Other Bank Acceptances  |           | 420                          | 421,119           | 421,539            |
| 1.3. Letters of Credit   |           | -                            | 555,123           | 555,123            |
| 1.3.1. Documentary Letters of Credit                                     |           | -                            | -                 | -                  |
| 1.3.2. Other Letters of Credit   |           | -                            | 555,123           | 555,123            |
| 1.4. Prefinancing Given as Guarantee                                     |           | -                            | -                 | -                  |
| 1.5. Endorsements  |           | -                            | -                 | -                  |
| 1.5.1. Endorsements to the Central Bank of Turkey                        |           | -                            | -                 | -                  |
| 1.5.2. Other Endorsements  |           | -                            | -                 | -                  |
| 1.6. Purchase Guarantees for Securities Issued                           |           | -                            | -                 | -                  |
| 1.7. Factoring Guarantees  |           | -                            | -                 | -                  |
| 1.8. Other Guarantees  |           | -                            | -                 | -                  |
| 1.9. Other Collaterals   |           | -                            | -                 | -                  |
| <b>II. COMMITMENTS</b>   | (5.III.1) | <b>1,403,774</b>             | <b>899,493</b>    | <b>2,303,267</b>   |
| 2.1. Irrevocable Commitments   |           | 1,403,774                    | 899,493           | 2,303,267          |
| 2.1.1. Asset Purchase Commitments  |           | 737,529                      | 899,493           | 1,637,022          |
| 2.1.2. Deposit Purchase and Sales Commitments                            |           | -                            | -                 | -                  |
| 2.1.3. Share Capital Commitments to Associates and Subsidiaries          |           | -                            | -                 | -                  |
| 2.1.4. Loan Granting Commitments   |           | 323,365                      | -                 | 323,365            |
| 2.1.5. Securities Issue Brokerage Commitments                            |           | -                            | -                 | -                  |
| 2.1.6. Commitments for Reserve Requirements                              |           | -                            | -                 | -                  |
| 2.1.7. Commitments for Cheque Payments                                   |           | 211,200                      | -                 | 211,200            |
| 2.1.8. Tax and Fund Liabilities from Export Commitments                  |           | 5,070                        | -                 | 5,070              |
| 2.1.9. Commitments for Credit Card Limits                                |           | 123,381                      | -                 | 123,381            |
| 2.1.10. Commitments for Credit Cards and Banking Services Promotions     |           | -                            | -                 | -                  |
| 2.1.11. Receivables from Short Sale Commitments of Marketable Securities |           | -                            | -                 | -                  |
| 2.1.12. Payables for Short Sale Commitments of Marketable Securities     |           | -                            | -                 | -                  |
| 2.1.13. Other Irrevocable Commitments                                    |           | 3,229                        | -                 | 3,229              |
| 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>12,934,581</b>            | <b>24,648,834</b> | <b>37,583,415</b>  |
| 3.1. Hedging Derivative Financial Instruments                            |           | 482,049                      | 509,207           | 991,256            |
| 3.1.1. Fair Value Hedges   |           | 482,049                      | 509,207           | 991,256            |
| 3.1.2. Cash Flow Hedges  |           | -                            | -                 | -                  |
| 3.1.3. Foreign Net Investment Hedges                                     |           | -                            | -                 | -                  |
| 3.2. Trading Derivative Financial Instruments                            |           | 12,452,532                   | 24,139,627        | 36,592,159         |
| 3.2.1. Forward Foreign Currency Buy/Sell Transactions                    |           | 1,929,765                    | 3,365,420         | 5,295,185          |
| 3.2.1.1. Forward Foreign Currency Transactions-Buy                       |           | 918,657                      | 1,731,510         | 2,650,167          |
| 3.2.1.2. Forward Foreign Currency Transactions-Sell                      |           | 1,011,108                    | 1,633,910         | 2,645,018          |
| 3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates  |           | 5,133,914                    | 12,824,125        | 17,958,039         |
| 3.2.2.1. Foreign Currency Swap-Buy                                       |           | 2,340,868                    | 6,587,892         | 8,928,760          |
| 3.2.2.2. Foreign Currency Swap-Sell                                      |           | 2,743,046                    | 6,236,233         | 8,979,279          |
| 3.2.2.3. Interest Rate Swap-Buy  |           | 25,000                       | -                 | 25,000             |
| 3.2.2.4. Interest Rate Swap-Sell   |           | 25,000                       | -                 | 25,000             |
| 3.2.3. Foreign Currency, Interest Rate and Securities Options            |           | 5,310,753                    | 7,874,718         | 13,185,471         |
| 3.2.3.1. Foreign Currency Options-Buy                                    |           | 2,654,127                    | 3,936,025         | 6,590,152          |
| 3.2.3.2. Foreign Currency Options-Sell                                   |           | 2,656,626                    | 3,938,693         | 6,595,319          |
| 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   |           | 78,100                       | 75,364            | 153,464            |
| <b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>                         |           | <b>99,748,531</b>            | <b>41,498,940</b> | <b>141,247,471</b> |
| <b>IV. ITEMS HELD IN CUSTODY</b>   |           | <b>1,464,887</b>             | <b>288,177</b>    | <b>1,753,064</b>   |
| 4.1. Customer Fund and Portfolio Balances                                |           | 128,611                      | -                 | 128,611            |
| 4.2. Investment Securities Held in Custody                               |           | 150,635                      | 116,692           | 267,327            |
| 4.3. Cheques Received for Collection                                     |           | 737,227                      | 91,680            | 828,907            |
| 4.4. Commercial Notes Received for Collection                            |           | 170,178                      | 79,805            | 249,983            |
| 4.5. Other Assets Received for Collection                                |           | -                            | -                 | -                  |
| 4.6. Assets Received for Public Offering                                 |           | -                            | -                 | -                  |
| 4.7. Other Items Under Custody   |           | 278,236                      | -                 | 278,236            |
| 4.8. Custodians  |           | -                            | -                 | -                  |
| <b>V. PLEDGES RECEIVED</b>   |           | <b>98,283,644</b>            | <b>41,210,763</b> | <b>139,494,407</b> |
| 5.1. Marketable Securities   |           | 86,637                       | 150,865           | 237,502            |
| 5.2. Guarantee Notes   |           | 167,345                      | 198,887           | 366,232            |
| 5.3. Commodity   |           | -                            | -                 | -                  |
| 5.4. Warranty  |           | -                            | -                 | -                  |
| 5.5. Immovables  |           | 9,477,490                    | 5,736,845         | 15,214,335         |
| 5.6. Other Pledged Items   |           | 88,552,172                   | 35,124,166        | 123,676,338        |
| 5.7. Pledged Items-Depository  |           | -                            | -                 | -                  |
| <b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>                      |           | <b>-</b>                     | <b>-</b>          | <b>-</b>           |
| <b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>                         |           | <b>114,846,696</b>           | <b>68,318,451</b> | <b>183,165,147</b> |

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

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**
**CONSOLIDATED STATEMENT OF INCOME  
FOR THE PERIOD ENDED 31 MARCH 2018**

(Amounts expressed in thousands of Turkish Lira (TL).)

| INCOME AND EXPENSE ITEMS |  | Footnotes | CURRENT PERIOD<br>(01/01/2018-31/03/2018) |
|--------------------------|--|-----------|---|
| <b>I.</b>                | <b>INTEREST INCOME</b>   | (5.IV.1)  | <b>546,780</b>                            |
| 1.1                      | Interest on Loans  |           | 504,919                                   |
| 1.2                      | Interest on Reserve Deposits   |           | 7,022                                     |
| 1.3                      | Interest on Banks  |           | 21,939                                    |
| 1.4                      | Interest on Money Market Placements  |           | 890                                       |
| 1.5                      | Interest on Marketable Securities Portfolio                                |           | 11,914                                    |
| 1.5.1                    | Financial Assets Measured at Fair Value Through Profit or Loss             |           | 631                                       |
| 1.5.2                    | Financial Assets Measured at Fair Value Through Other Comprehensive Income |           | 7,540                                     |
| 1.5.3                    | Financial Assets Measured at Amortized Cost                                |           | 3,743                                     |
| 1.6                      | Financial Lease Income   |           | -   |
| 1.7                      | Other Interest Income  |           | 96  |
| <b>II.</b>               | <b>INTEREST EXPENSE</b>  |           | <b>358,583</b>                            |
| 2.1                      | Interest on Deposits   | (5.IV.2)  | 255,492                                   |
| 2.2                      | Interest on Funds Borrowed   | (5.IV.2)  | 42,896                                    |
| 2.3                      | Interest on Money Market Transactions                                      |           | 69  |
| 2.4                      | Interest on Securities Issued  | (5.IV.2)  | 57,003                                    |
| 2.5                      | Other Interest Expenses  |           | 3,123                                     |
| <b>III.</b>              | <b>NET INTEREST INCOME (I - II)</b>  |           | <b>188,197</b>                            |
| <b>IV.</b>               | <b>NET FEES AND COMMISSIONS INCOME</b>                                     |           | <b>17,270</b>                             |
| 4.1                      | Fees and Commissions Received  |           | 30,923                                    |
| 4.1.1                    | Non-cash Loans   |           | 3,906                                     |
| 4.1.2                    | Other  | (5.IV.12) | 27,017                                    |
| 4.2                      | Fees and Commissions Paid  |           | 13,653                                    |
| 4.2.1                    | Non-cash Loans   |           | 28  |
| 4.2.2                    | Other  | (5.IV.12) | 13,625                                    |
| <b>V.</b>                | <b>PERSONNEL EXPENSES (-)</b>  |           | <b>55,444</b>                             |
| <b>VI.</b>               | <b>DIVIDEND INCOME</b>   | (5.IV.3)  | -   |
| <b>VII.</b>              | <b>TRADING INCOME / LOSS (Net)</b>   | (5.IV.4)  | <b>(21,888)</b>                           |
| 7.1                      | Trading Gain / Loss on Securities  |           | 1,219                                     |
| 7.2                      | Gain / Loss on Derivative Financial Transactions                           |           | (18,125)                                  |
| 7.3                      | Foreign Exchange Gain / Loss   |           | (4,982)                                   |
| <b>VIII.</b>             | <b>OTHER OPERATING INCOME</b>  | (5.IV.5)  | <b>39,750</b>                             |
| <b>IX.</b>               | <b>TOTAL OPERATING INCOME (III+IV+V+VI+VII+VIII)</b>                       |           | <b>167,885</b>                            |
| <b>X.</b>                | <b>EXPECTED CREDIT LOSS (-)</b>  | (5.IV.6)  | <b>63,020</b>                             |
| <b>XI.</b>               | <b>OTHER OPERATING EXPENSES (-)</b>  | (5.IV.7)  | <b>50,642</b>                             |
| <b>XII.</b>              | <b>NET OPERATING INCOME / LOSS (IX-X-XI)</b>                               |           | <b>54,223</b>                             |
| <b>XIII.</b>             | <b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>                       |           | -   |
| <b>XIV.</b>              | <b>INCOME / LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>              |           | -   |
| <b>XV.</b>               | <b>GAIN / LOSS ON NET MONETARY POSITION</b>                                |           | -   |
| <b>XVI.</b>              | <b>PROFIT /LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)</b>   | (5.IV.8)  | <b>54,223</b>                             |
| <b>XVII.</b>             | <b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>                         | (5.IV.9)  | <b>(14,151)</b>                           |
| 17.1                     | Current Tax Provision  |           | (15)                                      |
| 17.2                     | Deferred Tax Expense Effect (+)  |           | (14,136)                                  |
| 17.3                     | Deferred Tax Income Effect (-)   |           | -   |
| <b>XVIII.</b>            | <b>NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVI±XVII)</b>             | (5.IV.10) | <b>40,072</b>                             |
| <b>XIX.</b>              | <b>PROFIT FROM DISCONTINUED OPERATIONS</b>                                 |           | -   |
| 19.1                     | Income From Assets Held for Sale   |           | -   |
| 19.2                     | Income from Sales of Associates, Subsidiaries and Joint Ventures           |           | -   |
| 19.3                     | Other Income From Discontinued Operations                                  |           | -   |
| <b>XX.</b>               | <b>LOSS FROM DISCONTINUED OPERATIONS (-)</b>                               |           | -   |
| 20.1                     | Expenses on Assets Held for Sale   |           | -   |
| 20.2                     | Expenses from Sales of Associates, Subsidiaries and Joint Ventures         |           | -   |
| 20.3                     | Other Expenses From Discontinued Operations                                |           | -   |
| <b>XXI.</b>              | <b>PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XIX-XX)</b>    |           | -   |
| <b>XXII.</b>             | <b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>                       |           | -   |
| 22.1                     | Current Tax Provision  |           | -   |
| 22.2                     | Deferred Tax Expense Effect (+)  |           | -   |
| 22.3                     | Deferred Tax Income Effect (-)   |           | -   |
| <b>XXIII.</b>            | <b>NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)</b>           |           | -   |
| <b>XXIV.</b>             | <b>NET PROFIT / LOSS (XVIII+XXIII)</b>                                     | (5.IV.11) | <b>40,072</b>                             |
| 24.1                     | Group Profit/Loss  |           | 40,071                                    |
| 24.2                     | Minority Interest  |           | 1   |
|                          | Profit / Loss per Share (Per thousand share)                               |           | 0.00043                                   |

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

**FİBANKA A.Ş. AND ITS SUBSIDIARY**
**CONSOLIDATED STATEMENT OF INCOME  
FOR THE PERIOD ENDED 31 MARCH 2017**

(Amounts expressed in thousands of Turkish Lira (TL).)

| INCOME AND EXPENSE ITEMS |   | Footnotes | PRIOR PERIOD<br>(01/01/2017-31/03/2017) |
|--------------------------|---|-----------|---|
| <b>I.</b>                | <b>INTEREST INCOME</b>  | (5.IV.1)  | <b>369,178</b>                          |
| 1.1                      | Interest from Loans   |           | 340,975                                 |
| 1.2                      | Interest from Reserve Deposits  |           | 3,149                                   |
| 1.3                      | Interest from Banks   |           | 11,165                                  |
| 1.4                      | Interest from Money Market Transactions                                 |           | 759                                     |
| 1.5                      | Interest from Securities Portfolio                                      |           | 13,056                                  |
| 1.5.1                    | Trading Securities  |           | 414                                     |
| 1.5.2                    | Financial Assets at Fair Value Through Profit or Loss                   |           | -                                       |
| 1.5.3                    | Available for Sale Securities   |           | 12,642                                  |
| 1.5.4                    | Held to Maturity Securities   |           | -                                       |
| 1.6                      | Interest from Financial Leases  |           | -                                       |
| 1.7                      | Other Interest Income   |           | 74                                      |
| <b>II.</b>               | <b>INTEREST EXPENSE</b>   |           | <b>232,031</b>                          |
| 2.1                      | Interest on Deposits  | (5.IV.2)  | 179,636                                 |
| 2.2                      | Interest on Funds Borrowed  | (5.IV.2)  | 20,938                                  |
| 2.3                      | Interest Expense on Money Market Transactions                           |           | 14                                      |
| 2.4                      | Interest on Securities Issued   | (5.IV.2)  | 26,944                                  |
| 2.5                      | Other Interest Expenses   |           | 4,499                                   |
| <b>III.</b>              | <b>NET INTEREST INCOME (I - II)</b>                                     |           | <b>137,147</b>                          |
| <b>IV.</b>               | <b>NET FEES AND COMMISSIONS INCOME</b>                                  |           | <b>8,628</b>                            |
| 4.1                      | Fees and Commissions Received   |           | 14,866                                  |
| 4.1.1                    | Non-cash Loans  |           | 2,068                                   |
| 4.1.2                    | Other   | (5.IV.12) | 12,798                                  |
| 4.2                      | Fees and Commissions Paid   |           | 6,238                                   |
| 4.2.1                    | Non-cash Loans  |           | 50                                      |
| 4.2.2                    | Other   | (5.IV.12) | 6,188                                   |
| <b>V.</b>                | <b>DIVIDEND INCOME</b>  | (5.IV.3)  | <b>-</b>                                |
| <b>VI.</b>               | <b>TRADING INCOME / LOSS (Net)</b>                                      | (5.IV.4)  | <b>5,609</b>                            |
| 6.1                      | Profit / Loss on Securities Trading                                     |           | 2,145                                   |
| 6.2                      | Profit / Loss on Derivative Financial Transactions                      |           | 4,961                                   |
| 6.3                      | Foreign Exchange Gains / Losses   |           | (1,497)                                 |
| <b>VII.</b>              | <b>OTHER OPERATING INCOME</b>   | (5.IV.5)  | <b>12,122</b>                           |
| <b>VIII.</b>             | <b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>                         |           | <b>163,506</b>                          |
| <b>IX.</b>               | <b>PROVISION FOR LOANS AND OTHER RECEIVABLES (-)</b>                    | (5.IV.6)  | <b>36,320</b>                           |
| <b>X.</b>                | <b>OTHER OPERATING EXPENSES (-)</b>                                     | (5.IV.7)  | <b>81,865</b>                           |
| <b>XI.</b>               | <b>NET OPERATING PROFIT / LOSS (VII-IX-X)</b>                           |           | <b>45,321</b>                           |
| <b>XII.</b>              | <b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>                   |           | <b>-</b>                                |
| <b>XIII.</b>             | <b>INVESTMENTS PROFIT / LOSS FROM ACCOUNTED FOR UNDER EQUITY METHOD</b> |           | <b>-</b>                                |
| <b>XIV.</b>              | <b>GAIN / LOSS ON NET MONETARY POSITION</b>                             |           | <b>-</b>                                |
| <b>XV.</b>               | <b>P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)</b>         | (5.IV.8)  | <b>45,321</b>                           |
| <b>XVI.</b>              | <b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>                      | (5.IV.9)  | <b>(8,508)</b>                          |
| 16.1                     | Current Tax   |           | (15,314)                                |
| 16.2                     | Deferred Tax  |           | 6,806                                   |
| <b>XVII.</b>             | <b>NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)</b>            | (5.IV.10) | <b>36,813</b>                           |
| <b>XVIII.</b>            | <b>PROFIT FROM DISCONTINUED OPERATIONS</b>                              |           | <b>-</b>                                |
| 18.1                     | Assets Held for Sale  |           | -                                       |
| 18.2                     | Profit from Sales of Associates, Subsidiaries and Joint Ventures        |           | -                                       |
| 18.3                     | Other   |           | -                                       |
| <b>XIX.</b>              | <b>LOSS FROM DISCONTINUED OPERATIONS (-)</b>                            |           | <b>-</b>                                |
| 19.1                     | Assets Held for Sale  |           | -                                       |
| 19.2                     | Profit from Sales of Associates, Subsidiaries and Joint Ventures        |           | -                                       |
| 19.3                     | Other   |           | -                                       |
| <b>XX.</b>               | <b>P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>        |           | <b>-</b>                                |
| <b>XXI.</b>              | <b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>                    |           | <b>-</b>                                |
| 21.1                     | Current Tax   |           | -                                       |
| 21.2                     | Deferred Tax  |           | -                                       |
| <b>XXII.</b>             | <b>NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>          |           | <b>-</b>                                |
| <b>XXIII.</b>            | <b>NET PROFIT / LOSS (XVII+XXII)</b>                                    | (5.IV.11) | <b>36,813</b>                           |
| 23.1                     | Group Profit/Loss   |           | 36,812                                  |
| 23.2                     | Minority Shares   |           | 1                                       |
|                          | Earnings / Losses per Share(Per thousand share)                         |           | 0.00039                                 |

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

**FİBANKA A.Ş. AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF INCOME AND EXPENSES RECOGNIZED UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2018**

(Amounts expressed in thousands of Turkish Lira (TL).)

|   | <b>CURRENT PERIOD</b><br><b>(01/01/2018 - 31/03/2018)</b> |
|---|---|
| <b>I. CURRENT PERIOD INCOME/LOSS</b>  | <b>40,072</b>   |
| <b>II. OTHER COMPREHENSIVE INCOME</b>   | <b>8,087</b>  |
| <b>2.1 Other Comprehensive Income that Will Not be Reclassified to Profit or Loss</b>   | <b>8,087</b>  |
| 2.1.1 Gains (Losses) on Revaluation of Property and Equipment   | -   |
| 2.1.2 Gains (Losses) on Revaluation of Intangible Assets  | -   |
| 2.1.3 Gains (Losses) on Remeasurements of Defined Benefit Plans   | -   |
| 2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss                          | 10,113  |
| 2.1.5 Taxes Relating to Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit or Loss              | (2,026)   |
| <b>2.2 Other Comprehensive Income That Will Be Reclassified To Profit or Loss</b>   | <b>-</b>  |
| 2.2.1 Exchange Differences on Translation   | -   |
| 2.2.2 Valuation and/or Reclassification Profit or Loss From Financial Assets at Fair Value Through Other Comprehensive Income | -   |
| 2.2.3 Income (Loss) Related with Cash Flow Hedges   | -   |
| 2.2.4 Income (Loss) Related with Hedges of Net Investment Foreign Operations  | -   |
| 2.2.5 Other Components of Other Comprehensive Income That Will Be Reclassified To Profit or Loss                              | -   |
| 2.2.6 Tax Relating to Components of Other Comprehensive Income That Will Be Reclassified to Profit or Loss                    | -   |
| <b>III. TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)</b>  | <b>48,159</b>   |

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

**FİBANKA A.Ş. AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF INCOME AND EXPENSES RECOGNIZED UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2017**

(Amounts expressed in thousands of Turkish Lira (TL).)

| INCOME AND EXPENSES RECOGNIZED UNDER SHAREHOLDERS' EQUITY   | PRIOR PERIOD<br>(01/01/2017 - 31/03/2017) |
|---|---|
| <b>I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE</b>                      | <b>6,397</b>                              |
| <b>II. TANGIBLE ASSETS REVALUATION RESERVES</b>   | -   |
| <b>III. INTANGIBLE ASSETS REVALUATION RESERVES</b>  | -   |
| <b>IV. TRANSLATION ADJUSTMENT FOR FOREIGN CURRENCY TRANSACTIONS</b>   | -   |
| <b>V. PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS(Effective Portion of the Changes in the Fair Value)</b>        | -   |
| <b>VI. PROFIT/LOSS ON NET FOREIGN HEDGE DERIVATIVE FINANCIAL ASSETS(Effective Portion)</b>                                      | -   |
| <b>VII. THE EFFECT OF CORRECTIONS OF THE ERRORS AND CHANGES IN ACCOUNTING POLICY</b>  | -   |
| <b>VIII. OTHER INCOME AND EXPENSES RECOGNISED IN EQUITY IN ACCORDANCE WITH TAS</b>  | -   |
| <b>IX. DEFERRED TAX EFFECT OF REVALUATION</b>   | <b>(1,279)</b>                            |
| <b>X. NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY(I+II+...+IX)</b>   | <b>5,118</b>                              |
| <b>XI. PROFIT/LOSS FOR THE PERIOD</b>   | <b>36,812</b>                             |
| 11.1 Net Change in Fair Value of Marketable Securities(Transfer yo Profit/Loss)   | -   |
| 11.2 The Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement              | -   |
| 11.3 The Portion of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement | -   |
| 11.4 Other  | 36,812                                    |
| <b>XII. TOTAL PROFIT/LOSS RECOGNISED FOR THE PERIOD (X+XI)</b>  | <b>41,930</b>                             |

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

**FİBANKA A.Ş. AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY  
FOR THE PERIOD 1 JANUARY – 31 MARCH 2018**

(Amounts expressed in thousands of Turkish Lira (TL).)

| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY                               | Paid-in Capital | Share Premium | Share Certificate Cancellation Profits | Other Capital Reserves | Other Accumulated Comprehensive Income or Expense Reclassified Through Profit and Loss |         |          | Other Accumulated Comprehensive Income Reclassified Through Profit and Loss |   |   | Profit Reserves | Prior Period Net Income / (Loss) | Current Period Net Income / (Loss) | Total Equity Excluding Minority Interests | Minority Interests | Total Equity |
|--|-----------------|---------------|--|------------------------|--|---------|----------|---|---|---|-----------------|----------------------------------|------------------------------------|---|--------------------|--------------|
|  |                 |               |  |                        | 1  | 2       | 3        | 4   | 5 | 6 |                 |                                  |                                    |   |                    |              |
| <b>CURRENT PERIOD (01.01-31.03.2018)</b>                                   |                 |               |  |                        |  |         |          |   |   |   |                 |                                  |                                    |   |                    |              |
| <b>I. Balances at the beginning of the period</b>                          | 941,161         | 128,678       | -                                      | -                      | -  | (4,636) | (10,899) | -   | - | - | 243,284         | (158)                            | 167,128                            | 1,464,558                                 | 54                 | 1,464,612    |
| <b>II. Correction made as per TAS 8 (*)</b>                                | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | (322,597)                        | -                                  | (322,597)                                 | -                  | (322,597)    |
| 2.1 Effect of corrections  | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | -                                | -                                  | -   | -                  | -            |
| 2.2 Effect of changes in accounting policies                               | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | (322,597)                        | -                                  | (322,597)                                 | -                  | (322,597)    |
| <b>III. Adjusted balances at the beginning of the period (I+II)</b>        | 941,161         | 128,678       | -                                      | -                      | -  | (4,636) | (10,899) | -   | - | - | 243,284         | (322,755)                        | 167,128                            | 1,141,961                                 | 54                 | 1,142,015    |
| <b>IV. Total Comprehensive Income</b>                                      | -               | -             | -                                      | -                      | -  | -       | 8,087    | -   | - | - | -               | -                                | 40,071                             | 48,158                                    | -                  | 48,158       |
| <b>V. Capital Increase in Cash</b>   | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | -                                | -                                  | -   | -                  | -            |
| <b>VI. Capital Increase through Internal Reserves</b>                      | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | -                                | -                                  | -   | -                  | -            |
| <b>VII. Capital reserves from inflation adjustments to paid-in capital</b> | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | -                                | -                                  | -   | -                  | -            |
| <b>VIII. Convertible Bonds</b>   | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | -                                | -                                  | -   | -                  | -            |
| <b>IX. Subordinated Debt</b>   | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | -                                | -                                  | -   | -                  | -            |
| <b>X. Increase/Decrease by Other Changes</b>                               | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | -                                | -                                  | -   | -                  | -            |
| <b>XI. Profit distribution</b>   | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | 167,002         | 126                              | (167,128)                          | -   | 1                  | 1            |
| 11.1 Dividends   | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | -                                | -                                  | -   | -                  | -            |
| 11.2 Transfers to reserves   | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | 167,002         | (167,002)                        | -                                  | -   | -                  | -            |
| 11.3 Others  | -               | -             | -                                      | -                      | -  | -       | -        | -   | - | - | -               | 167,128                          | (167,128)                          | -   | 1                  | 1            |
| <b>Balances at the end of the period (III+IV+.....+X+XI)</b>               | 941,161         | 128,678       | -                                      | -                      | -  | (4,636) | (2,812)  | -   | - | - | 410,286         | (322,629)                        | 40,071                             | 1,190,119                                 | 55                 | 1,190,174    |

1. Tangible and Intangible Asset Revaluation Reserve

2. Accumulated Gains/Losses on Remeasurement of Defined Benefit Plans

3. Other (Other comprehensive income of Associates and Joint Ventures Accounted by Using Equity Method Not Reclassified Through Income or Loss and Other Comprehensive Income Not Reclassified Through Profit or Loss)

4. Effects of Changes in Foreign Exchange Notes

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

6. Other ( Accumulated gains or losses on Cash flow hedge , other comprehensive income of associates and joint ventures accounted by using equity method reclassified through profit or loss and other accumulated amounts of other comprehensive income reclassified through profit or loss)

The accompanying notes are integral part of these financial statements.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY  
FOR THE PERIOD 1 JANUARY – 31 MARCH 2017**

(Amounts expressed in thousands of Turkish Lira (TL).)

| CHANGES IN SHAREHOLDERS' EQUITY  | Footnotes | Paid-in Capital | Paid-in Capital Inflation Adjustments | Share Premium | Share Cancellation Profits | Legal Reserves | Statutory Reserves | Extraordinary Reserves | Other Reserves | Current Period Profit/Loss | Prior Period Profit/Loss | Marketable Securities Revaluation Reserves | Tangible and Intangible Assets Revaluation Reserves | Bonus Shares from Equity Participations | Hedging Funds | Accumulated Rev.Reserve on Assets Held for Sale | Total Equity Excluding Minority Interests | Minority Interests | Total Equity |
|--|-----------|-----------------|---------------------------------------|---------------|----------------------------|----------------|--------------------|------------------------|----------------|----------------------------|--------------------------|--|---|---|---------------|---|---|--------------------|--------------|
| <b>PRIOR PERIOD</b>  |           |                 |                                       |               |                            |                |                    |                        |                |                            |                          |  |   |   |               |   |   |                    |              |
| <b>(01.01-31.03.2017)</b>  |           |                 |                                       |               |                            |                |                    |                        |                |                            |                          |  |   |   |               |   |   |                    |              |
| <b>I. Prior Period Ending Balance</b>  |           | 941,161         | -                                     | 128,678       | -                          | 7,790          | -                  | 120,579                | (3,003)        | 114,996                    | (239)                    | (20,254)                                   | -   | -                                       | -             | -   | 1,289,708                                 | 53                 | 1,289,761    |
| <b>Changes during the period</b>   |           |                 |                                       |               |                            |                |                    |                        |                |                            |                          |  |   |   |               |   |   |                    |              |
| <b>II. Increase/Decrease due to Mergers</b>  |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>III. Marketable Securities Revaluation Reserve</b>                                    |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | 5,118                                      | -   | -                                       | -             | -   | 5,118                                     | -                  | 5,118        |
| <b>IV. Hedge Funds(Effective Portios)</b>  |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| 4.1 Cash Flow Hedge  |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| 4.2 Net Foreign Investment Hedge   |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>V. Tangible Assets Revaluation Reserves</b>   |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>VI. Intangible Assets Revaluation Reserves</b>  |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>VII. Bonus Shares From Investments in Associates, Subsidiaries and Joint-Ventures</b> |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>VIII. Foreign Exchange Differences</b>  |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>IX. The Effect of Disposal of Assets</b>  |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>X. The Effect of Reclassification of Assets</b>                                       |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>XI. The Effect of Change In Equities Of Subsidiaries On The Equity of the Bank</b>    |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>XII. Capital increase</b>   |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| 12.1 Cash  |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| 12.2 Internal sources  |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>XIII. Share Issue</b>   |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>XIV. Share Cancellation Profits</b>   |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>XV. Paid-in Capital Inflation Adjustments</b>   |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>XVI. Other</b>  |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>XVII. Net Profit/Loss for the Period</b>  |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | 36,812                     | -                        | -  | -   | -                                       | -             | -   | 36,812                                    | 1                  | 36,813       |
| <b>XVIII. Profit Distribution</b>  |           | -               | -                                     | -             | -                          | 5,745          | -                  | 109,170                | -              | (114,996)                  | 81                       | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| 18.1 Dividend Paid   |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | -                          | -                        | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| 18.2 Transfers to Reserves   |           | -               | -                                     | -             | -                          | 5,745          | -                  | 109,170                | -              | -                          | (114,915)                | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| 18.3 Other   |           | -               | -                                     | -             | -                          | -              | -                  | -                      | -              | (114,996)                  | 114,996                  | -  | -   | -                                       | -             | -   | -   | -                  | -            |
| <b>Ending Balance (I+II+III+...+XVI+XVII+XVIII)</b>                                      |           | 941,161         | -                                     | 128,678       | -                          | 13,535         | -                  | 229,749                | (3,003)        | 36,812                     | (158)                    | (15,136)                                   | -   | -                                       | -             | -   | 1,331,638                                 | 54                 | 1,331,692    |

The accompanying notes are integral part of these financial statements.

**FİBANKA A.Ş. AND ITS SUBSIDIARY**
**CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD 1 JANUARY – 31 MARCH 2018**

(Amounts expressed in thousands of Turkish Lira (TL).)

|             |  | Footnotes | CURRENT PERIOD<br>(01/01/2018 - 31/03/2018) |
|-------------|--|-----------|---|
| <b>A.</b>   | <b>CASH FLOWS FROM BANKING OPERATIONS</b>  |           |   |
| <b>1.1</b>  | <b>Operating profit before changes in operating assets and liabilities</b>                       |           | <b>35,649</b>                               |
| 1.1.1       | Interest received (+)  |           | 329,094                                     |
| 1.1.2       | Interest paid (-)  |           | 355,547                                     |
| 1.1.3       | Dividend received (+)  |           | -   |
| 1.1.4       | Fees and commissions received (+)  |           | 28,394                                      |
| 1.1.5       | Other income (+)   |           | 42,377                                      |
| 1.1.6       | Collections from previously written off loans and other receivables (+)                          |           | 1,246                                       |
| 1.1.7       | Cash payments to personnel and service suppliers (-)   |           | 119,922                                     |
| 1.1.8       | Taxes paid (-)   |           | 39,753                                      |
| 1.1.9       | Other (+/-)  |           | 149,760                                     |
| <b>1.2</b>  | <b>Changes in Operating Assets and Liabilities Subject to Banking Operations</b>                 |           | <b>(1,333,012)</b>                          |
| 1.2.1       | Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)         |           | 411,071                                     |
| 1.2.2       | Net (increase) / decrease in due from banks (+/-)  |           | (23,302)                                    |
| 1.2.3       | Net (increase) / decrease in loans (+/-)   |           | (1,290,365)                                 |
| 1.2.4       | Net (increase) / decrease in other assets (+/-)  |           | (245,449)                                   |
| 1.2.5       | Net increase / (decrease) in bank deposits (+/-)   |           | 61,208                                      |
| 1.2.6       | Net increase / (decrease) in other deposits (+/-)  |           | (623,166)                                   |
| 1.2.7       | Net increase / (decrease) in financial liabilities at fair value through profit or loss (+/-)    |           | 108,285                                     |
| 1.2.8       | Net increase / (decrease) in funds borrowed (+/-)  |           | 232,956                                     |
| 1.2.9       | Net increase / decrease in matured payables (+/-)  |           | -   |
| 1.2.10      | Net increase / (decrease) in other liabilities (+/-)   |           | 35,750                                      |
| <b>I.</b>   | <b>Net cash provided from banking operations (+/-)</b>   |           | <b>(1,297,363)</b>                          |
| <b>B.</b>   | <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |           |   |
| <b>II.</b>  | <b>Net cash provided from investing activities (+/-)</b>   |           | <b>18,581</b>                               |
| 2.1         | Cash paid for the purchase of associates, subsidiaries, entities and joint ventures              |           | 5,000                                       |
| 2.2         | Cash obtained from sale of associates, subsidiaries, entities and joint ventures                 |           | -   |
| 2.3         | Cash paid for purchase of tangible and intangible asset (-)                                      |           | 2,537                                       |
| 2.4         | Cash obtained from sale of tangible and intangible asset (+)                                     |           | 77,595                                      |
| 2.5         | Cash paid for purchase of financial assets at fair value through other comprehensive income (-)  |           | 37,189                                      |
| 2.6         | Cash obtained from sale of financial assets at fair value through other comprehensive income (+) |           | 136,017                                     |
| 2.7         | Cash paid for purchase of financial assets at amortised cost (-)                                 |           | 148,060                                     |
| 2.8         | Cash obtained from sale of financial assets at amortised cost (+)                                |           | -   |
| 2.9         | Other (+/-)  |           | (2,245)                                     |
| <b>C.</b>   | <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |           |   |
| <b>III.</b> | <b>Net cash provided from financing activities (+/-)</b>   |           | <b>1,265,527</b>                            |
| 3.1         | Cash obtained from funds borrowed and securities issued (+)                                      |           | 1,309,804                                   |
| 3.2         | Cash outflow from funds borrowed and securities issued (-)                                       |           | 44,277                                      |
| 3.3         | Equity instruments issued (+)  |           | -   |
| 3.4         | Dividends paid (-)   |           | -   |
| 3.5         | Payments for financial leases liabilities (-)  |           | -   |
| 3.6         | Other (+/-)  |           | -   |
| <b>IV.</b>  | <b>Effect of change in foreign exchange rate on cash and cash equivalents</b>                    |           | <b>19,171</b>                               |
| <b>V.</b>   | <b>Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)</b>                        |           | <b>5,916</b>                                |
| <b>VI.</b>  | <b>Cash and cash equivalents at the beginning of period (+)</b>                                  |           | <b>1,296,272</b>                            |
| <b>VII.</b> | <b>Cash and cash equivalents at the end of period (V+VI)</b>                                     |           | <b>1,302,188</b>                            |

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

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**
**CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD 1 JANUARY – 31 MARCH 2017**

(Amounts expressed in thousands of Turkish Lira (TL).)

|             |  | Footnotes | PRIOR PERIOD<br>(01/01/2017 - 31/03/2017) |
|-------------|--|-----------|---|
| <b>A.</b>   | <b>CASH FLOWS FROM BANKING OPERATIONS</b>  |           |   |
| <b>1.1</b>  | <b>Operating profit before changes in operating assets and liabilities</b>           |           | <b>129,139</b>                            |
| 1.1.1       | Interest received (+)  |           | 356,499                                   |
| 1.1.2       | Interest paid (-)  |           | 207,310                                   |
| 1.1.3       | Dividend received (+)  |           | -   |
| 1.1.4       | Fees and commissions received (+)  |           | 14,818                                    |
| 1.1.5       | Other income (+)   |           | 57,472                                    |
| 1.1.6       | Collections from previously written off loans and other receivables (+)              |           | 800                                       |
| 1.1.7       | Payments to personnel and service suppliers (-)                                      |           | 75,305                                    |
| 1.1.8       | Taxes paid (-)   |           | 11,035                                    |
| 1.1.9       | Other (+/-)  |           | (6,800)                                   |
| <b>1.2</b>  | <b>Changes in Operating Assets and Liabilities</b>                                   |           | <b>626,175</b>                            |
| 1.2.1       | Net (increase) / decrease in trading securities (+/-)                                |           | 12,107                                    |
| 1.2.2       | Net (increase) / decrease in fair value through profit/(loss) financial assets (+/-) |           | -   |
| 1.2.3       | Net (increase) / decrease in due from banks and other financial institutions (+/-)   |           | 18,382                                    |
| 1.2.4       | Net (increase) / decrease in loans (+/-)   |           | (146,630)                                 |
| 1.2.5       | Net (increase) / decrease in other assets (+/-)                                      |           | (33,487)                                  |
| 1.2.6       | Net increase / (decrease) in bank deposits (+/-)                                     |           | 123,264                                   |
| 1.2.7       | Net increase / (decrease) in other deposits (+/-)                                    |           | 575,464                                   |
| 1.2.8       | Net increase / (decrease) in funds borrowed (+/-)                                    |           | 50,388                                    |
| 1.2.9       | Net increase / (decrease) in due payables (+/-)                                      |           | -   |
| 1.2.10      | Net increase / (decrease) in other liabilities (+/-)                                 |           | 26,687                                    |
| <b>I.</b>   | <b>Net cash provided from banking operations</b>                                     |           | <b>755,314</b>                            |
| <b>B.</b>   | <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |           |   |
| <b>II.</b>  | <b>Net cash provided from investing activities (+/-)</b>                             |           | <b>(25,066)</b>                           |
| 2.1         | Cash paid for acquisition of investments, associates and subsidiaries                |           | 4,897                                     |
| 2.2         | Cash obtained for acquisition of investments, associates and subsidiaries            |           | -   |
| 2.3         | Purchases of property and equipment (-)  |           | 693                                       |
| 2.4         | Disposals of property and equipment (+)  |           | 3,861                                     |
| 2.5         | Cash paid for purchase of financial assets available- for sale (-)                   |           | 95,050                                    |
| 2.6         | Cash obtained from sale of financial assets available- for sale (+)                  |           | 71,713                                    |
| 2.7         | Cash paid for purchase of investment securities (-)                                  |           | -   |
| 2.8         | Cash obtained from sale of investment securities (+)                                 |           | -   |
| 2.9         | Other (+)  |           | -   |
| <b>C.</b>   | <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |           |   |
| <b>III.</b> | <b>Net cash provided from financing activities (+/-)</b>                             |           | <b>28,363</b>                             |
| 3.1         | Cash obtained from funds borrowed and securities issued (+)                          |           | 645,493                                   |
| 3.2         | Cash used for repayment of funds borrowed and securities issued (-)                  |           | 617,130                                   |
| 3.3         | Issued equity instruments (+)  |           | -   |
| 3.4         | Dividends paid (-)   |           | -   |
| 3.5         | Payments for financial leases (-)  |           | -   |
| 3.6         | Other (+/-)  |           | -   |
| <b>IV.</b>  | <b>Effect of change in foreign exchange rate on cash and cash equivalents</b>        |           | <b>(5,433)</b>                            |
| <b>V.</b>   | <b>Net increase in cash and cash equivalents(I+II+III+IV)</b>                        |           | <b>753,178</b>                            |
| <b>VI.</b>  | <b>Cash and cash equivalents at beginning of period</b>                              |           | <b>704,694</b>                            |
| <b>VII.</b> | <b>Cash and cash equivalents at end of period</b>                                    |           | <b>1,457,872</b>                          |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018**

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

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**SECTION THREE**

**ACCOUNTING POLICIES**

**I. Explanations on the basis of presentation**

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

The Bank and its consolidated financial subsidiaries prepare their consolidated financial statements in accordance with “the BRSA Accounting and Reporting Regulation” which includes the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority for the matters not regulated by the aforementioned legislations. 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.

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

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

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

In accordance with the transition rules of TFRS 9, the prior period financial statements and notes are not restated. Accounting policies and valuation principles used for the years 2018 and 2017 are presented separately in the notes.

## FİBABANKA A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018

(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

### 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 carried based on a currency basket to minimize foreign exchange risk.

### 2. Foreign currency transactions

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

The Group recognizes the foreign currency transactions in accordance with TAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign exchange gains and losses arising from the foreign currency transactions as of 31 March 2018 are converted into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank at the end of the period and the related currency conversion differences are recognized as foreign exchange gains and losses.

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

|           | 31 March 2018 | 31 December 2017 |
|-----------|---------------|------------------|
| US Dollar | 3.9489        | 3.7719           |
| Euro      | 4.8673        | 4.5155           |

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

As of 31 March 2018, net foreign exchange loss included in the income statement total amount is TL 4,982 (1 January – 31 March 2017: TL 1,497 loss).

## III. Explanations on consolidated subsidiaries

Fiba Portföy Yönetimi A.Ş. (“Fiba Portföy”); the subsidiary of the Bank was consolidated by using full consolidation method in the consolidated financial statements dated 31 March 2018. 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 PYS. 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018**

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

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**III. Explanations on consolidated subsidiaries (continued)**

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.

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

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

The Bank's derivative instruments held for trading are classified as "Derivative Financial Assets Measured at Fair Value through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income" in accordance with "IFRS 9" and derivative instruments for hedging purpose are classified, measured and accounted in accordance with TAS 39 "Financial Instruments: Recognition and Measurement", respectively.

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

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

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018**

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

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

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

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

Interest income and expenses calculated using internal rate of return are recognized on accrual basis.

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

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

**VII. Explanations on financial assets**

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

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

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

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

The Bank has classified a portion of its extended loans as financial assets at fair value through profit or loss, as per TFRS 9 standard. The aforementioned loans have been demonstrated on credits line under “Financial assets at fair value through profit or loss” on the balance sheet.

**2. Financial assets at fair value through other comprehensive income**

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018**

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

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**VII. Explanations on financial assets (continued)**

**2. Financial assets at fair value through other comprehensive income (continued)**

Financial assets at fair value through other comprehensive income are recognized by adding transaction costs to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are recognized in the income statement.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

**3. Financial assets measured at amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

The Bank has classified financial assets at fair value through other comprehensive income amounting to TL 153,266 which were classified as available-for-sale financial assets to designated at “Financial assets measured at amortized cost” as of January 2018.

**VIII. Explanations on expected credit loss**

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

As of 1 January 2018, the Group recognizes provisions for impairment in accordance with TFRS 9 requirements according to the “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as of 31 December 2017, method of provisions for impairment as set out in accordance with the related legislation of BRSA has been changed by applying the expected credit loss model under TFRS 9. The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

**Stage 1**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018**

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

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**VIII. Explanations on expected credit loss (continued)**

**Stage 2**

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

**Stage 3**

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

**IX. Explanations on offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

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

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

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

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

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

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

The Group does not have any discontinued operations.

## FİBABANKA A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018

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#### **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.

#### **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            | 50                                    | 2                            |
| Vehicles              | 5                                     | 20                           |
| Real Estate           | 50                                    | 2                            |
| Other Tangible Assets | 4-20                                  | 5-25                         |

#### **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.

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**XV. Explanations on provisions and contingent liabilities**

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

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

**XVI. Explanations on contingent assets**

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the 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 Employee Benefits. Severance payment liability recognized in the balance sheet is calculated according to the net present value of expected amount in the future arising from all employees' retirements and represented in financial statements. All actuarial losses and gains are accounted for as other comprehensive income.

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

- a. Calculation is based on discount rate of 11.90%, inflation rate of 8.90% and real rate of rise in salary of 0.00%.
- b. Effective as of 31 December 2017, ceiling salary amount is considered as TL 4,732.48 (full TL).
- c. Individuals' earliest retirement age is considered as retirement age.
- d. CSO 1980 mortality table is used for the death probabilities of male and female employees.

There is no employee foundation, fund or similar institutions.

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**XVIII. Explanations on taxation**

**1. Current Tax**

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

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

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

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from 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 deferred tax for taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base according to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes".

In accordance with the provisional article, added to Corporate Tax Law, corporate tax, which is 20% for the year 2017, shall be applied as 22% for the profit of company belonging to 2018, 2019 and 2020 fiscal periods. In accordance with this provisional article, 22% tax rate has been calculated for periods, in which the deferred tax assets and liabilities emerges and liabilities are met, while it is calculated with 20% for 2021 and following periods.

Deferred tax liabilities are generally recognized for all taxable temporary and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax asset was not computed over general loan loss and free provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

Deferred tax rate calculation has started to be applied over temporary expected credit losses differences as per TFRS 9 articles from 1 January 2018. Deferred tax calculation is not made for possible risk provisions.

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#### **XVIII. Explanations on taxation (continued)**

##### **2. Deferred tax (continued)**

As of 31 March 2018, the deferred tax asset is TL 100,074 (31 December 2017: TL 9,504 the deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within “Deferred Tax expense effect” in the income statement; deferred tax expense for the current period is TL 14,136 (1 January - 31 March 2017: TL 6,806 income). 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 2,026 expense (1 January -31 March 2017: TL 1,279 expense).

##### **3. Transfer pricing**

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

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

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

#### **XIX. Additional explanations on borrowings**

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

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

#### **XX. Explanations on share certificates issued**

None.

#### **XXI. Explanations on bank acceptances and bills of guarantee**

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

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

#### **XXII. Explanation on government incentives**

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

#### **XXIII. Explanations on segment reporting**

Segment reporting is presented under section four, note VIII.

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**XXIV. Explanations on TFRS 9 financial instruments standard**

Explanations of the effect of the Group's application of TFRS 9 is shown below.

**a. Classification and measurement of financial assets**

|   | Before TFRS 9                                 |                         | In Scope of TFRS 9                            |                       |
|---|---|-------------------------|---|-----------------------|
|   | Measurement Base                              | Book Value              | Measurement Base                              | Book Value            |
| <b>Financial Assets</b>                 |   | <b>31 December 2017</b> |   | <b>1 January 2018</b> |
| Cash and Balances with the Central Bank | Amortized cost                                | 2,487,256               | Amortized cost                                | 2,487,256             |
| Banks and Money Markets                 | Amortized cost                                | 696,029                 | Amortized cost                                | 696,029               |
| Securities                              | Fair value through profit or loss             | 55,376                  | Fair value through profit or loss             | 55,376                |
| Securities                              | Fair value through other comprehensive income | 766,163                 | Fair value through other comprehensive income | 612,897               |
| Securities                              | Amortized cost                                | --                      | Amortized cost                                | 169,084               |
| Derivative Financial Assets             | Fair value through profit or loss             | 688,501                 | Fair value through profit or loss             | 688,501               |
| Loans (Gross)                           | Amortized cost                                | 15,259,252              | Amortized cost                                | 15,259,252            |

**b. Reconciliation of statement of financial position balances from TAS 39 to TFRS 9**

| Financial assets  | Book value before TFRS 9 December 31, 2017 |                   |                | Book value after TFRS 9 January 1, 2018 |         |
|---|--|-------------------|----------------|---|---------|
|   |  | Reclassifications | Remeasurements |   |         |
| <b>Fair value through other comprehensive income</b>          |  |                   |                |   |         |
| Balance before reclassification (available for sale)          | 766,163                                    | --                | --             | --                                      | --      |
| Valuation difference on available for sale fin. asset         |  |                   |                |   |         |
| Reclassified as financial asset measured at amortized cost    | --   | (153,266)         | --             | --                                      | --      |
| Balance after reclassification                                | --   | --                | --             | --                                      | 612,897 |
| <b>Measured at amortized cost</b>                             |  |                   |                |   |         |
| Balance before classification (held-to-maturity)              | --   | --                | --             | --                                      | --      |
| Reclassified to fair value through other comprehensive income | --   | 153,266           | 15,818         | --                                      | --      |
| Balance after reclassification                                | --   | --                | --             | --                                      | 169,084 |

**c. Reconciliation of the opening balances of expected credit losses as per TFRS 9**

The table below shows the reconciliation of the provision for impairment of the Group as of 31 December 2017 and the provision for the expected loss model as measured in accordance with TFRS 9 as of 1 January 2018.

|                              | Book Value Before TFRS 9<br>December 31, 2017 | Remeasurements | Book Value After TFRS 9<br>January 1, 2018 |
|------------------------------|---|----------------|--|
| <b>Loans</b>                 | <b>231,288</b>                                | <b>419,865</b> | <b>651,153</b>                             |
| Stage 1                      | 51,700  | 58,030         | 109,730                                    |
| Stage 2                      | 8,593   | 184,135        | 192,728                                    |
| Stage 3                      | 170,995                                       | 177,700        | 348,695                                    |
| <b>Financial Assests (*)</b> | <b>3,412</b>                                  | <b>261</b>     | <b>3,673</b>                               |
| <b>Non-Cash Loans (**)</b>   | <b>11,337</b>                                 | <b>9,203</b>   | <b>20,540</b>                              |
| Stage 1 and 2                | 6,875   | 8,370          | 15,245                                     |
| Stage 3                      | 4,462   | 833            | 5,295                                      |
| <b>Total</b>                 | <b>246,037</b>                                | <b>429,329</b> | <b>675,366</b>                             |

(\*) Within the scope of TFRS 9, provisions for securities, banks and money market receivables, measured at amortised cost and fair value through other comprehensive income.

(\*\*) Before TFRS 9, the expected credit loss for stage 1 and 2 non-cash loans is classified under "12.1 General Provision" and expected credit loss for stage 3 non-cash loans is classified under "12.5. Other Provisions". In accordance with TFRS 9, the expected loss provisions for stage 1,2,3 non-cash loans are reported under "10.4 Other Provisions".

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**XXIV. Explanations on TFRS 9 financial instruments standard (continued)**

**d. TFRS 9 transition effects on equity**

According to paragraph 15 of Article 7 of TFRS 9 Financial Instruments Standards published in the Official Gazette numbered 29953 dated 19 January 2017, it is stated that it is not compulsory to restate previous period financials in accordance with TFRS 9 and if the previous period financials is not restated, the difference between the book value of 1 January 2018 at the date of application should be reflected into the opening balance of equity. The explanations about the transition effects to TFRS 9 presented under "Prior Periods' Income or (Loss)" in the equity under the scope of this article are given below.

Negative difference of TL 429,329 between the provision for impairment of the previous period of Group and the expected credit loss that is calculated in accordance with TFRS 9 as of 1 January 2018 is classified as "Prior Periods' Income or (Loss)" in shareholders' equity.

As stated in the Communiqué on "Uniform Chart of Accounts and Prospectus" issued on 20 September 2017, for general provisions (TFRS 9 expected credit loss provisions for Stage 1 and Stage 2), recognition of deferred tax assets has started as of 1 January 2018. Within this scope, deferred tax assets amounting to TL 67,455 have been reflected into the opening financials of 1 January 2018 and the related amount has been classified under "Prior Periods' Income or (Loss)" in shareholders' equity. For the specific provisions (TFRS 9 expected credit loss provisions for Stage 3), which have been recognized due to TFRS 9 transition, deferred tax income amounting to TL 39,277 is also classified under "Prior Periods' Income or (Loss)" in equity as of 1 January 2018.

**XXV. Explanations on prior period accounting policies not valid for the current period**

TFRS 9 standard came into effect instead of TAS 39 standard as of 1 January 2018. Accounting policies that have lost their validity with the transition of TFRS 9 are given below:

**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, available-for-sale financial assets, held to maturity investments and loans and receivables.

**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 as assets are recognized in gains and losses on securities trading under income statement.

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**XXV. Explanations on prior period accounting policies not valid for the current period (continued)**

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

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

The Group has determined a portion of its extended credits as financial assets fair value through profit or loss, mentioned in TAS 39 standard. The aforementioned loans have been demonstrated on credits line under “Financial assets at Fair value through profit or loss (net)”.

Fair value of loans, which are classified as financial assets at fair value through profit or loss, are determined through discounting of payment plan via using yield curve, established through adding Z-spread on the based of credit to swap yield curve.

**2. Financial assets Available for Sale**

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 Bank does not have any held to maturity investments as of 31 December 2017.

**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.

The Group classifies its loans and receivables to related groups by considering the “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” (“Provisioning Regulation”) published in the Official Gazette No. 26333 dated November 1, 2006 and other regulations and makes special or general provisions according to group, in which the loans and receivables are tracked. On the other hand, deferred tax asset is not allocated over the amount of general loan loss provisions for possible losses in accordance with the circular of BRSA dated 8 December 2004 no. BRSA.DZM.2/13/1-a-3.

**XXVI. Other matters**

None.

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SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL POSITION AND RISK  
MANAGEMENT

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

As of 31 March 2018, the Group’s total capital has been calculated as TL 2,689,527 and the capital adequacy ratio is 16.05% (As of 31 December 2017, the Bank’s total capital amounted to TL 2,687,385 and the capital adequacy ratio was 16.09%).

I. Explanations related to the components of consolidated shareholders’ equity:

|   | Current Period<br>(31/03/2018)<br>Amount | Amount as per<br>the regulation<br>before 1/1/2014<br>(*) |
|---|--|---|
| <b>TIER I CAPITAL</b>   |  |   |
| Paid-in capital to be entitled for compensation after all creditors   | 941,161                                  | --  |
| Share Premium   | 128,678                                  |   |
| Reserves  | 410,286                                  |   |
| Other comprehensive income according to TAS   | --                                       |   |
| Profit  | 40,071                                   |   |
| Current period profit   | 40,071                                   |   |
| Prior period profit   | --                                       |   |
| Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit  | --                                       |   |
| Minority shares   | --                                       |   |
| <b>Tier I Capital Before Deductions</b>   | <b>1,520,196</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 (-) (**)                                      | 93,346                                   | --  |
| Improvement costs for operating leasing (-)   | 10,375                                   | --  |
| Goodwill and other intangible assets and related deferred taxes (-)   | --                                       | --  |
| Other intangibles other than mortgage-servicing rights (net of related tax liability)   | 7,390                                    | --  |
| Excess amount arising from deferred tax assets from temporary differences   | --                                       | --  |
| Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting   | --                                       | --  |
| Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach | --                                       | --  |
| Securitization gains  | --                                       | --  |

(\*\*)The difference between the expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated with the method before TFRS 9 has been recorded in the "Retained Earnings" account; in accordance with Provisional Article 5 of the Regulation on Banks’ Own Funds, related amount is shown net by adding back 80% of the provision difference, net of tax.

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**I. Explanations related to the components of consolidated shareholders' equity (continued)**

|   | <b>Current Period<br/>(31/03/2018)<br/>Amount</b> | <b>Amount as<br/>per the<br/>regulation<br/>before<br/>1/1/2014 (*)</b> |
|---|---|---|
| Net amount of defined benefit plans   | --  | --  |
| Direct and indirect investments of the Bank on its own Tier I Capital (-)   | --  | --  |
| Shares obtained against Article 56, Paragraph 4 of the Banking Law (-)  | --  | --  |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-) | --  | --  |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital (-) | --  | --  |
| Mortgage servicing rights exceeding the 10% threshold of Tier I Capital (-)   | --  | --  |
| Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital (-)  | --  | --  |
| Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)   | --  |   |
| The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital (-)               | --  |   |
| Excess amount arising from mortgage servicing rights  | --  |   |
| Excess amount arising from deferred tax assets from temporary differences (-)   | --  |   |
| Other items to be defined by the BRSA   | --  |   |
| Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals   | --  |   |
| <b>Total Deductions From Common Equity Tier I Capital</b>   | <b>111,111</b>                                    |   |
| <b>Total Common Equity Tier I Capital</b>   | <b>1,409,085</b>                                  |   |
| <b>ADDITIONAL TIER I CAPITAL</b>  | --  |   |
| Preferred stock not included in Tier I capital and the related share premiums   | --  |   |
| Debt instruments and the related issuance premiums defined by the BRSA  | --  |   |
| Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)   | --  |   |
| Shares of Third Parties on Additional Tier I Capital  | --  |   |
| Shares of Third Parties on Additional Tier I Capital (Temporary Article 3)  | --  |   |
| <b>Additional Core Capital before Deductions</b>  | --  |   |
| <b>Deductions from Additional Core Capital</b>  | --  |   |
| Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)  | --  | --  |
| Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation  | --  | --  |
| The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)                | --  | --  |

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**I. Explanations related to the components of consolidated shareholders' equity (continued)**

|  | <b>Current<br/>Period<br/>(31/03/2018)<br/>Amount</b> | <b>Amount as<br/>per the<br/>regulation<br/>before<br/>1/1/2014 (*)</b> |
|--|---|---|
| The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)   | --  | --  |
| Other items to be defined by the BRSA (-)  | --  |   |
| <b>Items to be Deducted from Tier I Capital during the Transition Period</b>   |   |   |
| Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)                             | --  | --  |
| Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)   | --  | --  |
| Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)  | --  |   |
| <b>Total Deductions from Additional Tier I Capital</b>   | --  |   |
| <b>Total Additional Tier I Capital</b>   | --  |   |
| <b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>   | <b>1,409,085</b>                                      |   |
| <b>TIER II CAPITAL</b>   |   |   |
| Debt instruments and share issue premiums deemed suitable by the BRSA  | 1,224,159   |   |
| Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)  | --  |   |
| Shares of third parties on Additional Tier II Capital  | --  |   |
| Shares of third parties on Tier II Capital (Temporary Article 3)   | --  |   |
| Provisions (Article 8 of the Regulation on the Equity of Banks)  | 57,142  |   |
| <b>Tier II Capital before Deductions</b>   | <b>1,281,301</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  | 844   | --  |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)  | --  | --  |
| Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-) | --  | --  |
| Other items to be Defined by the BRSA (-)  | --  |   |
| <b>Total Deductions from Tier II Capital</b>   | <b>844</b>  |   |
| <b>Total Tier II Capital</b>   | <b>1,280,457</b>                                      |   |
| <b>Total Equity (Total Tier I and Tier II Capital)</b>   | <b>2,689,542</b>                                      |   |

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**I. Explanations related to the components of consolidated shareholders' equity (continued)**

|   | <b>Current<br/>Period<br/>(31/03/2018)<br/>Amount</b> | <b>Amount as<br/>per the<br/>regulation<br/>before<br/>1/1/2014 (*)</b> |
|---|---|---|
| <b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>   |   |   |
| Loans granted against the Articles 50 and 51 of the Banking Law (-)   | --  |   |
| Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years (-)  | --  |   |
| Other items to be Defined by the BRSA (-)   | 15  |   |
| <b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>   |   |   |
| The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)  | --  | --  |
| The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)  | --  | --  |
| The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-) | --  | --  |
| <b>EQUITY</b>   |   |   |
| <b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>  | <b>2,689,527</b>                                      | --  |
| <b>Total Risk Weighted Assets</b>   | <b>16,754,404</b>                                     | --  |
| <b>CAPITAL ADEQUACY RATIOS</b>  |   |   |
| Core Capital Ratio (%)  | 8.41  | --  |
| Tier I Capital Ratio (%)  | 8.41  | --  |
| Capital Adequacy Ratio (%)  | 16.05   | --  |
| <b>BUFFERS</b>  |   |   |
| Bank-specific total Core Capital Ratio  | 4.50  | --  |
| Capital Conservation Buffer Ratio (%)   | 1.88  | --  |
| Bank-specific Counter-Cyclical Capital Buffer Ratio (%)   | 0.03  | --  |

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**I. Explanations related to the components of consolidated shareholders' equity (continued)**

|   | <b>Current<br/>Period<br/>(31/03/2018)<br/>Amount</b> | <b>Amount as<br/>per the<br/>regulation<br/>before<br/>1/1/2014 (*)</b> |
|---|---|---|
| The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets | 0.02  | --  |
| <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)   | 310,125   | --  |
| Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used  | 57,142  | --  |
| 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.

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**I. Explanations related to the components of consolidated shareholders' equity (continued)**

|   | <b>Prior Period<br/>(31/12/2017)<br/>Amount</b> | <b>Amount as per<br/>the regulation<br/>before 1/1/2014<br/>(* )</b> |
|---|---|--|
| <b>TIER I CAPITAL</b>   |   |  |
| Paid-in capital to be entitled for compensation after all creditors   | 941,161   | --   |
| Share premium   | 128,678   |  |
| Reserves  | 243,284   |  |
| Other comprehensive income according to TAS   | 2,214   |  |
| Profit  | 167,129   |  |
| Current period profit   | 167,129   |  |
| Prior period profit   | --  |  |
| Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit  | --  |  |
| Minority shares   | 11  |  |
| <b>Tier I Capital Before Deductions</b>   | <b>1,482,477</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 (-)   | 17,908  | --   |
| Improvement costs for operating leasing (-)   | 10,257  | --   |
| Goodwill and other intangible assets and related deferred taxes (-)   | --  | --   |
| Other intangibles other than mortgage-servicing rights (net of related tax liability)   | 4,758   | --   |
| Excess amount arising from deferred tax assets from temporary differences   | --  | --   |
| Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting   | --  | --   |
| Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach | --  | --   |
| Securitization gains  | --  | --   |

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**I. Explanations related to the components of consolidated shareholders' equity (continued)**

|   | <b>Prior Period<br/>(31/12/2017)<br/>Amount</b> | <b>Amount as<br/>per the<br/>regulation<br/>before<br/>1/1/2014 (*)</b> |
|---|---|---|
| Net amount of defined benefit plans   | --  |   |
| Direct and indirect investments of the Bank on its own Tier I Capital (-)   | --  | --  |
| Shares obtained against Article 56, Paragraph 4 of the Banking Law (-)  | --  | --  |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-) | --  | --  |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital (-) | --  | --  |
| Mortgage servicing rights exceeding the 10% threshold of Tier I Capital (-)   | --  | --  |
| Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital (-)  | --  | --  |
| Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)   | --  |   |
| The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital (-)               | --  |   |
| Excess amount arising from mortgage servicing rights  | --  |   |
| Excess amount arising from deferred tax assets from temporary differences (-)   | --  |   |
| Other items to be defined by the BRSA   | --  |   |
| Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals   | --  |   |
| <b>Total Deductions From Common Equity Tier I Capital</b>   | <b>32,923</b>                                   |   |
| <b>Total Common Equity Tier I Capital</b>   | <b>1,449,554</b>                                |   |
| <b>ADDITIONAL TIER I CAPITAL</b>  |   |   |
| Preferred stock not included in Tier I capital and the related share premiums   | --  |   |
| Debt instruments and the related issuance premiums defined by the BRSA  | --  |   |
| Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)   | --  |   |
| Shares of Third Parties on Additional Tier I Capital  | --  |   |
| Shares of Third Parties on Additional Tier I Capital (Temporary Article 3)  | --  |   |
| <b>Additional Core Capital before Deductions</b>  | --  |   |
| <b>Deductions from Additional Core Capital</b>  | --  |   |
| Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)  | --  | --  |
| Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation  | --  | --  |
| The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)                | --  | --  |

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**I. Explanations related to the components of consolidated shareholders' equity (continued)**

|  | <b>Prior Period<br/>(31/12/2017)<br/>Amount</b> | <b>Amount as<br/>per the<br/>regulation<br/>before<br/>1/1/2014 (*)</b> |
|--|---|---|
| The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)   | --  | --  |
| Other items to be defined by the BRSA (-)  | --  |   |
| <b>Items to be Deducted from Tier I Capital during the Transition Period</b>   |   |   |
| Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)                             | 1,190   | --  |
| Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)   | --  | --  |
| Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)  | --  |   |
| <b>Total Deductions from Additional Tier I Capital</b>   | --  |   |
| <b>Total Additional Tier I Capital</b>   | --  |   |
| <b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>   | <b>1,448,364</b>                                |   |
| <b>TIER II CAPITAL</b>   |   |   |
| Debt instruments and share issue premiums deemed suitable by the BRSA  | 1,169,289                                       |   |
| Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)  | --  |   |
| Shares of third parties on Additional Tier II Capital  | --  |   |
| Shares of third parties on Tier II Capital (Temporary Article 3)   | --  |   |
| Provisions (Article 8 of the Regulation on the Equity of Banks)  | 70,580  |   |
| <b>Tier II Capital before Deductions</b>   | <b>1,239,869</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  | 814   | --  |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)  | --  | --  |
| Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-) | --  | --  |
| Other items to be Defined by the BRSA (-)  | --  |   |
| <b>Total Deductions from Tier II Capital</b>   | <b>814</b>                                      |   |
| <b>Total Tier II Capital</b>   | <b>1,239,055</b>                                |   |
| <b>Total Equity (Total Tier I and Tier II Capital)</b>   | <b>2,687,419</b>                                |   |

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**I. Explanations related to the components of consolidated shareholders' equity (continued)**

|   | <b>Prior Period<br/>(31/12/2017)<br/>Amount</b> | <b>Amount as<br/>per the<br/>regulation<br/>before<br/>1/1/2014 (*)</b> |
|---|---|---|
| <b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>   | 34  |   |
| Loans granted against the Articles 50 and 51 of the Banking Law (-)   | --  |   |
| Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years (-)  | --  |   |
| Other items to be Defined by the BRSA (-)   | 34  |   |
| <b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the<br/>Transition Period</b>   |   |   |
| The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)  | --  | --  |
| The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)  | --  | --  |
| The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-) | --  | --  |
| <b>EQUITY</b>   |   |   |
| <b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>  | <b>2,687,385</b>                                | <b>--</b>   |
| <b>Total Risk Weighted Assets</b>   | <b>16,698,036</b>                               | <b>--</b>   |
| <b>CAPITAL ADEQUACY RATIOS</b>  |   |   |
| Core Capital Ratio (%)  | 8.68  | --  |
| Tier I Capital Ratio (%)  | 8.67  | --  |
| Capital Adequacy Ratio (%)  | 16.09   | --  |
| <b>BUFFERS</b>  |   |   |
| Bank-specific total Core Capital Ratio  | 4.50  | --  |
| Capital Conservation Buffer Ratio (%)   | 1.25  | --  |
| Bank-specific Counter-Cyclical Capital Buffer Ratio (%)   | 0.02  | --  |

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|   | <b>Prior Period<br/>(31/12/2017)<br/>Amount</b> | <b>Amount as<br/>per the<br/>regulation<br/>before<br/>1/1/2014 (*)</b> |
|---|---|---|
| The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets | 0.03  | --  |
| <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)   | 70,580  | --  |
| Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used  | 70,580  | --  |
| 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.

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

The difference between "Equity" in equity table and "Shareholder's Equity" in the unconsolidated balance sheet mainly arises from the subordinated loan, bonds, general provisions and TFRS 9 transition effect. In the calculation of Total Capital, general provision up to 1.25% of credit risk is taken into consideration as Tier II Capital.

On the other hand, in the calculation of the "Equity", improvement costs for 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>Consideration Status in Shareholders' Equity Calculation</b>  |   |   |
| Situation of being subject 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 in shareholders' equity calculation (By last report date of – Thousand TL)               | 1,184,670   | 39,489  |
| Nominal value of debt instrument (Thousand TL)   | 1,184,670   | 39,489  |
| Related account of debt instrument   | Subordinated Debt Instruments   | Subordinated Loan   |
| Issuing date of debt instrument  | 24/03/16-10/05/17   | 06/08/13  |
| Maturity structure of debt instrument (Demand/Time)  | Time  | Time  |
| Initial term of of debt instrument   | 11 years  | 10 years  |
| Whether there is right of reimbursment of issuer or not according to BRSA rules                            | There is  | There is  |
| Optional reimbursment date, options of conditional reimbursment and reimbursment amount                    | 24/11/2022; \$ 300 million  | 06/08/2018; \$ 10 million   |
| Following reimbursment option dates  | None  | None  |

\* Subordinated loan from Eco Trade and Development Bank.

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**I. Explanations related to the components of consolidated shareholders' equity (continued)**

| <b>Interest/Dividend Payments</b>  |   |   |
|--|---|---|
| Fixed or floating interest/dividend payments   | Floating interest   | Floating interest   |
| Interest rate or index value of interest rate  | 7.75% (5-years mid-swap rate + 5.758%) till reimbursement date and then; 5-years mid-swap rate+5.758% | Libor + 8.5%  |
| Whether there is any restriction to stop dividend payments or not  | None  | The Bank can not pay dividends if becomes overdue according to subordinated loan agreement.       |
| Feature of being fully optional, partially optional or obligatory  | Obligatory  | Obligatory  |
| 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 meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation                      | Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article.     | Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article. |
| The conditions not met which were defined by 7th or 8th of the 7th or 8th articles of Shareholders' Equity of Banks Regulation | --  | --  |

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**I. Explanations related to the components of consolidated shareholders' equity (continued)**

**Explanations on TFRS 9 Transition Process**

|  | T          | T-1        | T-2        | T-3        | T-4        |
|--|------------|------------|------------|------------|------------|
| <b>EQUITY ITEMS</b>  |            |            |            |            |            |
| Common Equity  | 1,409,085  | 1,323,219  | 1,237,353  | 1,172,354  | 1,172,354  |
| <b>Transition process not implemented Common Equity<sup>a</sup></b>              | 1,172,354  | 1,172,354  | 1,172,354  | 1,172,354  | 1,172,354  |
| Tier 1 Capital   | 1,409,085  | 1,323,219  | 1,237,353  | 1,172,354  | 1,172,354  |
| <b>Transition process not implemented Tier 1 Capital<sup>b</sup></b>             | 1,172,354  | 1,172,354  | 1,172,354  | 1,172,354  | 1,172,354  |
| Total Capital  | 2,689,527  | 2,653,820  | 2,618,114  | 2,585,978  | 2,585,978  |
| <b>Transition process not implemented Equity<sup>c</sup></b>                     | 2,585,978  | 2,585,978  | 2,585,978  | 2,585,978  | 2,585,978  |
|  |            |            |            |            |            |
| <b>TOTAL RISK WEIGHTED AMOUNTS</b>   |            |            |            |            |            |
| Total Risk Weighted Amounts  | 16,754,404 | 16,754,404 | 16,754,404 | 16,754,404 | 16,754,404 |
|  |            |            |            |            |            |
| <b>CAPITAL ADEQUACY RATIO</b>  |            |            |            |            |            |
| Common Equity Adequacy Ratio (%)   | 8.41       | 7.90       | 7.39       | 7.00       | 7.00       |
| <b>Transition process not implemented Common Equity Ratio (%)</b>                | 7.00       | 7.00       | 7.00       | 7.00       | 7.00       |
| Tier 1 Capital Adequacy Ratio (%)  | 8.41       | 7.90       | 7.39       | 7.00       | 7.00       |
| <b>Transition process not implemented Tier 1 Capital Adequacy Ratio (%)</b>      | 7.00       | 7.00       | 7.00       | 7.00       | 7.00       |
| Capital Adequacy Ratio (%)   | 16.05      | 15.84      | 15.63      | 15.43      | 15.43      |
| <b>Transition process not implemented Capital Adequacy Ratio (%)<sup>d</sup></b> | 15.43      | 15.43      | 15.43      | 15.43      | 15.43      |
|  |            |            |            |            |            |
| <b>LEVERAGE</b>  |            |            |            |            |            |
| Leverage Ratio Total Risk Amount   | 26,934,122 | 26,934,122 | 26,934,122 | 26,934,122 | 26,934,122 |
| Leverage (%)   | 5.23       | 4.91       | 4.59       | 4.35       | 4.35       |
| <b>Transition process not implemented Leverage Ratio (%)<sup>e</sup></b>         | 4.35       | 4.35       | 4.35       | 4.35       | 4.35       |

<sup>a</sup> “Provisional Article 5 of the Regulation on Banks’ Own Funds” not implemented Common Equity

<sup>b</sup> “Provisional Article 5 of the Regulation on Banks’ Own Funds” not implemented Tier 1 Capital

<sup>c</sup> “Provisional Article 5 of the Regulation on Banks’ Own Funds” not implemented Equity

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

<sup>e</sup> “Provisional Article 5 of the Regulation on Banks’ Own Funds” not implemented Leverage Ratio calculated with Equity Items

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**II. Explanations on consolidated 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 numbered 29511 on 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables which prepared annually basis have not been presented:

- 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)                                | 14,604,897            | 14,457,046        | 1,168,391                    |
| 2  | Of which standardised approach (SA)   | 14,604,897            | 14,457,046        | 1,168,391                    |
| 3  | Of which internal rating-based (IRB) approach   | --                    | --                | --                           |
| 4  | Counterparty credit risk  | 586,034               | 1,003,732         | 46,883                       |
| 5  | Of which standardised approach for counterparty credit risk (SA-CCR)                  | 586,034               | 1,003,732         | 46,883                       |
| 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                                   | 34,972                | 24,631            | 2,798                        |
| 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   | 413,863               | 323,000           | 33,109                       |
| 17 | Of which standardised approach (SA)   | 413,863               | 323,000           | 33,109                       |
| 18 | Of which internal model approaches (IMM)  | --                    | --                | --                           |
| 19 | Operational risk  | 1,114,639             | 889,626           | 89,171                       |
| 20 | Of which basic indicator approach   | 1,114,639             | 889,626           | 89,171                       |
| 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>16,754,405</b>     | <b>16,698,035</b> | <b>1,340,352</b>             |

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018

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### III. Explanations on consolidated currency risk

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

As of 31 March 2018, the Group's net short position is TL 200,633 (31 December 2017: TL 92,480 net short position) resulting from short position on the balance sheet amounting to TL 2,010,069 (31 December 2017: TL 1,050,041 short position) and long position on the off-balance amounting to TL 1,809,436 (31 December 2017: TL 957,561 long position). The Bank uses "Standard Method" in legal reporting to measure the foreign exchange risk.

The announced foreign exchange buying rates of the Bank at 31 March 2018 and the previous five working days in full TL are as follows:

|  |           |
|--|-----------|
| US Dollar purchase rate as at the balance sheet date | TL 3.9489 |
| Euro purchase rate as at the balance sheet date      | TL 4.8673 |

| Date          | USD    | EUR    |
|---------------|--------|--------|
| 27 March 2018 | 3.9742 | 4.9251 |
| 28 March 2018 | 3.9757 | 4.9414 |
| 29 March 2018 | 3.9931 | 4.9500 |
| 30 March 2018 | 3.9489 | 4.8673 |
| 31 March 2018 | 3.9489 | 4.8673 |

The US Dollar buying rate is TL 3.8791 and EUR buying rate is TL 4.7868 according to simple arithmetic average on March 2018 (Full basis TL).

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**III. Explanations on consolidated currency risk (continued)**

| <b>Current Period</b>   | <b>EUR</b>         | <b>USD</b>         | <b>Other</b>     | <b>Total</b>       |
|---|--------------------|--------------------|------------------|--------------------|
| <b>Assets</b>   |                    |                    |                  |                    |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT | 260,566            | 1,610,397          | 389,198          | 2,260,161          |
| Due From Banks  | 47,463             | 20,794             | 2,981            | 71,238             |
| Financial Assets at Fair Value through Profit/Loss (*)  | 443                | 4,587              | --               | 5,030              |
| Money Market Placements   | --                 | --                 | --               | --                 |
| Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)  | 96,409             | 512,787            | --               | 609,196            |
| Loans and Receivables (**)  | 3,930,129          | 1,530,236          | 114,479          | 5,574,844          |
| Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)   | --                 | --                 | --               | --                 |
| Financial Assets Measured at Amortized Cost   | --                 | --                 | --               | --                 |
| Derivative Financial Assets Hedging Purposes  | --                 | --                 | --               | --                 |
| Tangible Assets   | --                 | --                 | --               | --                 |
| Intangible Assets   | --                 | --                 | --               | --                 |
| Other Assets (***)  | 1,348              | 584                | 2                | 1,934              |
| <b>Total Assets</b>   | <b>4,336,358</b>   | <b>3,679,385</b>   | <b>506,660</b>   | <b>8,522,403</b>   |
| <b>Liabilities</b>  |                    |                    |                  |                    |
| Bank Deposits   | 32,292             | 563,088            | 37,398           | 632,778            |
| Foreign Currency Deposits   | 707,230            | 3,739,725          | 33,101           | 4,480,056          |
| Money Market Borrowings   | 74,502             | 430,727            | --               | 505,229            |
| Funds Provided from Other Financial Institutions  | 1,098,463          | 1,235,012          | 5,302            | 2,338,777          |
| Securities Issued (****)  | --                 | 2,384,051          | --               | 2,384,051          |
| Sundry Creditors  | 17,816             | 134,035            | 4,049            | 155,900            |
| Derivative Fin. Liabilities for Hedging Purposes  | --                 | --                 | --               | --                 |
| Other Liabilities (*****)   | 30,064             | 5,044              | 573              | 35,681             |
| <b>Total Liabilities</b>  | <b>1,960,367</b>   | <b>8,491,682</b>   | <b>80,423</b>    | <b>10,532,472</b>  |
| <b>Net Balance Sheet Position</b>   | <b>2,375,991</b>   | <b>(4,812,297)</b> | <b>426,237</b>   | <b>(2,010,069)</b> |
| <b>Net Off-Balance Sheet Position</b>   | <b>(2,418,003)</b> | <b>4,648,747</b>   | <b>(421,308)</b> | <b>1,809,436</b>   |
| Financial Derivative Assets (*****)   | 5,003,768          | 10,042,645         | 132,653          | 15,179,066         |
| Financial Derivative Liabilities (*****)  | 7,421,771          | 5,393,898          | 553,961          | 13,369,630         |
| Non-Cash Loans (*****)  | 462,905            | 740,282            | 150              | 1,203,337          |
| <b>Prior Period</b>   |                    |                    |                  |                    |
| Total Assets  | 4,823,784          | 3,401,621          | 477,491          | 8,702,896          |
| Total Liabilities   | 2,001,186          | 7,692,376          | 59,375           | 9,752,937          |
| <b>Net Balance Sheet Position</b>   | <b>2,822,598</b>   | <b>(4,290,755)</b> | <b>418,116</b>   | <b>(1,050,041)</b> |
| <b>Net Off-Balance Sheet Position</b>   | <b>(2,895,496)</b> | <b>4,249,171</b>   | <b>(396,114)</b> | <b>957,561</b>     |
| Financial Derivative Assets (*****)   | 4,356,736          | 8,723,477          | 172,731          | 13,252,944         |
| Financial Derivative Liabilities (*****)  | 7,252,232          | 4,474,306          | 568,845          | 12,295,383         |
| Non-Cash Loans (*****)  | 409,758            | 861,425            | --               | 1,271,183          |

(\*) The balance does not include accruals of trading derivative financial assets amounting to TL 12,871.

(\*\*) The balance includes foreign currency indexed loans and accruals amounting to TL 413,907.

(\*\*\*) The balance does not include TL 17,620 of prepaid expenses.

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

(\*\*\*\*\*) The balance does not include accruals of derivative financial liabilities amounting to TL 12,873.

(\*\*\*\*\*) In the current period, foreign currency purchase commitments within the financial derivative assets amounted to TL 433,918 (31 December 2017: TL 488,310), foreign currency sale commitments within the derivative financial liabilities amounted to TL 822,401 (31 December 2017: TL 411,183).

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

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**IV. Explanations on consolidated interest rate risk**

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

Standard method and asset-liability risk measurement methods are used to measure the 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 is 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</b>  | <b>Up to 1<br/>month</b> | <b>1-3 Months</b> | <b>3-12 Months</b> | <b>1-5 Years</b> | <b>Over 5<br/>Years</b> | <b>Non-interest<br/>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 | 2,410,409                | --                | --                 | --               | --                      | 721,989                         | <b>3,132,398</b>  |
| Banks  | 7,505                    | 2                 | --                 | --               | --                      | 73,557                          | <b>81,064</b>     |
| Financial Assets at Fair Value Through Profit or Loss  | 93,469                   | 35,397            | 164,329            | 650,870          | 6,622                   | --                              | <b>950,687</b>    |
| Interbank Money Market Placements  | --                       | --                | --                 | --               | --                      | --                              | <b>--</b>         |
| Financial Assets Measured at Fair Value through Other Comprehensive Income   | 98,230                   | 10,560            | 80,198             | 444,796          | 269                     | 1,891                           | <b>635,944</b>    |
| Loans (*)  | 2,005,027                | 4,583,582         | 3,221,657          | 5,080,777        | 735,287                 | (109,717)                       | <b>15,516,613</b> |
| Financial Assets Measured at Amortized Cost  | --                       | --                | --                 | 101,940          | 62,939                  | --                              | <b>164,879</b>    |
| Other Assets (**)  | --                       | --                | --                 | --               | --                      | 487,241                         | <b>487,241</b>    |
| <b>Total Assets</b>  | <b>4,614,640</b>         | <b>4,629,541</b>  | <b>3,466,184</b>   | <b>6,278,383</b> | <b>805,117</b>          | <b>1,174,961</b>                | <b>20,968,826</b> |
| <b>Liabilities</b>   |                          |                   |                    |                  |                         |                                 |                   |
| Bank Deposits  | 619,996                  | --                | --                 | --               | --                      | 42,145                          | <b>662,141</b>    |
| Other Deposits   | 6,045,071                | 3,236,744         | 715,370            | 14,234           | --                      | 1,033,541                       | <b>11,044,960</b> |
| Interbank Money Market Received  | 262,229                  | 243,000           | --                 | --               | --                      | --                              | <b>505,229</b>    |
| Sundry Creditors   | --                       | --                | --                 | --               | --                      | 284,057                         | <b>284,057</b>    |
| Marketable Securities Issued (***)   | 252,226                  | 458,944           | 626,738            | 2,369,340        | --                      | --                              | <b>3,707,248</b>  |
| Funds Borrowed from Other Financial Institutions   | 383,928                  | 1,466,157         | 503,355            | 6,403            | --                      | --                              | <b>2,359,843</b>  |
| Other Liabilities (****)   | 65,279                   | 42,604            | 132,619            | 618,001          | 3,036                   | 1,543,809                       | <b>2,405,348</b>  |
| <b>Total Liabilities</b>   | <b>7,628,729</b>         | <b>5,447,449</b>  | <b>1,978,082</b>   | <b>3,007,978</b> | <b>3,036</b>            | <b>2,903,552</b>                | <b>20,968,826</b> |
| Balance Sheet Long Position  | --                       | --                | 1,488,102          | 3,270,405        | 802,081                 | --                              | 5,560,588         |
| Balance Sheet Short Position   | (3,014,089)              | (817,908)         | --                 | --               | --                      | (1,728,591)                     | (5,560,588)       |
| Off-Balance Sheet Long Position  | --                       | --                | --                 | 25,000           | --                      | 22,584,789                      | 22,609,789        |
| Off-Balance Sheet Short Position   | --                       | --                | --                 | (25,000)         | --                      | (22,550,733)                    | (22,575,733)      |
| <b>Total Position</b>  | <b>(3,014,089)</b>       | <b>(817,908)</b>  | <b>1,488,102</b>   | <b>3,270,405</b> | <b>802,081</b>          | <b>(1,694,535)</b>              | <b>34,056</b>     |

(\*) Non-performing loans net-off related provision for expected loss of stage 3 loans an expected losses for stage 1 and stage 2 are presented in "non-interest bearing" column.

(\*\*) Non-interest bearing column includes TL 9,897 investments in associates, TL 192,064 tangible assets, TL 7,391 intangible assets, TL 100,074 tax asset, TL 38,704 assets held for sale and TL 141,418 other assets.

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

(\*\*\*\*) Non-interest bearing column includes TL 1,190,174 shareholders' equity, TL 205,259 other liabilities, TL 474 finance lease liabilities, TL 112,453 provisions and TL 35,449 tax liabilities.

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**IV. Explanations on consolidated interest rate risk (continued)**

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

| <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 | 1,759,977            | --                 | --                 | --               | --                  | 727,279                     | <b>2,487,256</b>    |
| Banks  |                      |                    |                    |                  |                     |                             |                     |
| Financial Assets at Fair Value Through Profit or Loss  | 238,557              | 2                  | --                 | --               | --                  | 81,457                      | <b>320,016</b>      |
| Interbank Money Market Placements  | 98,620               | 26,213             | 95,483             | 520,559          | 3,002               | --                          | <b>743,877</b>      |
| Financial Assets Available-for-Sale  | 376,334              | --                 | --                 | --               | --                  | --                          | <b>376,334</b>      |
| Loans  | --                   | 4,860              | 179,757            | 522,484          | 57,335              | 1,727                       | <b>766,163</b>      |
| Investment Securities Held-to-Maturity   | 1,770,612            | 3,826,951          | 3,024,129          | 5,317,896        | 851,071             | 297,498                     | <b>15,088,157</b>   |
| Other Assets (*)   | --                   | --                 | 10,373             | 7,529            | --                  | 311,963                     | <b>329,865</b>      |
| <b>Total Assets</b>  | <b>4,244,100</b>     | <b>3,858,026</b>   | <b>3,309,742</b>   | <b>6,368,468</b> | <b>911,408</b>      | <b>1,419,924</b>            | <b>20,111,668</b>   |
| <b>Liabilities</b>   |                      |                    |                    |                  |                     |                             |                     |
| Bank Deposits  |                      |                    |                    |                  |                     |                             |                     |
| Other Deposits   | 464,105              | 3,219              | --                 | --               | --                  | 134,145                     | <b>601,469</b>      |
| Funds from Interbank Money Market  | 7,009,999            | 3,061,759          | 763,994            | 27,149           | --                  | 803,535                     | <b>11,666,436</b>   |
| Sundry Creditors   | 169,882              | 309,998            | --                 | --               | --                  | --                          | <b>479,880</b>      |
| Marketable Securities Issued   |                      |                    |                    |                  |                     |                             |                     |
| Funds Borrowed from Other Financial Institutions   | --                   | --                 | --                 | --               | --                  | 312,532                     | <b>312,532</b>      |
| Bank Deposits  | 346,570              | 423,478            | 485,018            | --               | --                  | --                          | <b>1,255,066</b>    |
| Other Deposits   | 242,040              | 1,243,539          | 635,733            | 2,837            | --                  | --                          | <b>2,124,149</b>    |
| <b>Total Liabilities</b>   | <b>8,325,895</b>     | <b>5,104,008</b>   | <b>1,989,006</b>   | <b>1,677,357</b> | <b>1,571</b>        | <b>3,013,831</b>            | <b>20,111,668</b>   |
| Balance Sheet Long Position  | --                   | --                 | 1,320,736          | 4,691,111        | 909,837             | --                          | <b>6,921,684</b>    |
| Balance Sheet Short Position   | (4,081,795)          | (1,245,982)        | --                 | --               | --                  | (1,593,907)                 | <b>(6,921,684)</b>  |
| Off-Balance Sheet Long Position  | --                   | --                 | --                 | 25,000           | --                  | 19,573,772                  | <b>19,598,772</b>   |
| Off-Balance Sheet Short Position   | --                   | --                 | --                 | (25,000)         | --                  | (19,596,665)                | <b>(19,621,665)</b> |
| <b>Total Position</b>  | <b>(4,081,795)</b>   | <b>(1,245,982)</b> | <b>1,320,736</b>   | <b>4,691,111</b> | <b>909,837</b>      | <b>(1,616,800)</b>          | <b>(22,893)</b>     |

(\*) Non-interest bearing column includes TL 4,897 investments in associates, TL 191,962 tangible assets, TL 5,948 intangible assets, TL 9,831 tax assets, TL 23,795 non-current assets held for sale and TL 75,530 other assets.

(\*\*) Non-interest bearing column includes TL 1,464,612 shareholders' equity, TL 103,202 other liabilities, TL 469 finance lease liabilities, TL 153,080 provisions and TL 42,256 tax liabilities.

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**IV. Explanations on consolidated interest rate risk (continued)**

**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 | --         | 1.50       | --         | 4.00      |
| Banks  | --         | --         | --         | 12.75     |
| Financial Assets at Fair Value Through Profit/ Loss  | 2.00       | 5.28       | --         | 15.67     |
| Interbank Money Market Placements  | --         | --         | --         | --        |
| Financial Assets Measured at Fair Value through Other Comprehensive Income   | 3.43       | 4.42       | --         | 13.39     |
| Loans  | 5.89       | 7.04       | --         | 16.85     |
| Financial Assets Measured at Amortized   | --         | --         | -          | 9.45      |
| <b>Liabilities</b>   |            |            |            |           |
| Bank Deposits  | --         | 1.76       | --         | 12.45     |
| Other Deposits   | 1.42       | 3.78       | --         | 14.48     |
| Interbank Money Market Received  | 0.24       | 2.50       | --         | --        |
| Sundry Creditors   | --         | --         | --         | --        |
| Marketable Securities Issued (*)   | --         | 6.88       | --         | 14.43     |
| Funds Borrowed from Other Financial Institutions   | 1.92       | 2.93       | --         | 6.64      |

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

| <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 | --         | 1.25       | --         | 4.00      |
| Banks  | 0.02       | 1.50       | --         | 12.75     |
| Financial Assets at Fair Value Through Profit/ Loss  | 2.00       | 5.29       | --         | 14.70     |
| Interbank Money Market Placements  | 0.05       | 1.65       | --         | --        |
| Financial Assets Available-for-Sale  | 3.43       | 4.42       | --         | 10.15     |
| Loans  | 5.97       | 6.65       | --         | 16.96     |
| Investment Securities Held-to-Maturity   | --         | --         | --         | --        |
| <b>Liabilities</b>   |            |            |            |           |
| Bank Deposits  | --         | 1.65       | --         | 12.52     |
| Other Deposits   | 1.59       | 3.99       | --         | 14.38     |
| Interbank Money Market Received  | 0.24       | 2.50       | --         | 11.63     |
| Sundry Creditors   | --         | --         | --         | --        |
| Marketable Securities Issued   | --         | 7.75       | --         | 14.00     |
| Funds Borrowed from Other Financial Institutions   | 1.95       | 2.87       | --         | 6.63      |

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

The Group has no position risk of equity shares as of 31 March 2018 (31 December 2017: None).

**VI. Explanations on consolidated liquidity risk and liquidity coverage ratio**

The Board of Directors reviews the liquidity and funding risk management policy weekly or in case of necessity. Liquidity risk is managed by Asset and Liability Committee (ALCO) in line with risk management policy as short and long term liquidity risk.

Liquidity Risk is managed by ALCO in order to take the necessary measures in a timely and correct manner against possible liquidity shortages. Treasury department manages cash inflows and outflows in line with strategies determined by ALCO. As deemed necessary by the ALCO members, liquidity meetings are performed for the purposes of close monitoring. Treasury department manages short term liquidity by adhering to the ALCO strategy and ensuring compliance with legal liquidity limits and stress testing.

In the context of TL and foreign currencies liquidity management, the Parent Bank monitors the cash flows weekly and action plan is made based on ALCO decisions. The funding balance is directly monitored and compensated by making the risk-return-cost evaluation.

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

**Information on the use of stress testing**

Department of Risk Management implement stress testing according Liquidity and Funding Risk Policy approved by the Board of Directors on a weekly basis. These stress tests are based on the scenarios of the deposit outflow, funds obtained from bonds issued will outflow, bank's 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 taking actions against short-term liquidity shocks. In the case of a crisis or if deemed necessary, ALCO summon a meeting and take necessary actions immediately. These action plans are approved by the Board of Directors under the İSEDES. The Bank reviews resources that are available in any emergency situation constantly and takes into consideration the results of the above-mentioned stress testing and scenario analysis by the early warning system.

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks"; published in the Official Gazette numbered 28948, dated 21 March 2014; liquidity ratio is required to be 70% for foreign currency assets/liabilities and 90% for total assets/liabilities in the calculation of the banks' weekly and monthly reporting effective from 1 January 2018.

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

| Current Period                    |  | Total Unweighted Value (*) |                | Total Weighted Value (*)                  |                  |
|-----------------------------------|--|----------------------------|----------------|---|------------------|
|                                   |  | TL+FC                      | FC             | TL+FC                                     | FC               |
| <b>High-Quality Liquid Assets</b> |  |                            |                |   |                  |
| 1                                 | Total high-quality liquid assets (HQLA)  |                            |                | 2,749,708                                 | 2,246,255        |
| <b>Cash Outflows</b>              |  |                            |                |   |                  |
| 2                                 | Retail deposits and deposits from small business customers, of which:                              | 7,139,055                  | 352,387        | 692,756                                   | 311,741          |
| 3                                 | Stable deposits  | 635,660                    | --             | 27,052                                    | --               |
| 4                                 | Less stable deposits   | 6,503,395                  | 352,387        | 665,704                                   | 311,741          |
| 5                                 | Unsecured wholesale funding, of which:   | 4,604,815                  | 2,491,329      | 2,604,382                                 | 1,365,613        |
| 6                                 | Operational deposits   | --                         | --             | --  | --               |
| 7                                 | Non-operational deposits   | 2,935,742                  | 1,436,217      | 1,192,630                                 | 580,957          |
| 8                                 | Other unsecured funding  | 1,669,073                  | 1,055,112      | 1,411,752                                 | 784,656          |
| 9                                 | Secured funding  |                            |                | 173,120                                   | 173,120          |
| 10                                | Other cash outflows  | 2,709,712                  | 1,287,962      | 563,518                                   | 330,779          |
| 11                                | Outflows related to derivative exposures and other collateral requirements                         | 315,038                    | 247,116        | 315,811                                   | 246,347          |
| 12                                | Outflows related to restructured financial instruments   | --                         | --             | --  | --               |
| 13                                | Payment commitments granted for debts to financial markets and other off-balance sheet commitments | 2,394,674                  | 1,040,846      | 247,707                                   | 84,432           |
| 14                                | Other revocable off-balance sheet commitments and other contractual obligations                    | --                         | --             | --  | --               |
| 15                                | Other irrevocable or conditionally revocable off-balance sheet obligations                         | 20,888                     | 32             | 20,879                                    | 33               |
| 16                                | <b>Total Cash Outflows</b>   |                            |                | <b>4,054,655</b>                          | <b>2,181,284</b> |
| <b>Cash Inflows</b>               |  |                            |                |   |                  |
| 17                                | Secured receivables  | 24,092                     | 24,092         | 24,393                                    | 24,393           |
| 18                                | Unsecured receivables  | 2,100,010                  | 516,845        | 1,447,872                                 | 475,177          |
| 19                                | Other cash inflows   | 96,324                     | 37,150         | 97,999                                    | 36,824           |
| 20                                | <b>Total Cash Inflows</b>  | <b>2,220,427</b>           | <b>578,087</b> | <b>1,570,263</b>                          | <b>536,394</b>   |
|                                   |  |                            |                | Upper Limits Applied Total Adjusted Value |                  |
| 21                                | <b>Total HQLA</b>  |                            |                | 2,749,708                                 | 2,246,255        |
| 22                                | <b>Total Net Cash Outflows</b>   |                            |                | 2,478,053                                 | 1,644,890        |
| 23                                | <b>Liquidity Coverage Ratio (%)</b>  |                            |                | <b>110.96</b>                             | <b>136.56</b>    |

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

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

| Prior Period                      |  | Total Unweighted Value (*) |           | Total Weighted Value (*)                  |                  |
|-----------------------------------|--|----------------------------|-----------|---|------------------|
|                                   |  | TL+FC                      | FC        | TL+FC                                     | FC               |
| <b>High-Quality Liquid Assets</b> |  |                            |           |   |                  |
| 1                                 | Total high-quality liquid assets (HQLA)  |                            |           | 2,623,588                                 | 2,262,538        |
| <b>Cash Outflows</b>              |  |                            |           |   |                  |
| 2                                 | Retail deposits and deposits from small business customers, of which:                              | 6,839,933                  | 2,924,789 | 658,507                                   | 292,479          |
| 3                                 | Stable deposits  | 537,717                    | --        | 25,486                                    | --               |
| 4                                 | Less stable deposits   | 6,302,217                  | 2,924,789 | 633,021                                   | 292,479          |
| 5                                 | Unsecured wholesale funding, of which:   | 5,473,096                  | 3,004,980 | 3,029,773                                 | 1,657,149        |
| 6                                 | Operational deposits   | --                         | --        | --  | --               |
| 7                                 | Non-operational deposits   | 3,609,484                  | 1,954,320 | 1,443,794                                 | 781,728          |
| 8                                 | Other unsecured funding  | 1,863,612                  | 1,050,660 | 1,585,980                                 | 875,421          |
| 9                                 | Secured funding  |                            |           | 221,196                                   | 221,196          |
| 10                                | Other cash outflows  | 2,538,173                  | 1,170,439 | 535,086                                   | 336,021          |
| 11                                | Outflows related to derivative exposures and other collateral requirements                         | 297,303                    | 262,503   | 297,303                                   | 262,504          |
| 12                                | Outflows related to restructured financial instruments   | --                         | --        | --  | --               |
| 13                                | Payment commitments granted for debts to financial markets and other off-balance sheet commitments | 2,240,870                  | 907,935   | 237,784                                   | 73,518           |
| 14                                | Other revocable off-balance sheet commitments and other contractual obligations                    | --                         | --        | --  | --               |
| 15                                | Other irrevocable or conditionally revocable off-balance sheet obligations                         | 20,539                     | 6         | 20,539                                    | 6                |
| 16                                | <b>Total Cash Outflows</b>   |                            |           | <b>4,465,101</b>                          | <b>2,506,851</b> |
| <b>Cash Inflows</b>               |  |                            |           |   |                  |
| 17                                | Secured receivables  | 128,670                    | 40,290    | 24,893                                    | 24,893           |
| 18                                | Unsecured receivables  | 1,707,408                  | 281,147   | 1,573,663                                 | 466,306          |
| 19                                | Other cash inflows   | 94,176                     | 69,111    | 85,094                                    | 57,758           |
| 20                                | <b>Total Cash Inflows</b>  | 1,930,254                  | 390,548   | <b>1,683,650</b>                          | <b>548,958</b>   |
|                                   |  |                            |           | Upper Limits Applied Total Adjusted Value |                  |
| 21                                | <b>Total HQLA</b>  |                            |           | 2,623,588                                 | 2,262,538        |
| 22                                | <b>Total Net Cash Outflows</b>   |                            |           | 2,782,618                                 | 1,957,893        |
| 23                                | <b>Liquidity Coverage Ratio (%)</b>  |                            |           | <b>94.28</b>                              | <b>115.56</b>    |

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

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

| <b>Current Period</b> | <b>TL+FC</b>   | <b>FC</b>      |
|-----------------------|----------------|----------------|
| 31 January 2018       | 107.36%        | 130.54%        |
| 28 February 2018      | 110.38%        | 137.75%        |
| 31 March 2018         | 115.28%        | 141.75%        |
| <b>Average</b>        | <b>111.01%</b> | <b>136.68%</b> |

| <b>Prior Period</b> | <b>TL+FC</b> | <b>FC</b> |
|---------------------|--------------|-----------|
| 31 October 2017     | 101.68%      | 128.97%   |
| 30 November 2017    | 92.67%       | 84.53%    |
| 31 December 2017    | 89.54%       | 160.33%   |

The Bank implements the calculation in accordance with the Regulation of Liquidity Coverage Ratio Calculation of Banks dated 21 March 2014 and numbered 28948 published in the Official Gazette. As per the related regulation high quality liquid assets are mainly securities portfolio, cash assets and reserve requirements. The important factors affecting the results of the liquidity coverage ratio are the changes in the remaining maturities of the items and changes in the amounts of deposits and money market transactions, the remaining maturities of which are less than 30 days. Deposits form a significant portion of the Bank's sources of funds, on the other hand bonds issued, money market borrowings, funds provided from abroad are other important sources of funding.

The Bank calculates cash 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.

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

Presentation of assets and liabilities according to their remaining maturities:

| <b>Current Period</b>  | <b>Demand</b>    | <b>Up to 1<br/>Month</b> | <b>1-3 Months</b>  | <b>3-12<br/>Months</b> | <b>1-5 Years</b> | <b>5 Years<br/>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 | 699,545          | 2,432,853                | --                 | --                     | --               | --                          | --                 | <b>3,132,398</b>  |
| Banks  | 73,557           | 7,505                    | 2                  | --                     | --               | --                          | --                 | <b>81,064</b>     |
| Financial Assets at Fair Value Through Profit or Loss  | --               | 93,269                   | 35,397             | 145,906                | 669,493          | 6,622                       | --                 | <b>950,687</b>    |
| Interbank Money Market Placements  | --               | --                       | --                 | --                     | --               | --                          | --                 | <b>--</b>         |
| Financial Assets Measured at Fair Value through Other Comprehensive Income   | 1,891            | 94,329                   | 10,560             | 82,243                 | 444,796          | 2,125                       | --                 | <b>635,944</b>    |
| Loans (*)  | --               | 1,998,563                | 2,486,618          | 5,942,320              | 4,848,926        | 349,903                     | (109,717)          | <b>15,516,613</b> |
| Financial Assets Measured at Amortized Cost  | --               | --                       | --                 | --                     | 101,940          | 62,939                      | --                 | <b>164,879</b>    |
| Other Assets (**)  | --               | --                       | --                 | --                     | --               | --                          | 487,241            | <b>487,241</b>    |
| <b>Total Assets</b>  | <b>774,993</b>   | <b>4,626,519</b>         | <b>2,532,577</b>   | <b>6,170,469</b>       | <b>6,065,155</b> | <b>421,589</b>              | <b>377,524</b>     | <b>20,968,826</b> |
| <b>Liabilities</b>   |                  |                          |                    |                        |                  |                             |                    |                   |
| Bank Deposits  | 42,145           | 619,996                  | --                 | --                     | --               | --                          | --                 | <b>662,141</b>    |
| Other Deposits   | 1,033,541        | 6,045,071                | 3,236,744          | 715,370                | 14,234           | --                          | --                 | <b>11,044,960</b> |
| Funds Borrowed from Other Financial Institutions   | --               | 132,796                  | 344,451            | 1,346,006              | 482,986          | 53,604                      | --                 | <b>2,359,843</b>  |
| Interbank Money Market   | --               | 262,229                  | 243,000            | --                     | --               | --                          | --                 | <b>505,229</b>    |
| Marketable Securities Issued (***)   | --               | 252,226                  | 458,944            | 626,738                | 1,184,670        | 1,184,670                   | --                 | <b>3,707,248</b>  |
| Sundry Creditors   | --               | 284,057                  | --                 | --                     | --               | --                          | --                 | <b>284,057</b>    |
| Other Liabilities (****)   | --               | 258,868                  | 46,455             | 142,638                | 640,115          | 3,174                       | 1,314,098          | <b>2,405,348</b>  |
| <b>Total Liabilities</b>   | <b>1,075,686</b> | <b>7,855,243</b>         | <b>4,329,594</b>   | <b>2,830,752</b>       | <b>2,322,005</b> | <b>1,241,448</b>            | <b>1,314,098</b>   | <b>20,968,826</b> |
| <b>Net Liquidity Gap</b>   | <b>(300,693)</b> | <b>(3,228,724)</b>       | <b>(1,797,017)</b> | <b>3,339,717</b>       | <b>3,743,150</b> | <b>(819,859)</b>            | <b>(936,574)</b>   | <b>--</b>         |
| <b>Net Off-Balance Sheet Position</b>  | <b>--</b>        | <b>(30,985)</b>          | <b>(1,829)</b>     | <b>18,821</b>          | <b>42,936</b>    | <b>206</b>                  | <b>--</b>          | <b>29,149</b>     |
| Derivative Financial Assets  | --               | 7,473,158                | 3,397,859          | 4,999,147              | 5,374,761        | 140,348                     | --                 | <b>21,385,273</b> |
| Derivative Financial Liabilities   | --               | 7,504,143                | 3,399,688          | 4,980,326              | 5,331,825        | 140,142                     | --                 | <b>21,356,124</b> |
| Non-Cash Loans   | --               | 234,303                  | 315,515            | 625,980                | 191,286          | 467,387                     | --                 | <b>1,834,471</b>  |
| <b>Prior Period</b>  |                  |                          |                    |                        |                  |                             |                    |                   |
| <b>Total Assets</b>  | <b>711,878</b>   | <b>4,214,406</b>         | <b>2,046,612</b>   | <b>6,030,023</b>       | <b>6,032,390</b> | <b>466,898</b>              | <b>609,461</b>     | <b>20,111,668</b> |
| <b>Total Liabilities</b>   | <b>937,680</b>   | <b>8,561,103</b>         | <b>4,079,306</b>   | <b>2,671,767</b>       | <b>1,045,061</b> | <b>1,197,246</b>            | <b>1,619,505</b>   | <b>20,111,668</b> |
| <b>Net Liquidity Gap</b>   | <b>(225,802)</b> | <b>(4,346,697)</b>       | <b>(2,032,694)</b> | <b>3,358,256</b>       | <b>4,987,329</b> | <b>(730,348)</b>            | <b>(1,010,044)</b> | <b>--</b>         |
| <b>Net Off-Balance Sheet Position</b>  | <b>--</b>        | <b>(48,287)</b>          | <b>(5,426)</b>     | <b>3,819</b>           | <b>30,781</b>    | <b>(1,531)</b>              | <b>--</b>          | <b>(20,644)</b>   |
| Derivative Financial Assets  | --               | 6,049,366                | 3,193,912          | 4,726,102              | 4,774,285        | 37,720                      | --                 | <b>18,781,385</b> |
| Derivative Financial Liabilities   | --               | 6,097,653                | 3,199,338          | 4,722,283              | 4,743,504        | 39,251                      | --                 | <b>18,802,029</b> |
| Non-Cash Loans   | --               | 174,789                  | 355,796            | 768,245                | 189,571          | 542,592                     | --                 | <b>2,030,993</b>  |

(\*) Non-performing loans net-off related provision for expected loss of stage 3 loans an expected losses for stage 1 and stage 2 are presented in "unallocated" column.

(\*\*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets, stationary supplies and prepaid expenses are included in this column.

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

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

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

According to the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks published in the Official Gazette numbered 29450 and dated 19 August 2015, total amount of assets and risk in the consolidated financial statements prepared in accordance with Turkish Accounting Standards is shown below;

|   |   | <b>Current<br/>Period (**)</b> | <b>Prior<br/>Period (**)</b> |
|---|---|--------------------------------|------------------------------|
| 1 | Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*)  | 48,738,409                     | 46,647,375                   |
| 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 | (21,493,806)                   | (19,594,616)                 |
| 4 | The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments          | --                             | --                           |
| 5 | The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items   | --                             | --                           |
| 6 | Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items   | --                             | --                           |
| 7 | <b>Total risk amount</b>  | <b>27,244,603</b>              | <b>27,052,759</b>            |

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

(\*\*)Represents three-months average amounts.

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**VII. Explanations on consolidated leverage ratio**

The table of leverage level calculated in accordance with the Regulation on Assessment and Calculation of Banks' Leverage Level published in the Official Gazette numbered 28812 and dated 5/11/2013 is shown below;

|    | <b>On – balance sheet assets</b>  | <b>Current<br/>Period (*)</b> | <b>Prior<br/>Period (*)</b> |
|----|---|-------------------------------|-----------------------------|
| 1  | On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral) | 20,842,582                    | 20,674,614                  |
| 2  | (Assets deducted in determining Tier 1 capital)   | (345,253)                     | (33,211)                    |
| 3  | Total on-balance sheet risks (sum of lines 1 and 2)   | 20,497,329                    | 20,641,403                  |
|    | <b>Derivative financial instruments and credit derivatives</b>  |                               |                             |
| 4  | Replacement cost associated with all derivative financial instruments and credit derivatives                        | 201,161                       | 791,132                     |
| 5  | Potential credit risk associated with all derivative financial instruments and credit derivatives                   | 343,934                       | 331,754                     |
| 6  | Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)                        | 545,095                       | 1,122,886                   |
|    | <b>Securities or commodity financing transactions (SCFT)</b>  |                               |                             |
| 7  | Risks from SCFT assets (except for on-balance sheet)  | 591,807                       | 569,650                     |
| 8  | Risks from brokerage activities related exposures   | --                            | --                          |
| 9  | Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)                       | 591,807                       | 569,650                     |
|    | <b>Other off-balance sheet transactions</b>   |                               |                             |
| 10 | Gross notional amounts of off-balance sheet transactions  | 5,610,372                     | 4,718,820                   |
| 11 | (Adjustments for conversion to credit equivalent amounts)   | --                            | --                          |
| 12 | Total risks of off-balance sheet items (sum of lines 10 and 11)   | 5,610,372                     | 4,718,820                   |
|    | <b>Capital and total risks</b>  |                               |                             |
| 13 | Tier 1 capital  | 1,396,435                     | 1,427,291                   |
| 14 | Total risks (sum of lines 3, 6, 9 and 12)   | 27,244,603                    | 27,052,759                  |
|    | <b>Leverage ratio</b>   |                               |                             |
| 15 | Leverage ratio  | 5.13                          | 5.29                        |

(\*) Represents three-months average amounts.

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**VIII. Explanations on consolidated 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<br/>Banking</b> | <b>Commercial &amp;<br/>Corporate<br/>Banking</b> | <b>Treasury &amp;<br/>Headquarters</b> | <b>Total Operations<br/>of the Bank</b> |
|---|---------------------------|---|--|---|
| <b>Current Period</b>                   |                           |   |  |   |
| <b>1 January – 31 March 2018</b>        |                           |   |  |   |
| Operating Income                        | 72,560                    | 139,668   | 11,101                                 | 223,329                                 |
| Operating Profit                        | (8,148)                   | 86,966  | (24,595)                               | 54,223                                  |
| Taxation                                |                           |   |  | (14,151)                                |
| <b>Net Profit/(Loss) for the Period</b> |                           |   |  | <b>40,072</b>                           |
| <b>Current Period- 31 March 2018</b>    |                           |   |  |   |
| Segment Assets                          | 4,459,220                 | 11,167,110  | 5,342,496                              | 20,968,826                              |
| Unallocated Assets                      |                           |   |  | --                                      |
| <b>Total Assets</b>                     |                           |   |  | <b>20,968,826</b>                       |
| Segment Liabilities                     | 7,687,026                 | 3,362,682   | 8,728,944                              | 19,778,652                              |
| Unallocated Liabilities                 |                           |   |  | --                                      |
| Shareholders’ Equity                    |                           |   |  | 1,190,174                               |
| <b>Total Liabilities</b>                |                           |   |  | <b>20,968,826</b>                       |
|   | <b>Retail<br/>Banking</b> | <b>Commercial &amp;<br/>Corporate<br/>Banking</b> | <b>Treasury &amp;<br/>Headquarters</b> | <b>Total Operations<br/>Of the Bank</b> |
| <b>Prior Period</b>                     |                           |   |  |   |
| <b>1 January – 31 March 2017</b>        |                           |   |  |   |
| Operating Income                        | 60,651                    | 83,770  | 19,085                                 | 163,506                                 |
| Operating Profit                        | (8,616)                   | 54,523  | (586)                                  | 45,321                                  |
| Taxation                                |                           |   |  | (8,508)                                 |
| <b>Net Profit/(Loss) for the Period</b> |                           |   |  | <b>36,813</b>                           |
| <b>Prior Period- 31 December 2017</b>   |                           |   |  |   |
| Segment Assets                          | 4,202,600                 | 10,588,059  | 5,321,009                              | 20,111,668                              |
| Unallocated Assets                      |                           |   |  | --                                      |
| <b>Total Assets</b>                     |                           |   |  | <b>20,111,668</b>                       |
| Segment Liabilities                     | 7,354,825                 | 4,316,449   | 6,975,782                              | 18,647,056                              |
| Unallocated Liabilities                 |                           |   |  | --                                      |
| Shareholders’ Equity                    |                           |   |  | 1,464,612                               |
| <b>Total Liabilities</b>                |                           |   |  | <b>20,111,668</b>                       |

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**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 |                  |
|--|----------------|------------------|
|  | TL             | FC               |
| Cash in TL /Foreign Currency             | 29,367         | 63,527           |
| Balances with the Central Bank of Turkey | 842,870        | 2,196,634        |
| Other                                    | --             | --               |
| <b>Total</b>                             | <b>872,237</b> | <b>2,260,161</b> |

|  | Prior Period   |                  |
|--|----------------|------------------|
|  | TL             | FC               |
| Cash in TL /Foreign Currency             | 28,792         | 89,320           |
| Balances with the Central Bank of Turkey | 246,809        | 2,122,335        |
| Other                                    | --             | --               |
| <b>Total</b>                             | <b>275,601</b> | <b>2,211,655</b> |

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

|                              | Current Period |                  |
|------------------------------|----------------|------------------|
|                              | TL             | FC               |
| Unrestricted Demand Deposits | 294,222        | 312,429          |
| Unrestricted Time Deposits   | 548,648        | --               |
| Restricted Time Deposits     | --             | 1,884,205        |
| <b>Total</b>                 | <b>842,870</b> | <b>2,196,634</b> |

|                              | Prior Period   |                  |
|------------------------------|----------------|------------------|
|                              | TL             | FC               |
| Unrestricted Demand Deposits | 240,425        | 270,157          |
| Unrestricted Time Deposits   | 6,384          | --               |
| Restricted Time Deposits     | --             | 1,852,178        |
| <b>Total</b>                 | <b>246,809</b> | <b>2,122,335</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 4% - 10.50% for TL liabilities and at the rates 4% - 24% for FC liabilities depending on maturities of liabilities. According to the Central Bank of Turkey’s press announcement No. 2014-72 dated 21 October 2014, the Reserve Deposits as from November 2014 are paid interest on the portion held in Turkish Lira and according to the Central Bank of Turkey’s press announcement No. 2015-35 dated 2 May 2015, the Reserve Deposits as from May 2015 are paid interest on the portion held in USD.

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

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

|   | Current Period |           |
|---|----------------|-----------|
|   | TL             | FC        |
| Share Certificates                                      | --             | --        |
| Bonds, Treasury Bills and Similar Marketable Securities | 18,675         | --        |
| <b>Total</b>  | <b>18,675</b>  | <b>--</b> |

|   | Prior Period  |           |
|---|---------------|-----------|
|   | TL            | FC        |
| Share Certificates                                      | --            | --        |
| Bonds, Treasury Bills and Similar Marketable Securities | 18,295        | --        |
| <b>Total</b>  | <b>18,295</b> | <b>--</b> |

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

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

None (31 December 2017: None).

**2.3 Positive differences relating to derivative financial assets**

|                      | Current Period |               |
|----------------------|----------------|---------------|
|                      | TL             | FC            |
| Forward Transactions | 82,849         | --            |
| Swap Transactions    | 494,349        | --            |
| Futures Transactions | --             | --            |
| Options              | 261,643        | 12,871        |
| Other                | --             | --            |
| <b>Total (*)</b>     | <b>838,841</b> | <b>12,871</b> |

(\*) Excludes hedging derivative financial liabilities amounting to TL 28,274.

|                      | Prior Period   |              |
|----------------------|----------------|--------------|
|                      | TL             | FC           |
| Forward Transactions | 53,648         | --           |
| Swap Transactions    | 414,489        | --           |
| Futures Transactions | --             | --           |
| Options              | 213,887        | 6,477        |
| Other                | --             | --           |
| <b>Total</b>         | <b>682,024</b> | <b>6,477</b> |

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**3. Information on Banks**

**3.1 Information on banks**

|                                   | Current Period |                |
|-----------------------------------|----------------|----------------|
|                                   | TL             | FC             |
| Banks                             |                |                |
| Domestic                          | 8,106          | --             |
| Foreign                           | 1,720          | 71,238         |
| Foreign head-offices and branches | --             | --             |
| <b>Total</b>                      | <b>9,826</b>   | <b>71,238</b>  |
|                                   |                |                |
|                                   | Prior Period   |                |
|                                   | TL             | FC             |
| Banks                             |                |                |
| Domestic                          | 46,264         | 193,540        |
| Foreign                           | 1,871          | 78,341         |
| Foreign head-offices and branches | --             | --             |
| <b>Total</b>                      | <b>48,135</b>  | <b>271,881</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 Valued at Fair value Through Other Comprehensive Income**

**4.1 Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral/blocked**

|   | Current Period |                |
|---|----------------|----------------|
|   | TL             | FC             |
| Share Certificates                                      | --             | --             |
| Bonds, Treasury Bills and Similar Marketable Securities | 14,144         | 607,029        |
| Other   | --             | --             |
| <b>Total</b>  | <b>14,144</b>  | <b>607,029</b> |
|   |                |                |
|   | Prior Period   |                |
|   | TL             | FC             |
| Share Certificates                                      | --             | --             |
| Bonds, Treasury Bills and Similar Marketable Securities | 167,674        | 579,405        |
| Other   | --             | --             |
| <b>Total</b>  | <b>167,674</b> | <b>579,405</b> |

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**4.2 Details of financial assets valued at fair value through other comprehensive income**

|                                 | <b>Current Period</b> |
|---------------------------------|-----------------------|
| <b>Debt instruments</b>         | <b>637,872</b>        |
| Quoted on Stock Exchange        | 637,872               |
| Unquoted on Stock Exchange      | --                    |
| <b>Share certificates</b>       | <b>1,891</b>          |
| Quoted on Stock Exchange        | 1,891                 |
| Unquoted on Stock Exchange      | --                    |
| <b>Impairment provision (-)</b> | <b>3,819</b>          |
| <b>Total</b>                    | <b>635,944</b>        |

*Details of financial assets available-for-sale*

|                                 | <b>Prior Period</b> |
|---------------------------------|---------------------|
| <b>Debt instruments</b>         | <b>774,052</b>      |
| Quoted on Stock Exchange        | 774,052             |
| Unquoted on Stock Exchange      | --                  |
| <b>Share certificates</b>       | <b>1,727</b>        |
| Quoted on Stock Exchange        | 1,727               |
| Unquoted on Stock Exchange      | --                  |
| <b>Impairment provision (-)</b> | <b>9,616</b>        |
| <b>Total</b>                    | <b>766,163</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> |          |
|---------------------------------------|-----------------------|----------|
|                                       | 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>4,875</b>          | --       |
| <b>Total</b>                          | <b>4,875</b>          | --       |
|                                       | <b>Prior Period</b>   |          |
|                                       | 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>4,872</b>          | --       |
| <b>Total</b>                          | <b>4,872</b>          | --       |

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**5.2 Information on Loans under Close Monitoring that are restructured with Standard Loans and Close Monitoring Loans**

| Cash Loans                  | Standard Loans    | Loans Under Close Monitoring |                        |                |
|-----------------------------|-------------------|------------------------------|------------------------|----------------|
|                             |                   | Non-restructured             | Restructured           |                |
|                             |                   |                              | Revised Contract Terms | Refinanced     |
| <b>Loans</b>                | <b>14,590,318</b> | <b>481,732</b>               | <b>446,913</b>         | <b>107,367</b> |
| Working Capital Loans       | --                | --                           | 107,265                | --             |
| Export Loans                | 416,078           | 215                          | --                     | --             |
| Import Loans                | --                | --                           | --                     | --             |
| Loans to Financial Sector   | 364,739           | 633                          | 740                    | --             |
| Consumer Loans              | 1,036,080         | 67,086                       | 4,628                  | 1,747          |
| Credit Cards                | 97,930            | 10,814                       | --                     | --             |
| Others                      | 12,675,491        | 402,984                      | 334,280                | 105,620        |
| <b>Specialization Loans</b> | --                | --                           | --                     | --             |
| <b>Other Receivables</b>    | --                | --                           | --                     | --             |
| <b>Total (*)</b>            | <b>14,590,318</b> | <b>481,732</b>               | <b>446,913</b>         | <b>107,367</b> |

(\*) Amounting to TL 22,701 Factoring receivables are also included.

| Current Period                      | Standart Loans | Loans Under Close Monitoring |
|-------------------------------------|----------------|------------------------------|
| 12-month Expected Credit Losses     | 111,782        | --                           |
| Significant Increase in Credit Risk | --             | 180,631                      |
| <b>Total</b>                        | <b>111,782</b> | <b>180,631</b>               |

| Current Period              | Standard Loans | Loans Under Close Monitoring |
|-----------------------------|----------------|------------------------------|
| <b>Number of Extensions</b> | <b>15,122</b>  | <b>446,913</b>               |
| 1 or 2 times                | 15,122         | 444,052                      |
| 3, 4 or 5 times             | --             | 2,861                        |
| Over 5 times                | --             | --                           |

| Prior Period                | Standard Loans and Other Receivables | Loans and Other Receivables Under Close Monitoring |
|-----------------------------|--------------------------------------|--|
| <b>Number of Extensions</b> | <b>12,728</b>                        | <b>409,217</b>                                     |
| 1 or 2 times                | 12,728                               | 406,481  |
| 3, 4 or 5 times             | --                                   | 2,736  |
| Over 5 times                | --                                   | --   |

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5.2 *Information on Loans under Close Monitoring that are restructured with Standard Loans and Close Monitoring Loans (continued)*

| Current Period           | Standard Loans | Loans Under Close Monitoring |
|--------------------------|----------------|------------------------------|
| <b>Extension Periods</b> | <b>15,122</b>  | <b>446,913</b>               |
| 0-6 months               | 2              | 23,524                       |
| 6 -12 months             | 4              | 27,127                       |
| 1 – 2 years              | 820            | 129,850                      |
| 2 – 5 years              | 7,700          | 158,563                      |
| 5 years and over         | 6,596          | 107,849                      |

| Prior Period             | Standard Loans and Other Receivables | Loans and Other Receivables Under Close Monitoring |
|--------------------------|--------------------------------------|--|
| <b>Extension Periods</b> | <b>12,728</b>                        | <b>409,217</b>                                     |
| 0-6 months               | 359                                  | 31,093   |
| 6 -12 months             | --                                   | 31,187   |
| 1 – 2 years              | --                                   | 114,262  |
| 2 – 5 years              | 5,916                                | 122,345  |
| 5 years and over         | 6,453                                | 110,330  |

*The overdue analysis of close monitoring loans*

| Current Period | Commercial Loans | Consumer Loans | Total          |
|----------------|------------------|----------------|----------------|
| 1-30 days      | 143,558          | 8,606          | 152,164        |
| 31-60 days     | 94,761           | 30,413         | 125,174        |
| 61-90 days     | 131,343          | 14,129         | 145,472        |
| <b>Total</b>   | <b>369,662</b>   | <b>53,148</b>  | <b>422,810</b> |

| Prior Period | Commercial Loans | Consumer Loans | Total          |
|--------------|------------------|----------------|----------------|
| 1-30 days    | 144,593          | 9,031          | 153,624        |
| 31-60 days   | 133,293          | 24,766         | 158,059        |
| 61-90 days   | 117,932          | 17,371         | 135,303        |
| <b>Total</b> | <b>395,818</b>   | <b>51,168</b>  | <b>446,986</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”.

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

|   | Short-Term     | Medium or Long<br>Term | Total            |
|---|----------------|------------------------|------------------|
| <b>Consumer Loans-TL</b>                        | <b>354,259</b> | <b>690,298</b>         | <b>1,044,557</b> |
| Real Estate Loans                               | 123            | 385,333                | 385,456          |
| Vehicle Loans                                   | 79             | 4,024                  | 4,103            |
| General Purpose Loans                           | 354,057        | 300,941                | 654,998          |
| Other   | --             | --                     | --               |
| <b>Consumer Loans-Indexed to FC</b>             | <b>--</b>      | <b>47,920</b>          | <b>47,920</b>    |
| Real Estate Loans                               | --             | 46,593                 | 46,593           |
| Vehicle Loans                                   | --             | --                     | --               |
| General Purpose Loans                           | --             | 1,327                  | 1,327            |
| Other   | --             | --                     | --               |
| <b>Consumer Loans-FC</b>                        | <b>--</b>      | <b>1,103</b>           | <b>1,103</b>     |
| Real Estate Loans                               | --             | 1,103                  | 1,103            |
| Vehicle Loans                                   | --             | --                     | --               |
| General Purpose Loans                           | --             | --                     | --               |
| Other   | --             | --                     | --               |
| <b>Individual Credit Cards-TL</b>               | <b>6,929</b>   | <b>--</b>              | <b>6,929</b>     |
| With Installment                                | 1,001          | --                     | 1,001            |
| Without Installment                             | 5,928          | --                     | 5,928            |
| <b>Individual Credit Cards-FC</b>               | <b>66</b>      | <b>--</b>              | <b>66</b>        |
| With Installment                                | --             | --                     | --               |
| Without Installment                             | 66             | --                     | 66               |
| <b>Loans Given to Employees-TL</b>              | <b>323</b>     | <b>3,600</b>           | <b>3,923</b>     |
| Real Estate Loans                               | --             | 896                    | 896              |
| Vehicle Loans                                   | --             | --                     | --               |
| General Purpose Loans                           | 323            | 2,704                  | 3,027            |
| 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>945</b>     | <b>--</b>              | <b>945</b>       |
| With Installment                                | 225            | --                     | 225              |
| Without Installment                             | 720            | --                     | 720              |
| <b>Personnel Credit Cards – FC</b>              | <b>7</b>       | <b>--</b>              | <b>7</b>         |
| With Installment                                | --             | --                     | --               |
| Without Installment                             | 7              | --                     | 7                |
| <b>Overdraft Loans-TL (Real Persons)</b>        | <b>12,038</b>  | <b>--</b>              | <b>12,038</b>    |
| <b>Overdraft Loans-FC (Real Persons)</b>        | <b>--</b>      | <b>--</b>              | <b>--</b>        |
| <b>Total</b>                                    | <b>374,567</b> | <b>742,921</b>         | <b>1,117,488</b> |

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

|   | Short Term       | Medium or Long<br>Term | Total            |
|---|------------------|------------------------|------------------|
| <b>Installment Commercial Loans – TL</b>            | <b>1,194,100</b> | <b>3,378,496</b>       | <b>4,572,596</b> |
| Real Estate Loans                                   | --               | 3,145                  | 3,145            |
| Vehicle Loans                                       | 5,069            | 66,437                 | 71,506           |
| General Purpose Loans                               | 1,189,031        | 3,308,914              | 4,497,945        |
| Other   | --               | --                     | --               |
| <b>Installment Commercial Loans – Indexed to FC</b> | <b>3,557</b>     | <b>185,245</b>         | <b>188,802</b>   |
| Real Estate Loans                                   | --               | 374                    | 374              |
| Vehicle Loans                                       | --               | 19,786                 | 19,786           |
| General Purpose Loans                               | 3,557            | 165,085                | 168,642          |
| Other   | --               | --                     | --               |
| <b>Installment 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>100,714</b>   | <b>--</b>              | <b>100,714</b>   |
| With Installment                                    | 17,812           | --                     | 17,812           |
| Without Installment                                 | 82,902           | --                     | 82,902           |
| <b>Corporate Credit Cards – FC</b>                  | <b>83</b>        | <b>--</b>              | <b>83</b>        |
| With Installment                                    | --               | --                     | --               |
| Without Installment                                 | 83               | --                     | 83               |
| <b>Overdraft Loans-TL (Legal Entities)</b>          | <b>84,553</b>    | <b>--</b>              | <b>84,553</b>    |
| <b>Overdraft Loans-FC (Legal Entities)</b>          | <b>--</b>        | <b>--</b>              | <b>--</b>        |
| <b>Total</b>  | <b>1,383,007</b> | <b>3,563,741</b>       | <b>4,946,748</b> |

**5.5 Allocation of loans by customers**

|                  | Current Period    |
|------------------|-------------------|
| Public Sector    | --                |
| Private Sector   | 15,626,330        |
| <b>Total (*)</b> | <b>15,626,330</b> |

(\*) Amounting to TL 22,701 Factoring receivables are also included.

|                | Prior Period      |
|----------------|-------------------|
| Public Sector  | --                |
| Private Sector | 14,790,659        |
| <b>Total</b>   | <b>14,790,659</b> |

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**5.6 Allocation of Domestic and Foreign Loans**

|                  | <b>Current Period</b> |
|------------------|-----------------------|
| Domestic Loans   | 15,307,196            |
| Foreign Loans    | 319,134               |
| <b>Total (*)</b> | <b>15,626,330</b>     |

(\*) Amounting to TL 22,701 Factoring receivables are also included.

|                | <b>Prior Period</b> |
|----------------|---------------------|
| Domestic Loans | 14,411,839          |
| Foreign Loans  | 378,820             |
| <b>Total</b>   | <b>14,790,659</b>   |

**5.7 Loans granted to subsidiaries and associates**

None (31 December 2017: None).

**5.8 Provisions provided against loans**

|  | <b>Current Period</b> |
|--|-----------------------|
| Loans and Receivables with Limited Collectability  | 132,987               |
| Loans and Receivables with Doubtful Collectability | 97,556                |
| Uncollectible Loans and Receivables                | 149,500               |
| <b>Total</b>                                       | <b>380,043</b>        |

|  | <b>Prior Period</b> |
|--|---------------------|
| Loans and Receivables with Limited Collectability  | 26,022              |
| Loans and Receivables with Doubtful Collectability | 44,497              |
| Uncollectible Loans and Receivables                | 100,476             |
| <b>Total</b>                                       | <b>170,995</b>      |

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**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<br>receivables with<br>limited<br>collectability | Loans and receivables<br>with doubtful<br>collectability | Uncollectible<br>loans and<br>receivables |
| <b>Current Period</b>                    | <b>165</b>   | <b>379</b>   | <b>14</b>                                 |
| Gross Amounts before Provisions          | --   | --   | --  |
| Restructured Loans and Other Receivables | 165  | 379  | 14  |
| <b>Prior Period</b>                      | <b>187</b>   | <b>80</b>  | <b>20</b>                                 |
| Gross Amounts before Specific Provisions | --   | --   | --  |
| Restructured Loans and Other Receivables | 187  | 80   | 20  |

**5.9.2 Movement on non-performing loans**

|   | <b>Group III</b>   | <b>Group IV</b>   | <b>Group V</b>                            |
|---|--|---|---|
|   | Loans and<br>receivables<br>with limited<br>collectability | Loans and<br>receivables with<br>doubtful<br>collectability | Uncollectible<br>loans and<br>receivables |
| <b>Balances at the End of Prior Period (*)</b>              | <b>177,201</b>   | <b>125,408</b>  | <b>151,717</b>                            |
| Additions (+)   | 156,956  | 1,679   | 1,153                                     |
| Transfers from Other Categories of Non-Performing Loans (+) | --   | 91,850  | 50,207                                    |
| Transfers to Other Categories of Non-Performing Loans (-)   | 91,850   | 50,207  | --  |
| Collections (-)   | 32,758   | 10,956  | 7,661                                     |
| Write-offs (-)  | --   | --  | --  |
| Sold (-)  | --   | --  | --  |
| Corporate and Commercial Loans                              | --   | --  | --  |
| Retail Loans  | --   | --  | --  |
| Credit Cards  | --   | --  | --  |
| Other   | --   | --  | --  |
| <b>Balances at End of the Period</b>                        | <b>209,549</b>   | <b>157,774</b>  | <b>195,416</b>                            |
| Provisions (-) (*)  | 132,987  | 97,556  | 149,500                                   |
| <b>Net Balance on Balance Sheet</b>                         | <b>76,562</b>  | <b>60,218</b>   | <b>45,916</b>                             |

(\*) During TFRS 9 transition period, V. Group non-performing loans amounting to TL 14,167 has been reclassified under 1.6 Non-performing Financial Assets line and the related provision amount of TL 14,167 is reclassified under 1.7 Expected Loss Provisions line (-).

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**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>                      |
|-------------------------------------|---|--|-------------------------------------|
|                                     | Loans and receivables with limited collectability | Loans and receivables with doubtful collectability | Uncollectible loans and receivables |
| <b>Current Period</b>               |   |  |                                     |
| Balance as of the Period End        | 2,956   | 19,416   | 38,799                              |
| Provisions (-)                      | 1,199   | 10,522   | 25,950                              |
| <b>Net Balance on Balance Sheet</b> | <b>1,757</b>                                      | <b>8,894</b>                                       | <b>12,849</b>                       |
| <b>Prior Period</b>                 |   |  |                                     |
| Balance as of the Period End        | 16,634  | 8,047  | 34,217                              |
| Provisions (-)                      | 1,239   | 2,794  | 16,851                              |
| <b>Net Balance on Balance Sheet</b> | <b>15,395</b>                                     | <b>5,253</b>                                       | <b>17,366</b>                       |

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

|   | <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 (Net)</b>                                 | <b>76,562</b>                                     | <b>60,218</b>                                      | <b>45,916</b>                       |
| Loans Granted to Real Persons and Legal Entities (Gross)(*) | 209,549   | 157,774  | 195,416                             |
| Provisions (-) (*)  | 132,987   | 97,556   | 149,500                             |
| Loans Granted to Real Persons and Legal Entities (Net)      | 76,562  | 60,218   | 45,916                              |
| Banks (Gross)   | --  | --   | --                                  |
| Provisions (-)  | --  | --   | --                                  |
| Banks (Net)   | --  | --   | --                                  |
| Other Loan and Receivables (Gross)                          | --  | --   | --                                  |
| Provisions (-)  | --  | --   | --                                  |
| Other Loan and Receivables (Net)                            | --  | --   | --                                  |
| <b>Prior Period (Net)</b>                                   | <b>151,179</b>                                    | <b>80,911</b>                                      | <b>65,408</b>                       |
| Loans Granted to Real Persons and Legal Entities (Gross)    | 177,201   | 125,408  | 165,884                             |
| Provisions (-)  | 26,022  | 44,497   | 100,476                             |
| Loans Granted to Real Persons and Legal Entities (Net)      | 151,179   | 80,911   | 65,408                              |
| Banks (Gross)   | --  | --   | --                                  |
| Provisions (-)  | --  | --   | --                                  |
| Banks (Net)   | --  | --   | --                                  |
| Other Loan and Receivables (Gross)                          | --  | --   | --                                  |
| Provisions (-)  | --  | --   | --                                  |
| Other Loan and Receivables (Net)                            | --  | --   | --                                  |

(\*) During TFRS 9 transition period, V. Group non-performing loans amounting to TL 14,167 has been reclassified under 1.6 Non-performing Financial Assets line and the related provision amount of TL 14,167 is reclassified under 1.7 Expected Loss Provisions line (-).

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**5.10 Information on interest accruals, valuation differences and related provisions calculated for non-performing loans**

The Bank does not calculate interest accruals for non-performing loans.

**6. Information on financial assets measured at amortized cost**

**6.1 Information on securities subject to repurchase agreement and given as collateral or blocked**

|   | Current Period |           |
|---|----------------|-----------|
|   | TL             | FC        |
| Share Certificates                                      | --             | --        |
| Bonds, Treasury Bills and Similar Marketable Securities | 164,879        | --        |
| Other   | --             | --        |
| <b>Total</b>  | <b>164,879</b> | <b>--</b> |

The Group does not have held to maturity investments as of 31 December 2017.

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

|                       | Current Period |           |
|-----------------------|----------------|-----------|
|                       | TL             | FC        |
| Government Bond       | 164,879        | --        |
| Treasury Bill         | --             | --        |
| Other Debt Securities | --             | --        |
| <b>Total</b>          | <b>164,879</b> | <b>--</b> |

The Group does not have held to maturity investments as of 31 December 2017.

**6.3 Information on financial assets measured at amortized cost**

|                                 | Current Period |
|---------------------------------|----------------|
| <b>Debt instruments</b>         | <b>164,879</b> |
| Quoted on Stock Exchange        | 164,879        |
| Unquoted on Stock Exchange      | --             |
| <b>Share certificates</b>       | <b>--</b>      |
| Quoted on Stock Exchange        | --             |
| Unquoted on Stock Exchange      | --             |
| <b>Impairment provision (-)</b> | <b>--</b>      |
| <b>Total</b>                    | <b>164,879</b> |

The Group does not have held to maturity investments as of 31 December 2017.

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#### 6.4 Information on the movement of financial assets measured at amortized cost during the period

|  | Current Period |
|--|----------------|
| Balance at the beginning of period             | --             |
| Foreign Exchange Difference in Monetary Assets | --             |
| Purchases during the year (*)                  | 164,879        |
| Disposals through Sales and Redemptions        | --             |
| Impairment provision (-)                       | --             |
| <b>Total</b>                                   | <b>164,879</b> |

(\*) As of 31 January 2018, according to IFRS 9 transaction, the related amount classified as "Financial Assets at Fair Value Through Other Comprehensive Income" to "Financial Assets Measured at Amortized Cost".

The Group does not have held to maturity investments as of 31 December 2017.

#### 7. Information on associates

The Group has TL 9,897 investment in an associate as of 31 March 2018 (31 December 2017: 4,897).

| Company Name  | Address (City / Country) | Bank's Share–<br>If different voting<br>rights (%) | Bank's Risk<br>Group Share (%) |
|---|--------------------------|--|--------------------------------|
| Kredi Garanti Fonu A.Ş.   | Ankara                   | 1.54%  | 1.54%                          |
| Finberg Araştırma Geliştirme<br>Danışmanlık Yatırım Hizmetleri A.Ş. (*) | İstanbul                 | 100%   | 100%                           |

(\*) Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., was established with the purpose of providing entrepreneurship, creation of new business fields and technologies, investment in financial technology companies, mobile payment, income expenditure follow-up and money transfer consultancy services.

#### 8. Information on consolidated subsidiaries

The Group has TL 5,445 of consolidated subsidiaries in its consolidated financial statements as of 31 March 2018 (31 December 2017: TL 5,445).

| Subsidiary                 | Address (City / Country) | Bank's Share–<br>If different voting<br>rights (%) | Bank's Risk<br>Group Share (%) | Consolidation<br>Method |
|----------------------------|--------------------------|--|--------------------------------|-------------------------|
| Fiba Portföy Yönetimi A.Ş. | İstanbul                 | 99.0%  | 99.0%                          | Full<br>Consolidation   |

| Total Assets | Shareholders'<br>Equity | Total Fixed<br>Assets (*) | Interest<br>Income | Income on<br>Securities<br>Portfolio | Current<br>Period<br>Profit/<br>Loss | Prior<br>Period<br>Profit/Loss | Company's Fair<br>Value |
|--------------|-------------------------|---------------------------|--------------------|--------------------------------------|--------------------------------------|--------------------------------|-------------------------|
| 5,985        | 5,519                   | 244                       | 184                | --                                   | 51                                   | 58                             | 5,519                   |

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

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**8. Information on consolidated subsidiaries (continued)**

*Information on capital adequacy of major subsidiary.*

| <b>Current Period</b>                             | <b>Fiba Portföy Yönetimi A.Ş.</b> |
|---|-----------------------------------|
| <b>CORE CAPITAL</b>                               | <b>5,519</b>                      |
| Paid-in Capital                                   | 5,500                             |
| Inflation Adjustments to Paid-in Capital          | --                                |
| Share Premium                                     | --                                |
| Reserves  | --                                |
| Current Period's Profit and Prior Periods' Profit | 51                                |
| Current Period's Losses and Prior Periods' Losses | (32)                              |
| Leasehold Improvements on Operational Leases (-)  | --                                |
| Intangible Assets (-)                             | --                                |
| Goodwill (Net) (-)                                | --                                |
| <b>SUPPLEMENTARY CAPITAL</b>                      | <b>--</b>                         |
| <b>CAPITAL</b>                                    | <b>5,519</b>                      |
| <b>DEDUCTIONS FROM CAPITAL</b>                    | <b>--</b>                         |
| <b>NET AVAILABLE EQUITY</b>                       | <b>5,519</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.

**8.2 Movement of consolidated investment in subsidiary**

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| <b>Balances at Beginning of Period</b>               | <b>5,445</b>          | <b>5,445</b>        |
| <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 Losses/ 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 | --                    | --                  |

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**8. Information on consolidated subsidiaries (continued)****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.

*Consolidated subsidiaries disposed in the current period.*

None.

*Consolidated subsidiaries acquired in the current period.*

None.

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

The Group does not have investments in entities under common control as of 31 March 2018.

**10. Information on lease receivables**

The Group does not have lease receivables as of 31 March 2018.

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

|   | <b>Current Period</b> |           |
|---|-----------------------|-----------|
| <b>Derivative financial assets held for hedging</b> | <b>TL</b>             | <b>FC</b> |
| Fair Value Hedge                                    | 28,274                | --        |
| Cash Flow Hedge                                     | --                    | --        |
| Foreign Net Investment Hedge                        | --                    | --        |
| <b>Total</b>  | <b>28,274</b>         | <b>--</b> |

|   | <b>Prior Period</b> |           |
|---|---------------------|-----------|
| <b>Derivative financial assets held for hedging</b> | <b>TL</b>           | <b>FC</b> |
| Fair Value Hedge                                    | 17,902              | --        |
| Cash Flow Hedge                                     | --                  | --        |
| Foreign Net Investment Hedge                        | --                  | --        |
| <b>Total</b>  | <b>17,902</b>       | <b>--</b> |

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**12. Information on tangible assets**

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

**14. Information on investment properties**

None.

**15. Information on deferred tax asset**

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

As of 31 March 2018, the deferred tax assets amounting to TL 100,074 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2017: TL 9,504 deferred tax asset).

Deferred tax asset consists of deferred tax asset and liability items recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. The deferred tax assets and liabilities are presented as net in the accompanying financial statements.

|  | <b>Current Period</b> |                                    |
|--|-----------------------|------------------------------------|
|  | Deferred Tax Base     | Deferred Tax Asset/<br>(Liability) |
| Financial Loss   | 198,807               | 43,738                             |
| Financial Assets Valuation                                 | (68,379)              | (14,801)                           |
| Unearned Commission Income/Prepaid<br>Commission Expenses  | 10,806                | 2,370                              |
| Retirement Pay and Unused Vacation Provision               | 25,239                | 5,305                              |
| Tangible Assets Base Differences                           | (9,484)               | (1,897)                            |
| Provisions   | 310,125               | 64,749                             |
| Other  | 2,756                 | 610                                |
| <b>Deferred Tax Asset/(Liability)</b>                      | <b>469,870</b>        | <b>100,074</b>                     |
|  | <b>Prior Period</b>   |                                    |
|  | Deferred Tax Base     | Deferred Tax Asset/<br>(Liability) |
| Financial Assets Valuation                                 | 18,621                | 3,830                              |
| Unearned Commission Income/ Prepaid Commission<br>Expenses | 13,633                | 3,000                              |
| Retirement Pay and Unused Vacation Provision               | 21,392                | 4,332                              |
| Tangible Assets Base Differences                           | (9,885)               | (1,977)                            |
| Other  | 1,321                 | 319                                |
| <b>Deferred Tax Asset/(Liability)</b>                      | <b>45,082</b>         | <b>9,504</b>                       |

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

|  | <b>1 January-31<br/>March 2018</b> | <b>1 January-31<br/>December 2017</b> |
|--|------------------------------------|---------------------------------------|
| Deferred Tax Asset / (Liability), 1 January                | 9,504                              | (1,335)                               |
| Deferred Tax Income / (Expense)                            | (14,136)                           | 12,770                                |
| Deferred Tax Recognized Directly Under Equity              | 104,706                            | (1,931)                               |
| <b>Deferred Tax Asset/(Liability) , Period End Balance</b> | <b>100,074</b>                     | <b>9,504</b>                          |

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**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 2018, the Group has TL 38,704 assets held for sale (31 December 2017: TL 23,795).

**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 2018, total prepaid expenses are TL 41,175 (31 December 2017: TL 30,026).

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

**1. Information on deposits**

**1.1 Information on maturity structure of deposits**

*Current Period*

|                                  | Demand           | 7 Days<br>Notice | Up to 1<br>Month | 1-3<br>Months    | 3-6<br>Months  | 6 Months<br>-1 Year | 1 Year<br>and Over | Cumulative<br>Deposit | Total             |
|----------------------------------|------------------|------------------|------------------|------------------|----------------|---------------------|--------------------|-----------------------|-------------------|
| <b>Saving Deposits</b>           | <b>90,814</b>    | --               | <b>401,662</b>   | <b>2,275,568</b> | <b>485,578</b> | <b>245,216</b>      | <b>155,458</b>     | --                    | <b>3,654,296</b>  |
| <b>Foreign Currency Deposits</b> | <b>532,028</b>   | --               | <b>317,434</b>   | <b>3,244,207</b> | <b>248,903</b> | <b>79,513</b>       | <b>53,167</b>      | --                    | <b>4,475,252</b>  |
| Residents in Turkey              | 346,976          | --               | 303,108          | 3,225,304        | 248,247        | 78,659              | 52,794             | --                    | 4,255,088         |
| Residents Abroad                 | 185,052          | --               | 14,326           | 18,903           | 656            | 854                 | 373                | --                    | 220,164           |
| <b>Public Sector Deposits</b>    | <b>73,797</b>    | --               | --               | --               | --             | --                  | --                 | --                    | <b>73,797</b>     |
| <b>Commercial Deposits</b>       | <b>330,021</b>   | --               | <b>131,059</b>   | <b>1,666,377</b> | <b>146,440</b> | <b>111,901</b>      | <b>322,047</b>     | --                    | <b>2,707,845</b>  |
| <b>Other Ins. Deposits</b>       | <b>2,080</b>     | --               | <b>4,323</b>     | <b>54,898</b>    | <b>14,195</b>  | <b>21,033</b>       | <b>32,438</b>      | --                    | <b>128,967</b>    |
| <b>Precious Metal Deposits</b>   | <b>4,803</b>     | --               | --               | --               | --             | --                  | --                 | --                    | <b>4,803</b>      |
| <b>Interbank Deposits</b>        | <b>42,145</b>    | --               | <b>569,034</b>   | <b>46,602</b>    | <b>4,360</b>   | --                  | --                 | --                    | <b>662,141</b>    |
| Central Bank of Turkey           | --               | --               | 535,789          | --               | --             | --                  | --                 | --                    | 535,789           |
| Domestic Banks                   | 16               | --               | 31,924           | --               | 4,360          | --                  | --                 | --                    | 36,300            |
| Foreign Banks                    | 27,995           | --               | 1,321            | 46,602           | --             | --                  | --                 | --                    | 75,918            |
| Special Finan.Inst.              | 14,134           | --               | --               | --               | --             | --                  | --                 | --                    | 14,134            |
| Other                            | --               | --               | --               | --               | --             | --                  | --                 | --                    | --                |
| <b>Total</b>                     | <b>1,075,688</b> | --               | <b>1,423,512</b> | <b>7,287,652</b> | <b>899,476</b> | <b>457,663</b>      | <b>563,110</b>     | --                    | <b>11,707,101</b> |

*Prior Period*

|                                  | Demand         | 7 Days<br>Notice | Up to 1<br>Month | 1-3<br>Months    | 3-6<br>Months    | 6 Months<br>-1 Year | 1 Year<br>and Over | Cumulative<br>Deposit | Total             |
|----------------------------------|----------------|------------------|------------------|------------------|------------------|---------------------|--------------------|-----------------------|-------------------|
| <b>Saving Deposits</b>           | <b>74,866</b>  | --               | <b>409,940</b>   | <b>2,067,120</b> | <b>617,183</b>   | <b>184,848</b>      | <b>150,372</b>     | --                    | <b>3,504,329</b>  |
| <b>Foreign Currency Deposits</b> | <b>339,684</b> | --               | <b>682,479</b>   | <b>3,935,109</b> | <b>205,144</b>   | <b>67,655</b>       | <b>141,318</b>     | --                    | <b>5,371,389</b>  |
| Residents in Turkey              | 326,480        | --               | 615,344          | 3,917,385        | 203,702          | 66,362              | 51,847             | --                    | 5,181,120         |
| Residents Abroad                 | 13,204         | --               | 67,135           | 17,724           | 1,442            | 1,293               | 89,471             | --                    | 190,269           |
| <b>Public Sector Deposits</b>    | <b>43,974</b>  | --               | --               | --               | --               | --                  | --                 | --                    | <b>43,974</b>     |
| <b>Commercial Deposits</b>       | <b>338,631</b> | --               | <b>84,534</b>    | <b>1,443,834</b> | <b>202,249</b>   | <b>207,845</b>      | <b>349,379</b>     | --                    | <b>2,626,472</b>  |
| <b>Other Ins. Deposits</b>       | <b>1,524</b>   | --               | <b>6,081</b>     | <b>63,930</b>    | <b>30,265</b>    | <b>25</b>           | <b>13,589</b>      | --                    | <b>115,414</b>    |
| <b>Precious Metal Deposits</b>   | <b>4,858</b>   | --               | --               | --               | --               | --                  | --                 | --                    | <b>4,858</b>      |
| <b>Interbank Deposits</b>        | <b>134,144</b> | --               | <b>387,573</b>   | <b>72,246</b>    | <b>7,506</b>     | --                  | --                 | --                    | <b>601,469</b>    |
| Central Bank of Turkey           | --             | --               | --               | --               | --               | --                  | --                 | --                    | --                |
| Domestic Banks                   | 126            | --               | 369,537          | --               | 7,506            | --                  | --                 | --                    | 377,169           |
| Foreign Banks                    | 17,375         | --               | 18,036           | 72,246           | --               | --                  | --                 | --                    | 107,657           |
| Special Finan.Inst.              | 116,643        | --               | --               | --               | --               | --                  | --                 | --                    | 116,643           |
| Other                            | --             | --               | --               | --               | --               | --                  | --                 | --                    | --                |
| <b>Total</b>                     | <b>937,681</b> | --               | <b>1,570,607</b> | <b>7,582,239</b> | <b>1,062,347</b> | <b>460,373</b>      | <b>654,658</b>     | --                    | <b>12,267,905</b> |

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**1.2 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance:**

|  | <b>Under<br/>the Guarantee of<br/>Deposit<br/>Insurance</b> | <b>Exceeding<br/>the limit of<br/>Deposit Insurance</b> |
|--|---|---|
|  | <b>Current Period</b>                                       | <b>Current Period</b>                                   |
| Saving Deposits  | 1,215,169   | 2,427,043   |
| Foreign Currency Saving Deposits   | 296,662   | 2,725,159   |
| 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>1,511,831</b>  | <b>5,152,202</b>  |

|  | <b>Under<br/>the Guarantee of<br/>Deposit<br/>Insurance</b> | <b>Exceeding<br/>the limit of<br/>Deposit Insurance</b> |
|--|---|---|
|  | <b>Prior Period</b>   | <b>Prior Period</b>                                     |
| Saving Deposits  | 1,151,935   | 2,336,011   |
| Foreign Currency Saving Deposits   | 304,051   | 2,457,726   |
| 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>1,455,986</b>  | <b>4,793,737</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**

|   | <b>Current Period</b> |
|---|-----------------------|
| Deposits and Accounts in Branches Abroad  | --                    |
| Deposits of Ultimate Shareholders and Their Close Families  | 31,353                |
| Deposits of Chairman and Members of the Board of Directors and their Close Families   | 13,859                |
| 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   | --                    |
|   | <b>Prior Period</b>   |
| Deposits and Accounts in Branches Abroad  | --                    |
| Deposits of Ultimate Shareholders and Their Close Families  | 33,853                |
| Deposits of Chairman and Members of the Board of Directors and their Close Families   | 13,094                |
| 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   | --                    |

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**2. Information on derivative financial liabilities held for trading**

**2.1 Information on negative differences relating to derivative financial liabilities held for trading**

|   | Current Period |               |
|---|----------------|---------------|
|   | TL             | FC            |
| <b>Trading Purpose Derivative Financial Liabilities</b> |                |               |
| Forward Transactions                                    | 66,327         | --            |
| Swap Transactions                                       | 519,463        | --            |
| Futures Transactions                                    | --             | --            |
| Options   | 261,978        | 12,873        |
| Other   | --             | --            |
| <b>Total (*)</b>  | <b>847,768</b> | <b>12,873</b> |

(\*) Excludes derivative financial liabilities amounting to TL 898 for hedging purposes.

|   | Prior Period   |              |
|---|----------------|--------------|
|   | TL             | FC           |
| <b>Trading Purpose Derivative Financial Liabilities</b> |                |              |
| Forward Transactions                                    | 43,928         | --           |
| Swap Transactions                                       | 484,580        | --           |
| Futures Transactions                                    | --             | --           |
| Options   | 213,939        | 7,143        |
| Other   | --             | --           |
| <b>Total</b>  | <b>742,447</b> | <b>7,143</b> |

**3. Information on banks and other financial institutions**

**3.1 Information on banks and other financial institutions**

|  | Current Period |                  |
|--|----------------|------------------|
|  | TL             | FC               |
| Loans from Central Bank of Turkey          | --             | --               |
| From Domestic Banks and Institutions       | 21,066         | 188,698          |
| From Foreign Banks, Institutions and Funds | --             | 2,109,925        |
| <b>Total</b>                               | <b>21,066</b>  | <b>2,298,623</b> |

|  | Prior Period  |                  |
|--|---------------|------------------|
|  | TL            | FC               |
| Loans from Central Bank of Turkey          | --            | --               |
| From Domestic Banks and Institutions       | 21,789        | 176,532          |
| From Foreign Banks, Institutions and Funds | --            | 1,886,530        |
| <b>Total</b>                               | <b>21,789</b> | <b>2,063,062</b> |

**3.2 Maturity analysis of borrowings**

|                      | Current Period |                  |
|----------------------|----------------|------------------|
|                      | TL             | FC               |
| Short Term           | 20,612         | 230,663          |
| Medium and Long Term | 454            | 2,067,960        |
| <b>Total</b>         | <b>21,066</b>  | <b>2,298,623</b> |

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**3.2 Maturity analysis of borrowings (continued)**

|                      | Prior Period  |                  |
|----------------------|---------------|------------------|
|                      | TL            | FC               |
| Short Term           | 20,868        | 177,567          |
| Medium and Long Term | 921           | 1,885,495        |
| <b>Total</b>         | <b>21,789</b> | <b>2,063,062</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**

| Current Period | TL         |                      | FC         |                      |
|----------------|------------|----------------------|------------|----------------------|
|                | Short Term | Medium and Long Term | Short Term | Medium and Long Term |
| Nominal        | 1,362,480  | --                   | --         | 1,184,670            |
| Book Value     | 1,323,197  | --                   | --         | 1,197,396            |

| Prior Period | TL         |                      | FC         |                      |
|--------------|------------|----------------------|------------|----------------------|
|              | Short Term | Medium and Long Term | Short Term | Medium and Long Term |
| Nominal      | 1,287,720  | --                   | --         | --                   |
| Book Value   | 1,255,066  | --                   | --         | --                   |

**5. Sundry Creditors and Other Liabilities**

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

**6. Criteria used in the determination of lease installments 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 lease**

|                   | Current Period |            | Prior Period |            |
|-------------------|----------------|------------|--------------|------------|
|                   | Gross          | Net        | Gross        | Net        |
| Less than 1 Year  | 160            | 132        | 150          | 125        |
| Between 1-4 Years | 368            | 342        | 376          | 344        |
| More than 4 Years | --             | --         | --           | --         |
| <b>Total</b>      | <b>528</b>     | <b>474</b> | <b>526</b>   | <b>469</b> |

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018

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#### 6.3 *Information on operational leases and footnotes*

The Group has operational lease agreements for the headquarters and some of its branches. If the rental payments are 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*

None.

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

| <b>Derivative financial liability held for hedging</b> | <b>Current Period</b> |           |
|--|-----------------------|-----------|
|  | <b>TL</b>             | <b>FC</b> |
| Fair Value Hedge                                       | 898                   | --        |
| Cash Flow Hedge  | --                    | --        |
| Foreign Net Investment Hedge                           | --                    | --        |
| <b>Total</b>   | <b>898</b>            | <b>--</b> |

| <b>Derivative financial liability held for hedging</b> | <b>Prior Period</b> |           |
|--|---------------------|-----------|
|  | <b>TL</b>           | <b>FC</b> |
| Fair Value Hedge                                       | 3,664               | --        |
| Cash Flow Hedge  | --                  | --        |
| Foreign Net Investment Hedge                           | --                  | --        |
| <b>Total</b>   | <b>3,664</b>        | <b>--</b> |

#### 8. **Information on provisions**

##### 8.1 *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 2018, amounting to TL 155 (31 December 2017: TL 359) are netted off from the loans on the balance sheet.

##### 8.2 *The specific provisions provided for unindemnified non cash loans*

As of 31 March 2018, the specific provision provided for unindemnified non cash loans is TL 2,273 (31 December 2017: TL 1,677).

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**8.3 Explanation on other provisions****8.3.1 Provisions for probable losses**

|                                | <b>Current Period</b> | <b>Prior Period</b> |
|--------------------------------|-----------------------|---------------------|
| Provisions for probable losses | 66,500                | 55,500              |

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

None (31 December 2017: None).

**8.3.3 Explanations on reserves for employee benefits**

As of 31 March 2018, reserves for employee benefits amounting to TL 25,240 (31 December 2017: TL 21,393) comprise of TL 12,247 reserve for employee termination benefits (31 December 2017: TL 11,497), TL 3,682 unused vacation pay liability (31 December 2017: TL 2,835) and TL 9,311 personnel premium accrual (31 December 2017: TL 7,061).

**9. Explanations on Tax Liability****9.1 Explanations on current tax liability****9.1.1 Explanations on tax provision**

As of 31 March 2018, the Group's current tax liability is TL 35,449 (31 December 2017: TL 42,256).

**9.1.2 Information on taxes payable**

|  | <b>Current Period</b> |
|--|-----------------------|
| Corporate taxes payable                      | --                    |
| Taxation on securities                       | 13,439                |
| Property tax                                 | 374                   |
| Banking and Insurance Transaction Tax (BITT) | 14,128                |
| Taxes on foreign exchange transactions       | --                    |
| Value added taxes payable                    | 281                   |
| Income tax ceased from wages                 | 2,410                 |
| Other  | 847                   |
| <b>Total</b>                                 | <b>31,479</b>         |

|  | <b>Prior Period</b> |
|--|---------------------|
| Corporate taxes payable                      | 5,897               |
| Taxation on securities                       | 16,662              |
| Property tax                                 | 374                 |
| Banking and Insurance Transaction Tax (BITT) | 11,501              |
| Taxes on foreign exchange transactions       | --                  |
| Value added taxes payable                    | 324                 |
| Income tax ceased from wages                 | 3,458               |
| Other  | 369                 |
| <b>Total</b>                                 | <b>38,585</b>       |

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**9.1.3 Information on premium**

|   | <b>Current Period</b> |
|---|-----------------------|
| Social Security Premiums- Employee                    | 1,692                 |
| Social Security Premiums- Employer                    | 1,925                 |
| 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                      | 117                   |
| Unemployment Insurance- Employer                      | 236                   |
| Other   | --                    |
| <b>Total</b>  | <b>3,970</b>          |

|   | <b>Prior Period</b> |
|---|---------------------|
| Social Security Premiums- Employee                    | 1,561               |
| Social Security Premiums- Employer                    | 1,784               |
| 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                      | 108                 |
| Unemployment Insurance- Employer                      | 217                 |
| Other   | --                  |
| <b>Total</b>  | <b>3,670</b>        |

**9.2 Explanations on deferred tax liabilities**

As of balance sheet date, after netting the Group's deferred tax asset, there is no deferred tax liability (31 December 2017 : None).

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

None.

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**11. Explanations on subordinated loans**

|   | Current Period |                  |
|---|----------------|------------------|
|   | TL             | FC               |
| Debt instruments subject to common equity | --             | --               |
| Subordinated loans                        | --             | --               |
| Subordinated debt instruments             | --             | --               |
| Debt instruments subject to Tier 2 equity | --             | --               |
| Subordinated loans                        | --             | 40,154           |
| Subordinated debt instruments             | --             | 1,186,655        |
| <b>Total</b>                              | <b>--</b>      | <b>1,226,809</b> |

|                             | Prior Period |                  |
|-----------------------------|--------------|------------------|
|                             | TL           | FC               |
| Domestic Banks              | --           | --               |
| Domestic Other Institutions | --           | --               |
| Foreign Banks               | --           | 39,298           |
| Foreign Other Institutions  | --           | 1,155,263        |
| <b>Total</b>                | <b>--</b>    | <b>1,194,561</b> |

**12. Information on shareholders' equity**

**12.1 Paid-in capital**

|                 | Current Period | Prior Period |
|-----------------|----------------|--------------|
| Common Stock    | 941,161        | 941,161      |
| Preferred Stock | --             | --           |

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

Registered share capital system is not applied.

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

None.

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

None.

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

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

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

None.

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

The Bank does not have any preferred shares.

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

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

|                             | Current Period | Prior Period |
|-----------------------------|----------------|--------------|
| Number of Shares (Thousand) | 26,230,098     | 26,230,098   |
| Number of Privileged Shares | --             | --           |
| Share Premium               | 128,678        | 128,678      |
| Share Cancellation Profits  | --             | --           |
| Other Equity Instruments    | --             | --           |

**12.9 Information on marketable securities value increase fund**

|   | Current Period |                | Prior Period    |              |
|---|----------------|----------------|-----------------|--------------|
|   | TL             | FC             | TL              | FC           |
| From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures) | --             | --             | --              | --           |
| Security Valuation Difference   | (495)          | (2,317)        | (13,113)        | 2,214        |
| Exchange Difference   | --             | --             | --              | --           |
| <b>Total</b>  | <b>(495)</b>   | <b>(2,317)</b> | <b>(13,113)</b> | <b>2,214</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 |
|--------------------|----------------|--------------|
| 1st Legal Reserves | 21,886         | 13,535       |
| 2nd Legal Reserves | -              | --           |
| Special Reserves   | --             | --           |

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**12.13 Information on extraordinary reserves**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Reserves allocated by the General Assembly    | 388,400               | 229,749             |
| Retained Earnings                             | --                    | --                  |
| Accumulated Losses                            | --                    | --                  |
| Foreign Currency Capital Exchange Differences | --                    | --                  |

**13. Information on minority shares**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Balance at Beginning of Period                        | 54                    | 53                  |
| Profit Share of Affiliates Net Profits                | 1                     | 1                   |
| Prior Period Dividend Payment                         | --                    | --                  |
| Increase/(Decrease) in Minority Interest due to Sales | --                    | --                  |
| Other   | --                    | --                  |
| <b>Balance at End of Period</b>                       | <b>55</b>             | <b>54</b>           |

**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                           | 2,444,123             | 1,637,022           |
| Credit Card Limit Commitments                                 | 120,521               | 123,381             |
| Credit Card and Bank Trans. Prom. Guarantee                   | 1                     | -                   |
| Commitments for Credit Allocation with the Guarantee of Usage | 445,920               | 323,365             |
| Export Commitments  | 5,682                 | 5,070               |
| Commitment for Cheques  | 252,084               | 211,200             |
| Other Irrevocable Commitments                                 | 3,153                 | 3,229               |
| <b>Total</b>  | <b>3,271,484</b>      | <b>2,303,267</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           | 631,134               | 759,390             |
| Letters of Guarantee FC           | 312,142               | 294,942             |
| Letters of Credit                 | 417,610               | 555,123             |
| Bills of Exchange and Acceptances | 473,585               | 421,539             |
| <b>Total</b>                      | <b>1,834,471</b>      | <b>2,030,994</b>    |

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018

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

### 1. Information on consolidated off-balance sheet commitments (continued)

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

|                                       | Current Period | Prior Period     |
|---------------------------------------|----------------|------------------|
| Revocable Letters of Guarantee        | 31,261         | 46,899           |
| Irrevocable Letters of Guarantee      | 765,542        | 889,934          |
| Letters of Guarantee Given in Advance | 89,951         | 60,718           |
| Letters of Guarantee Given to Customs | 10,223         | 13,536           |
| Other Letters of Guarantee            | 46,299         | 43,245           |
| <b>Total</b>                          | <b>943,276</b> | <b>1,054,332</b> |

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

|  | Current Period   | Prior Period     |
|--|------------------|------------------|
| Non-Cash Loans Given against Cash Loans              | 27,184           | 25,171           |
| With Original Maturity of 1 Year or Less Than 1 Year | --               | 2,428            |
| With Original Maturity of More Than 1 Year           | 27,184           | 22,743           |
| Other Non-Cash Loans                                 | 1,807,287        | 2,005,823        |
| <b>Total</b>   | <b>1,834,471</b> | <b>2,030,994</b> |

### 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 1,114 for the legal cases pending against the Group where the cash out flows are highly probable (31 December 2017: TL 1,114).

### 8. Custodian and intermediary services

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

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

**1. Interest income**

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

|  | Current Period |               |
|--|----------------|---------------|
|  | TL             | FC            |
| <b>Interest on loans</b>                                 | <b>419,644</b> | <b>84,029</b> |
| Short Term Loans   | 241,332        | 9,128         |
| Medium and Long Term Loans                               | 178,312        | 74,901        |
| Interest on Non-Performing Loans                         | 1,246          | --            |
| Premiums received from Resource Utilization Support Fund | --             | --            |
| <b>Total</b>   | <b>420,890</b> | <b>84,029</b> |

(\*) Includes fees and commissions obtained from cash loans as well.

|  | Prior Period   |               |
|--|----------------|---------------|
|  | TL             | FC            |
| <b>Interest on loans</b>                                 | <b>282,033</b> | <b>58,142</b> |
| Short Term Loans   | 170,091        | 6,648         |
| Medium and Long Term Loans                               | 111,942        | 51,494        |
| Interest on Non-Performing Loans                         | 800            | --            |
| Premiums received from Resource Utilization Support Fund | --             | --            |
| <b>Total</b>   | <b>282,833</b> | <b>58,142</b> |

(\*) Includes fees and commissions obtained from cash loans as well.

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

|                                 | Current Period |            |
|---------------------------------|----------------|------------|
|                                 | TL             | FC         |
| The Central Bank of Turkey      | 11,286         | --         |
| Domestic Banks                  | 10,428         | 182        |
| Foreign Banks                   | --             | 43         |
| Branches and Head Office Abroad | --             | --         |
| <b>Total</b>                    | <b>21,714</b>  | <b>225</b> |

|                                 | Prior Period  |            |
|---------------------------------|---------------|------------|
|                                 | TL            | FC         |
| The Central Bank of Turkey      | 603           | --         |
| Domestic Banks                  | 10,424        | 77         |
| Foreign Banks                   | --            | 61         |
| Branches and Head Office Abroad | --            | --         |
| <b>Total</b>                    | <b>11,027</b> | <b>138</b> |

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**1.3 Interest received from marketable securities portfolio**

|  | Current Period |              |
|--|----------------|--------------|
|  | TL             | FC           |
| Financial Assets Measured at Fair Value Through Profit or Loss             | 568            | 63           |
| Financial Assets Measured at Fair Value Through Other Comprehensive Income | 973            | 6,567        |
| Financial Assets Measured at Amortized Cost                                | 3,743          | --           |
| <b>Total</b>   | <b>5,284</b>   | <b>6,630</b> |

|   | Prior Period |              |
|---|--------------|--------------|
|   | TL           | FC           |
| Financial Assets Held for Trading                     | 349          | 65           |
| Financial Assets at Fair Value Through Profit or Loss | --           | --           |
| Financial Assets Available-for-Sale                   | 4,133        | 8,509        |
| Investment Securities Held-to-Maturity                | --           | --           |
| <b>Total</b>  | <b>4,482</b> | <b>8,574</b> |

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

None (31 December 2017: None).

**2. Interest expense**

**2.1 Information on interest on funds borrowed (\*)**

|                                 | Current Period |               |
|---------------------------------|----------------|---------------|
|                                 | TL             | FC            |
| <b>Banks</b>                    | <b>349</b>     | <b>12,594</b> |
| The Central Bank of Turkey      | --             | --            |
| Domestic Banks                  | 349            | 2,443         |
| Foreign Banks                   | --             | 10,151        |
| Branches and Head Office Abroad | --             | --            |
| <b>Other Institutions</b>       | <b>--</b>      | <b>29,953</b> |
| <b>Total</b>                    | <b>349</b>     | <b>42,547</b> |

(\*) Includes also the fee and commission expenses on borrowings.

|                                 | Prior Period |               |
|---------------------------------|--------------|---------------|
|                                 | TL           | FC            |
| <b>Banks</b>                    | <b>275</b>   | <b>6,884</b>  |
| The Central Bank of Turkey      | --           | --            |
| Domestic Banks                  | 269          | 1,340         |
| Foreign Banks                   | 6            | 5,544         |
| Branches and Head Office Abroad | --           | --            |
| <b>Other Institutions</b>       | <b>--</b>    | <b>13,779</b> |
| <b>Total</b>                    | <b>275</b>   | <b>20,663</b> |

(\*) Includes also the fee and commission expenses on borrowings.

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

None (31 December 2017: None).

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

|  | Current Period |        |
|--|----------------|--------|
|  | TL             | FC     |
| Interest Paid to Marketable Securities | 44,277         | 12,726 |
|  |                |        |
|  | Prior Period   |        |
|  | TL             | FC     |
| Interest Paid to Securities Issued     | 26,944         | --     |

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

| Account Description       | Demand Deposits | Time Deposits |                |                |               |               | 1 Year and Cumulative Over Deposit | Total          |
|---------------------------|-----------------|---------------|----------------|----------------|---------------|---------------|------------------------------------|----------------|
|                           |                 | Up to 1 Month | Up to 3 Months | Up to 6 Months | Up to 1 Year  |               |                                    |                |
| <b>Turkish Lira</b>       |                 |               |                |                |               |               |                                    |                |
| Bank Deposits             | --              | 2,227         | --             | --             | --            | --            | --                                 | 2,227          |
| Saving Deposits           | --              | 11,749        | 76,769         | 23,411         | 7,780         | 5,240         | --                                 | 124,949        |
| Public Sector Deposits    | --              | --            | 9              | --             | --            | --            | --                                 | 9              |
| Commercial Deposits       | --              | 3,333         | 54,776         | 6,300          | 4,696         | 11,918        | --                                 | 81,023         |
| Other                     | --              | 30            | 2,737          | 298            | 687           | 1,100         | --                                 | 4,852          |
| 7 Day Call Accounts       | --              | --            | --             | --             | --            | --            | --                                 | --             |
| <b>Total</b>              | --              | <b>17,339</b> | <b>134,291</b> | <b>30,009</b>  | <b>13,163</b> | <b>18,258</b> | --                                 | <b>213,060</b> |
| <b>Foreign Currency</b>   |                 |               |                |                |               |               |                                    |                |
| Foreign Currency Deposits | --              | 4,300         | 31,421         | 1,912          | 543           | 1,154         | --                                 | 39,330         |
| Bank Deposits             | --              | 3,102         | --             | --             | --            | --            | --                                 | 3,102          |
| 7 Day Call Accounts       | --              | --            | --             | --             | --            | --            | --                                 | --             |
| Precious Metal Deposits   | --              | --            | --             | --             | --            | --            | --                                 | --             |
| <b>Total</b>              | --              | <b>7,402</b>  | <b>31,421</b>  | <b>1,912</b>   | <b>543</b>    | <b>1,154</b>  | --                                 | <b>42,432</b>  |
| <b>Grand Total</b>        | --              | <b>24,741</b> | <b>165,712</b> | <b>31,921</b>  | <b>13,706</b> | <b>19,412</b> | --                                 | <b>255,492</b> |

**3. Information on dividend income**

None (31 December 2017: None).

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

|  | <b>Current Period</b> |
|--|-----------------------|
| <b>Income</b>                              | <b>464,813</b>        |
| Gains on Capital Market Operations         | 1,442                 |
| Gains on Derivative Financial Instruments  | 314,633               |
| Foreign Exchange Gains                     | 148,738               |
| <b>Loss (-)</b>                            | <b>486,701</b>        |
| Losses on Capital Market Operations        | 223                   |
| Losses on Derivative Financial Instruments | 332,758               |
| Foreign Exchange Losses                    | 153,720               |
| <b>Net Trading Income / ( Loss )</b>       | <b>(21,888)</b>       |

|  | <b>Prior Period</b> |
|--|---------------------|
| <b>Income</b>                              | <b>591,782</b>      |
| Gains on Capital Market Operations         | 2,361               |
| Gains on Derivative Financial Instruments  | 293,201             |
| Foreign Exchange Gains                     | 296,220             |
| <b>Loss (-)</b>                            | <b>586,173</b>      |
| Losses on Capital Market Operations        | 216                 |
| Losses on Derivative Financial Instruments | 288,240             |
| Foreign Exchange Losses                    | 297,717             |
| <b>Net Trading Income / ( Loss )</b>       | <b>5,609</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. Provisions for Expected Losses**

|  | <b>Current Period</b> |
|--|-----------------------|
| <b>Expected Credit Losses</b>  | <b>46,567</b>         |
| 12 Month Expected Credit Losses (Stage 1)                                | 847                   |
| Significant Increase In Credit Risk (Stage 2)                            | --                    |
| Impaired Credits (Stage 3)   | 45,720                |
| <b>Impairment Losses on Marketable Securities</b>                        | <b>--</b>             |
| Financial Assets Valued at Fair Value Through Profit or Loss             | --                    |
| Financial Assets Valued at Fair Value Through Other Comprehensive Income | --                    |
| <b>Impairment Losses on Associates, Subsidiaries and Joint Ventures</b>  | <b>--</b>             |
| Associates   | --                    |
| Subsidiaries   | --                    |
| Joint-Ventures   | --                    |
| <b>Other (*)</b>   | <b>16,453</b>         |
| <b>Total</b>   | <b>63,020</b>         |

(\*) TL 11,000 portion consist of provision for possible losses.

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**Impairment on loans and other receivables**

|   | <b>Prior Period</b> |
|---|---------------------|
| Specific Provisions on Loans and Other Receivables:   | 34,320              |
| <i>III. Group Loans and Receivables</i>   | 3,923               |
| <i>IV. Group Loans and Receivables</i>  | 12,388              |
| <i>V. Group Loans and Receivables</i>   | 18,009              |
| General Loan Loss Provisions  | --                  |
| Free Provision for Probable Risks   | 2,000               |
| 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>36,320</b>       |

**7. Information related to other operational expenses**

|   | <b>Current Period</b> |
|---|-----------------------|
| Personnel Expenses (*)  | 55,444                |
| Provision for Employee Termination Benefits                       | 750                   |
| Provision for Bank's Social Aid Fund Deficit                      | --                    |
| Impairment Losses on Tangible Assets                              | --                    |
| Depreciation Charges of Tangible Assets                           | 2,672                 |
| Impairment Losses on Intangible Assets                            | --                    |
| Amortization Charges of Intangible Assets                         | 1,002                 |
| Impairment Losses on Investment Accounted for under Equity Method | --                    |
| Impairment of Assets to be Disposed                               | --                    |
| Depreciation of Assets to be Disposed                             | 32                    |
| Impairment of Assets Held for Sale                                | --                    |
| Other Operating Expenses  | 27,884                |
| <i>Operational Leases Expenses</i>                                | 9,582                 |
| <i>Repair and Maintenance Expenses</i>                            | 560                   |
| <i>Advertisement Expenses</i>                                     | 3,758                 |
| <i>Other Expenses</i>   | 13,984                |
| Losses on Sale of Assets  | 17                    |
| Other   | 18,285                |
| <b>Total</b>  | <b>106,086</b>        |

(\*)"Personnel Expenses" which is not included in "Other Operating Expenses" in the Income Statement is included into this table.

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**7. Information related to other operational expenses (continued)**

|   | <b>Prior Period</b> |
|---|---------------------|
| Personnel Expenses  | 45,261              |
| Provision for Employee Termination Benefits                       | 500                 |
| Provision for Bank's Social Aid Fund Deficit                      | --                  |
| Impairment Losses on Tangible Assets                              | --                  |
| Depreciation Charges of Tangible Assets                           | 2,992               |
| Impairment Losses on Intangible Assets                            | --                  |
| Amortization Charges of Intangible Assets                         | 710                 |
| Impairment Losses on Investment Accounted for under Equity Method | --                  |
| Impairment of Assets to be Disposed                               | --                  |
| Depreciation of Assets to be Disposed                             | 4                   |
| Impairment of Assets Held for Sale                                | --                  |
| Other Operating Expenses  | 20,369              |
| <i>Operational Leases Expenses</i>                                | 8,274               |
| <i>Repair and Maintenance Expenses</i>                            | 465                 |
| <i>Advertisement Expenses</i>                                     | 2,563               |
| <i>Other Expenses</i>   | 9,067               |
| Losses on Sale of Assets  | 37                  |
| Other   | 11,992              |
| <b>Total</b>  | <b>81,865</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 2018, current tax expense of the Group is TL 15 (1 January - 31 March 2017: TL 15,314) and the deferred tax loss of the Group is TL 14,136 (1 January - 31 March 2017: TL 6,806 deferred tax income).

**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".

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**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 *As there is no minority share in shareholders' equity, there is no profit or loss attributable on the minority shares. (2017: None)***

**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**

In the income statement, “other” items recognised under “fees and commissions received” is comprised of allocation and revise of limit commissions, valuation commissions, insurance commissions, contracted merchant commissions, credit card commissions and account and account maintenance fee etc.

In the income statement, “other” items recognised under “fees and commissions paid” is majorly comprised of commissions to correspondent banks, credit card commissions and commissions on issuance of securities.

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

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

**1.1 Current Period**

| Parent Bank’s Risk Group (*)            | Associates, Subsidiaries<br>and<br>Joint-Ventures |          | Bank’s Direct and<br>Indirect Shareholder |          | Other Real Persons and<br>Legal Entities in Risk<br>Group |          |
|---|---|----------|---|----------|---|----------|
|   | Cash  | Non-Cash | Cash                                      | Non-Cash | Cash  | Non-Cash |
|   | Loans and Other Receivables (**)                  |          |   |          |   |          |
| Balance at the Beginning of the Period  | --  | --       | --  | 22       | 11,556  | 48,284   |
| Balance at the End of the Period        | --  | --       | --  | 22       | 48,667  | 48,037   |
| Interest and Commission Income Received | --  | --       | --  | --       | 11,925  | 23       |

(\*) Described in article 49 of the Banking Act numbered 5411.

(\*\*) Includes all transactions accepted as loans in article 48 of the Banking Act numbered 5411.

**Prior Period**

| Parent Bank’s Risk Group (*)            | Associates, Subsidiaries and<br>Joint-Ventures |          | Bank’s Direct and<br>Indirect Shareholder |          | Other Real Persons and<br>Legal Entities in Risk<br>Group |          |
|---|--|----------|---|----------|---|----------|
|   | Cash   | Non-Cash | Cash                                      | Non-Cash | Cash  | Non-Cash |
|   | Loans and Other Receivables(**)                |          |   |          |   |          |
| Balance at the Beginning of the Period  | --   | --       | --  | 22       | 126,939   | 30,871   |
| Balance at the End of the Period        | --   | --       | --  | 22       | 11,556  | 48,284   |
| Interest and Commission Income Received | --   | --       | --  | --       | 1,091   | 28       |

(\*) Described in article 49 of the Banking Act numbered 5411

(\*\*) Includes all transactions accepted as loans in article 48 of the Banking Act numbered 5411.

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

| Parent Bank’s Risk Group (*)           | Associates, Subsidiaries<br>and Joint-Ventures |              | Bank’s Direct and<br>Indirect Shareholder |              | Other Real Persons and<br>Legal Entities in Risk<br>Group |              |
|--|--|--------------|---|--------------|---|--------------|
|  | Current<br>Period                              | Prior Period | Current<br>Period                         | Prior Period | Current<br>Period   | Prior Period |
|  | Deposits                                       |              |   |              |   |              |
| Balance at the Beginning of the Period | --   | --           | 300,055                                   | 15,552       | 409,339   | 595,924      |
| Balance at the End of the Period       | --   | --           | 11,736                                    | 300,055      | 419,154   | 409,341      |
| Deposit Interest Expense               | --   | --           | 2,208                                     | 2,043        | 8,869   | 8,891        |

(\*) Described in article 49 of the Banking Act numbered 5411.

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

As of 31 March 2018, the amount of funds obtained from Bank’s risk group is TL 228,376 and that fund amount has obtained from IFC, EBRD and CEB in the form of borrowings (31 December 2017: TL 171,583; that fund amount has obtained from IFC and EBRD in the form of borrowings).

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**1.4 Information on forward and option agreements and similar agreements made with Parent Bank's risk group**

| Parent Bank's Risk Group (*)           | Associates,<br>Subsidiaries and<br>Joint-Ventures          |              | Bank's Direct and<br>Indirect Shareholder |              | Other Real Persons<br>and Legal Entities in<br>Risk Group |                 |
|--|--|--------------|---|--------------|---|-----------------|
|  | Current<br>Period  | Prior Period | Current<br>Period                         | Prior Period | Current<br>Period   | Prior<br>Period |
|  | Financial Assets at Fair Value Through<br>Profit and Loss: |              |   |              |   |                 |
| Balance at the Beginning of the Period | --   | --           | --  | --           | 899,553   | 863,016         |
| Balance at the End of the Period       | --   | --           | --  | --           | 1,394,106   | 899,553         |
| Total Income/Loss                      | --   | --           | --  | --           | (11,944)  | (10,211)        |
| 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 numbered 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 Parent 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 2018, the ratio of the loans and other receivables used by the entities of the risk group to total loans and receivables is 0.31% (31 December 2017 : 0.07 %) and the ratio of the deposits of entities of the risk group to total deposits is 3.68% (31 December 2017: 5.78%). Ratio of funds obtained from entities of risk group to total funds borrowed is 6.5% (31 December 2017: 5.2%). The distribution of 6.5% is 4.5% IFC, 0.6% EBRD and 1.4% CEB.

In current period benefits provided to the key management of the Group is TL 2,574 (1 January - 31 March 2017: TL 4,716).

**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  
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(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 Parent Bank’s domestic and foreign branch and representatives**

|                                   | Number | Number of Employees |                           |              |                         |
|-----------------------------------|--------|---------------------|---------------------------|--------------|-------------------------|
| Domestic Branch                   | 83     | 1,684               |                           |              |                         |
|                                   |        |                     | 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. | 8                   | 5,985  | 5,500         |

**VII. Events after balance sheet date**

None.

**VIII. Other disclosures on activities of the Parent Bank**

**Summary information of Bank’s risk ratings by international rating agencies**

| <b>Fitch Ratings</b>            |          |
|---------------------------------|----------|
| Long term FC and TL Rating      | BB-      |
| Short term FC and TL Rating     | B        |
| Viability Rating                | BB-      |
| Support Rating                  | 5        |
| Long term National Scale Rating | A+ (tur) |
| Senior Unsecured Debt Rating    | BB-      |
| Subordinated Debt Rating        | B+       |
| Outlook                         | Stable   |

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**SECTION SIX**

**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 Güney Bağımsız Denetim ve SMMM A.Ş (Member of Ernst & Young Global Limited) and the independent auditors' limited review report is presented before 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 2018

(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 numbered 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, provided from inflation adjustment difference TL 17,415, from the profit from the sale of real estate TL 9,502 and cash from Fiba Holding TL 96,432. On 31 March 2015, according to BOD's decision as of 5 March 2015, share capital was increased from TL 550,000 to TL 678,860 while 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 including the share premium TL 121,017 (TL 84,328 of said amount is the share of capital; TL 36,689 is the share premium), which makes a total amount of TL 242,034, in the share capital of the Bank by way of capital increase.

The Bank's TL 847,515 paid capital increased by TL 93,646 on 7 September 2016 all by TurkFinance B.V. to be covered by capital participation to TL 941,161. In addition, TL 55,299 recorded under the equity as share premium.

As of 31 March 2018, the Bank's paid-in capital is TL 941,161 million.

##### As of 31 March 2018, The Bank's Shareholder Structure:

| Commercial Title                                 | Share Amount (Full basis TL) | Share Ratios (%) |
|--|------------------------------|------------------|
| Fiba Holding A.Ş                                 | 673,455,958.58               | 71.56%           |
| Turk Finance B.V.                                | 93,645,475.05                | 9.95%            |
| International Finance Corporation                | 84,327,750.28                | 8.96%            |
| European Bank for Reconstruction and Development | 84,327,750.28                | 8.96%            |
| Other  | 5,403,619.06                 | 0.57%            |
| <b>TOTAL</b>                                     | <b>941,160,553.25</b>        | <b>100%</b>      |

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(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                  | 43 years                       |
| <b>Fevzi Bozer</b>           | Vice Chairman of the Board of Directors           |  | 27.12.2010                 | Graduate                  | 35 years                       |
| <b>İsmet Kaya Erdem</b>      | Member of the Board of Directors                  |  | 11.02.2013                 | Undergraduate             | 67 years                       |
| <b>Mehmet Güleşçi</b>        | Member of the Board of Directors                  |  | 27.12.2010                 | Graduate                  | 33 years                       |
| <b>Mevlüt Hamdi Aydın</b>    | Member of the Board of Directors                  |  | 24.01.2013                 | Undergraduate             | 34 years                       |
| <b>Memduh Aslan Akçay</b>    | Member of the Board of Directors                  |  | 13.04.2016                 | Graduate                  | 27 years                       |
| <b>Selçuk Yorgancıoğlu</b>   | Member of the Board of Directors                  |  | 22.09.2016                 | Graduate                  | 25 years                       |
| <b>Hülya Kefeli</b>          | Member of the Board of Directors                  |  | 15.05.2017                 | Undergraduate             | 33 years                       |
| <b>Ömer Mert</b>             | General Manager, Member of the Board of Directors |  | 19.01.2017                 | Graduate                  | 22 years                       |
| <b>Elif Alev Utku Özbey</b>  | Deputy General Manager                            | Financial Control and Financial Reporting      | 07.01.2011                 | Graduate                  | 23 years                       |
| <b>Adem Aykın</b>            | Assistant General Manager                         | Information Technologies                       | 01.07.2011                 | Undergraduate             | 29 years                       |
| <b>Ahu Dolu</b>              | Assistant General Manager                         | Financial Institutions and Project Finance     | 01.12.2015                 | Undergraduate             | 20 years                       |
| <b>Turgay Hasdiker</b>       | Assistant General Manager                         | Credits  | 01.12.2015                 | Undergraduate             | 26 years                       |
| <b>Kerim Lokman Kuriş</b>    | Assistant General Manager                         | Corporate and Commercial Banking               | 01.12.2015                 | Undergraduate             | 19 years                       |
| <b>Orhan Hatipoğlu</b>       | Assistant General Manager                         | Banking Operations & Supporting Services       | 02.01.2017                 | Undergraduate             | 25 years                       |
| <b>Ömer Rifat Gencal</b>     | Assistant General Manager                         | Treasury                                       | 02.02.2015                 | Undergraduate             | 26 years                       |
| <b>Sezin Erken</b>           | Assistant General Manager                         | Consumer Banking & Funding Resource Management | 10.08.2017                 | Graduate                  | 17 years                       |
| <b>Gerçek Önal</b>           | Chief Legal Officer                               | Legal Affairs                                  | 01.02.2016                 | Graduate                  | 17 years                       |
| <b>Ahmet Cemil Borucu</b>    | Department Head                                   | Board of Inspection                            | 07.02.2011                 | Graduate                  | 20 years                       |
| <b>Ayşe Tulgar Ayça</b>      | Department Head                                   | Risk Management                                | 15.03.2011                 | Undergraduate             | 19 years                       |
| <b>Serdal Yıldırım</b>       | Department Head                                   | Legislation and Compliance                     | 06.04.2011                 | Graduate                  | 21 years                       |
| <b>Kansu Pulular</b>         | Department Head                                   | Internal Control & Operational Risk            | 02.01.2017                 | Graduate                  | 14 years                       |

**FİBABANKA A.Ş. AND ITS SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018**

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

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

| <b>Summary of Unconsolidated Balance Sheet</b>                           |                        |
|--|------------------------|
|  | <b><u>31/03/18</u></b> |
| Cash and Cash Equivalents  | 3,213,158              |
| Financial Assets Valued at Fair Value Through Profit or Loss             | 70,701                 |
| Financial Assets Valued at Fair Value Through Other Comprehensive Income | 635,944                |
| Financial Assets Measured at Amortized Cost                              | 164,879                |
| Derivative Financial Assets  | 879,986                |
| Expected Credit Losses (-)   | 16,819                 |
| Loans (Net)  | 15,516,613             |
| <b>Total Assets</b>  | <b>20,973,034</b>      |
| Deposits   | 11,711,849             |
| Funds Borrowed   | 2,319,689              |
| Money Market Funds   | 505,229                |
| Securities Issued (Net)  | 2,520,593              |
| Subordinated Debts   | 861,539                |
| Shareholder's Equity   | 1,226,809              |
| <b>Total Liabilities</b>   | <b>1,190,101</b>       |
|  | <b>20,973,034</b>      |

| <b>Summary of Unconsolidated Balance Sheet</b>              |                        |
|---|------------------------|
|   | <b><u>31/12/17</u></b> |
| Cash and Balances with The Central Bank                     | 2,487,256              |
| Financial Assets at Fair Value Through Profit or Loss (Net) | 1,344,033              |
| Financial Assets Held for Trading                           | 743,877                |
| Financial Assets Designated at Fair Value                   | 600,156                |
| Banks   | 319,695                |
| Financial Assets Available for Sale (Net)                   | 766,163                |
| Loans (Net)   | 14,488,001             |
| <b>Total Assets</b>   | <b>20,116,206</b>      |
| Deposits  | 12,272,743             |
| Derivative Financial Liabilities Held for Trading           | 749,590                |
| Funds Borrowed  | 2,084,851              |
| Money Market Funds  | 479,880                |
| Securities Issued (Net)                                     | 1,255,066              |
| Subordinated Debts  | 1,194,561              |
| Shareholder's Equity  | 1,464,590              |
| <b>Total Liabilities</b>                                    | <b>20,116,206</b>      |

**FİBANKA A.Ş. AND ITS SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018**

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

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

| <b>Summary of Consolidated Balance Sheet</b>                             |                        |
|--|------------------------|
|  | <b><u>31/03/18</u></b> |
| Cash and Cash Equivalents  | 3,213,462              |
| Financial Assets Valued at Fair Value Through Profit or Loss             | 70,701                 |
| Financial Assets Valued at Fair Value Through Other Comprehensive Income | 635,944                |
| Financial Assets Measured at Amortized Cost                              | 164,879                |
| Derivative Financial Assets  | 879,986                |
| Expected Credit Losses (-)   | 16,819                 |
| Loans (Net)  | 15,516,613             |
| <b>Total Assets</b>  | <b>20,968,826</b>      |
| Deposits   | 11,707,101             |
| Funds Borrowed   | 2,319,689              |
| Money Market Funds   | 505,229                |
| Securities Issued (Net)  | 2,520,593              |
| Subordinated Debts   | 861,539                |
| Shareholder's Equity   | 1,226,809              |
| <b>Total Liabilities</b>   | <b>1,190,174</b>       |
|  | <b>20,968,826</b>      |

| <b>Summary of Consolidated Balance Sheet</b>                |                        |
|---|------------------------|
|   | <b><u>31/12/17</u></b> |
| Cash and Balances with The Central Bank                     | 2,487,256              |
| Financial Assets at Fair Value Through Profit or Loss (Net) | 1,344,033              |
| Financial Assets Held for Trading                           | 743,877                |
| Financial Assets Designated at Fair Value                   | 600,156                |
| Banks   | 320,016                |
| Financial Assets Available for Sale (Net)                   | 766,163                |
| Loans (Net)   | 14,488,001             |
| <b>Total Assets</b>   | <b>20,111,668</b>      |
| Deposits  | 12,267,905             |
| Derivative Financial Liabilities Held for Trading           | 749,590                |
| Funds Borrowed  | 2,084,851              |
| Money Market Funds  | 479,880                |
| Securities Issued (Net)                                     | 1,255,066              |
| Subordinated Debts  | 1,194,561              |
| Shareholder's Equity  | 1,464,612              |
| <b>Total Liabilities</b>                                    | <b>20,111,668</b>      |

**FİBANKA A.Ş. AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 31 MARCH 2018**

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

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

| <b>Summary of Unconsolidated Income Statement</b>      |                        |
|--|------------------------|
|  | <b><u>31/03/18</u></b> |
| Net Interest Income                                    | 188,013                |
| Net Fees and Commission Income                         | 16,770                 |
| Personnel Expenses                                     | 55,062                 |
| Trading Income/ Loss (Net)                             | (21,888)               |
| Other Operating Revenues                               | 39,788                 |
| <b>Total Operating Income</b>                          | <b>167,621</b>         |
| Expected Credit Losses (-)                             | 63,020                 |
| Other Operating Expenses (-)                           | 50,443                 |
| <b>Net Operating Income / Loss</b>                     | <b>54,158</b>          |
| <b>Profit/Loss on Continuing Operations Before Tax</b> | <b>54,158</b>          |
| Tax Provision for Continuing Operations                | (14,137)               |
| <b>Net Period Profit / Loss</b>                        | <b>40,021</b>          |

| <b>Summary of Unconsolidated Income Statement</b>      |                        |
|--|------------------------|
|  | <b><u>31/03/17</u></b> |
| Net Interest Income                                    | 136,999                |
| Net Fees and Commission Income                         | 8,238                  |
| Trading Income/ Loss (Net)                             | 5,609                  |
| Other Operating Revenues                               | 12,170                 |
| <b>Total Operating Income</b>                          | <b>163,016</b>         |
| Provision for Losses and Other Receivables (-)         | 36,320                 |
| Other Operating Expenses (-)                           | 81,448                 |
| <b>Net Operating Income / Loss</b>                     | <b>45,248</b>          |
| <b>Profit/Loss on Continuing Operations Before Tax</b> | <b>45,248</b>          |
| Tax Provision for Continuing Operations                | (8,493)                |
| <b>Net Period Profit / Loss</b>                        | <b>36,755</b>          |

**FİBABANKA A.Ş. AND ITS SUBSIDIARY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

| <b>Summary of Consolidated Income Statement</b>        |                        |
|--|------------------------|
|  | <b><u>31/03/18</u></b> |
| Net Interest Income                                    | 188,197                |
| Net Fees and Commission Income                         | 17,270                 |
| Personnel Expenses                                     | 55,444                 |
| Trading Income/ Loss (Net)                             | (21,888)               |
| Other Operating Revenues                               | 39,750                 |
| <b>Total Operating Income</b>                          | <b>167,885</b>         |
| Expected Credit Losses (-)                             | 63,020                 |
| Other Operating Expenses (-)                           | 50,642                 |
| <b>Net Operating Income / Loss</b>                     | <b>54,223</b>          |
| <b>Profit/Loss on Continuing Operations Before Tax</b> | <b>54,223</b>          |
| Tax Provision for Continuing Operations                | (14,151)               |
| <b>Net Period Profit / Loss</b>                        | <b>40,072</b>          |

| <b>Summary of Consolidated Income Statement</b>        |                        |
|--|------------------------|
|  | <b><u>31/03/17</u></b> |
| Net Interest Income                                    | 137,147                |
| Net Fees and Commission Income                         | 8,628                  |
| Trading Income/ Loss (Net)                             | 5,609                  |
| Other Operating Revenues                               | 12,122                 |
| <b>Total Operating Income</b>                          | <b>163,506</b>         |
| Provision for Losses and Other Receivables (-)         | 36,320                 |
| Other Operating Expenses (-)                           | 81,865                 |
| <b>Net Operating Income / Loss</b>                     | <b>45,321</b>          |
| <b>Profit/Loss on Continuing Operations Before Tax</b> | <b>45,321</b>          |
| Tax Provision for Continuing Operations                | (8,508)                |
| <b>Net Period Profit / Loss</b>                        | <b>36,813</b>          |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

As of the first quarter of 2018, Fibabanka has increased the performing loan portfolio by 37% compared to the same period of year 2017 and the loan portfolio has increased 6% compared to the end of 2017 by reaching TL 15.6 billion. Growth was achieved especially in corporate, commercial, SME and agriculture loans by 33%. In the same period, share of corporate, commercial, SME and agriculture loans in performing loan portfolio is approximately 93%.

On the other hand, the operations on the acquisition of new customers through new channels (SMS, store, Web, etc.) created outside the branch launched in 2017 has been continuing in 2018 as well. The most important of these is the infrastructure and processes for consumer financing which is one of the sales points. In particular, the consumer financing model was cooperated with the brands and stores operating in the retail sector, which sell electronic products, and the Bank has acquired new customers. In 2018, the spirit of innovation, innovative products and services will continue to be front-line.

Our Bank, has funded its growing loan portfolio mainly with customer deposits also in 2018. In this period, customer deposits constitutes 53% of total liabilities, amounting to TL 11.0 billion. With an innovative marketing plan, targets are supported with deposit campaigns focused on acquiring new customers, new product launches and new sales channels.

In 2018, efforts have been made to create alternative funding sources in order to diversify the resource structure. In the first three months of the year, TRY-denominated securities were issued in Turkey with a total nominal value of TL 0.9 billion.

Also after the issuance of \$ 300 million bonds which were Basel 3 compliant in 2017, a second issuance was carried out in international markets in January 2018. The issuance of 5-year Eurobonds in the amount of \$ 300 million was completed with great success.

In the first quarter of 2018, while loan volume has been increased, loans are diversified both in terms of maturity and sectors, portfolio was targeted 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's realised profit before tax increased by 20% to TL 54.2 million and net profit after tax amounting to TL 40.0 million. As of 31 March 2018, consolidated capital adequacy ratio of the Bank is 16.05%.

Our bank, continues to perform its structural organizational goals within its plans as well as financial goals, offering services to our customers with 83 branches and 1,684 employees as of 31 March 2018.

Our bank will continue its customer focused growth in 2018. In this sense, our main goals for the future are to increase the number of customers in all lines of business, spreading out more, giving priority to cross selling and increasing customer loyalty by diversifying the product range. Hereby, we would like to thank our valued employees who work with dedication in our Bank and are the main architect of our business also in 2018, our valued partners, and our valued customers who have contributed to the strength of our Bank.

Best regards,

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

**Ömer Mert**  
**Member of the Board of Directors and**  
**General Manager**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

As of 31 March 2018, the Bank serves with 83 domestic branches and 1,684 employees.

Total assets of Fibabanka, as of first quarter have increased by 28% compared to the same period of year 2017 and by 4% compared to the end of year 2017, realised as TL 20,968,826 on consolidated basis and as TL 20,973,034 on unconsolidated basis.

According to consolidated and unconsolidated financial statements, the loan volume, which was TL 15,088,157 at the end of 2017, reached to TL 15,516,613 as of first quarter of the year. Share of the loans in total assets has been realised as 74%.

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 2018, NPLs have been realised as TL 576,906 and provisions provided in the amount of TL 394,210. As of 31 March 2018, the share of non-performing loans in total loans realised as 3.56%.

According to unconsolidated financial statements, financial assets valued at fair value through profit or loss realised as TL 70,701, financial assets valued at fair value through other comprehensive income realised as TL 635,944 and financial assets measured at amortized cost realised as TL 164,879. Ratio of total securities portfolio to total assets has been realised as 4%.

As of first quarter of 2018, consolidated deposit volume has been realised as TL 11,707,101 and the unconsolidated deposit volume has been realised as TL 11,711,849.

According to the consolidated financial statements, in the first quarter of 2018 net profit has been increased by 9% and realised as TL 40,072.

According to the consolidated financial statements, net interest income of the Bank in first three months of 2018 increased by 37% compared to the previous year and realised as TL 188,197. Net commission income as of the first quarter of 2018 was realised as TL 17,270.

As of 31 March 2018, the Bank's unconsolidated and consolidated capital adequacy ratio are 16.05%.