

# **Fibabanka Anonim Şirketi and Its Subsidiary**

Consolidated Financial Statements  
as of and for the Three Months Period Ended  
31 March 2021

With Independent Auditors'  
Review Report Thereon

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



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

**Convenience Translation of the Review Report Originally Issued in Turkish to English**

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 subsidiary (together will be referred as "the Group") as at 31 March 2021 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the three month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The Group management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" for the matters not regulated by the aforementioned regulations (together referred as "BRSA Accounting and Financial Reporting Legislation"). Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an opinion.



#### *Basis for Qualified Conclusion*

The accompanying consolidated interim financial information as at 31 March 2021 includes a general reserve of total of TL 128.000 thousands of which TL 23.000 thousands was reversed within the current period and TL 151.000 thousands had been recognized as expense in prior periods; with a deferred tax asset amounting to TL 25.600 thousands of which TL 4.600 thousands was reversed within the current period and TL 30.200 thousands had been recognized in prior periods; for the possible effects of the negative circumstances which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Financial Reporting Legislation.

#### *Qualified Conclusion*

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the consolidated financial position of Fibabanka A.Ş. and its financial subsidiary as at 31 March 2021 and its consolidated financial performance and consolidated cash flows for the three month period then ended 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 interim activity report in Section VII of the accompanying consolidated interim financial information is not consistent, in all material respects, with the reviewed consolidated interim financial information and explanatory notes.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM  
Partner

11 May 2021  
İstanbul, Turkey

**THE CONSOLIDATED FINANCIAL REPORT OF  
FİBABANKA A.Ş.  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021**

Address : Esentepe Mah. Büyükdere Caddesi No:  
129 Şişli 34394 İstanbul-Türkiye  
Telephone : (212) 381 82 82  
Fax : (212) 258 37 78  
Web Site : [www.fibabanka.com.tr](http://www.fibabanka.com.tr)  
Contact E-Mail-: [deniz.turunc@fibabanka.com.tr](mailto:deniz.turunc@fibabanka.com.tr)

The consolidated financial report for the three months period prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:



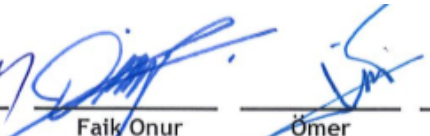
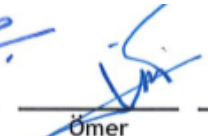

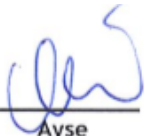
- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- EXPLANATORY DISCLOSURES AND FOOTNOTES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

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

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

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

<b>SECTION ONE</b>	
General Information	
I. History of the Parent Bank including its incorporation date, initial status and amendments to the initial status	1
II. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Parent Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Bank's Risk Group	1
III. Explanations Regarding the Shares of the Parent Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents	2
IV. Individuals and Institutions That Have Qualified Shares in the Parent Bank	3
V. Summary information on the Parent Bank's services and activity areas	3
VI. Other Information	3
VII. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries	3
<b>SECTION ONE</b>	
Consolidated Financial Statements	
I. Consolidated Balance Sheet	4
II. Consolidated Statement of Off-Balance Sheet Items	6
III. Consolidated Statement of Profit or Loss	7
IV. Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
V. Consolidated Statement of Changes in Shareholders Equity	9
VI. Consolidated Statement of Cash Flows	10
<b>SECTION THREE</b>	
Accounting Principles	
I. Explanations on the basis of presentation	11
II. Explanations on the usage strategy of financial instruments and on foreign currency transactions	11
III. Explanations on consolidated subsidiaries	12
IV. Explanations on forward transactions, options and derivative instruments	12
V. Explanations on interest income and expenses	13
VI. Explanations on fee and commission income and expenses	13
VII. Explanations on financial assets	13
VIII. Explanations on expected credit loss	15
IX. Explanations on offsetting financial instruments	17
X. Explanations on sale and repurchase agreements and securities lending transactions	17
XI. Explanations on noncurrent assets held for sale and discontinued operations and the related liabilities	17
XII. Explanations on goodwill and other intangible assets	17
XIII. Explanations on tangible assets	18
XIV. Explanations on leasing transactions	19
XV. Explanations on provisions and contingent liabilities	19
XVI. Explanations on contingent assets	19
XVII. Explanations on liabilities for employee benefits	19
XVIII. Explanations on taxation	20
XIX. Additional explanations on borrowings	21
XX. Explanations on share certificates issued	21
XXI. Explanations on bank acceptances and bills of guarantee	22
XXII. Explanation on government incentives	22
XXIII. Explanations on segment reporting	22
XXIV. Profit reserves and distribution of the profit	23
XXV. Earnings Per Share	23
XXVI. Cash and Cash Equivalent Assets	23
XXVII. Other Disclosures	24
<b>SECTION FOUR</b>	
Information on Consolidated Financial Position and Risk Management	
I. Information related to the components of consolidated shareholders' equity	25
II. Explanations on Consolidated Risk Management	38
III. Explanations on consolidated currency risk	39
IV. Explanations on Consolidated Interest Rate Risk	41
V. Explanations on position risk of equity securities resulted from banking book	44
VI. Explanations on consolidated liquidity risk and liquidity coverage ratio	44
VII. Explanations on consolidated leverage ratio	50
<b>SECTION FIVE</b>	
Explanations and Notes on the Consolidated Financial Statements	
I. Explanations and disclosures related to the consolidated assets	51
II. Explanations and disclosures related to liabilities	65
III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments	72
IV. Explanations and disclosures related to the statement of profit or loss	74
V. Explanations and disclosures on the risk group of the Parent Bank	78
VI. Explanations on the Parent Bank's domestic, foreign, off-shore branches or investments in associates and foreign representative offices	80
VII. Events after balance sheet date	80
VIII. Other disclosures on activities of the Parent Bank	80
<b>SECTION SIX</b>	
Auditor's Review Report	
I. Disclosures on limited review report	81
II. Disclosures and footnotes prepared by independent auditors	81
<b>SECTION SEVEN</b>	
Interim Period Activity Report	
I. Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager	82

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### SECTION ONE

#### GENERAL INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

As of 31 March 2021, paid-in capital of the Bank is TL 941.161 and all paid in.

## FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

<u>Name Surname</u>	<u>Title</u>	<u>Assignment Date</u>
<i>Board of Directors</i>		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
Mehmet Güleşci	Member	27-Dec-10
İsmet Kaya Erdem	Member	11-Feb-13
Memduh Aslan Akçay	Member	13-Apr-16
Hülya Kefeli	Member	15-May-17
Faik Onur Umut	Member	23-Jan-19
Seyfettin Ata Köseoğlu	Member	23-Jan-20
Ömer Mert	General Manager - Member	18-Jan-17
<i>Audit Committee</i>		
İsmet Kaya Erdem	Member	27-Dec-19
Faik Onur Umut	Member	14-Jan-20
<i>Assistant General Managers</i>		
Elif Alsev Utku Özbey	Deputy GM - Financial Control & Reporting	07-Jan-11
Sezin Erken	AGM - Consumer Banking & Funding Resource Management	10-Aug-17
Kerim Lokman Kuriş	AGM - Corporate & Commercial Banking	01-Dec-15
Turgay Hasdiker	AGM - Credits	01-Dec-15
Ahu Dolu	AGM - Financial Institutions and Project Finance	01-Dec-15
Gerçek Önal	AGM - Chief Legal Officer	01-Feb-16
İbrahim Toprak	AGM - Treasury	01-Apr-20
Serdar Yılmaz	AGM - Information Technologies and Banking Operations	01-Sep-20

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

## FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

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

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

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 March 2021, the Group serves with 50 domestic branches and 1.678 employees.

#### VI. Other Information

The Bank's Commercial Title	: - Fibabanka Anonim Şirketi
The Bank's General Directorate Address	: Esentepe Mah. Büyükdere Caddesi No:129 Şişli 34394 İstanbul
The Bank's Phone and Fax Numbers	:- Telephone : (0212) 381 82 82 Fax : (0212) 258 37 78
The Bank's Web Site Address	: <a href="http://www.fibabanka.com.tr">www.fibabanka.com.tr</a>
The Bank's E-Mail Address	: <a href="mailto:malikontrol@fibabanka.com.tr">malikontrol@fibabanka.com.tr</a>
Reporting Period	: 1 January 2021 - 31 March 2021

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

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

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

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

None



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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

## CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 31 MARCH 2021

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

ASSETS	Footnotes	CURRENT PERIOD (31/03/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		1.887.890	5.223.732	7.111.622	2.123.398	3.970.228	6.093.626
1.1 Cash and Cash Equivalents	(5.1.1)	595.242	4.342.129	4.937.371	1.269.829	2.950.698	4.220.527
1.1.1 Cash and Balances at Central Bank		360.147	3.143.774	3.503.921	466.024	2.455.668	2.921.692
1.1.2 Banks	(5.1.3)	236.239	582.587	818.826	465.578	422.967	888.545
1.1.3 Money Market Placements		-	615.768	615.768	340.168	72.063	412.231
1.1.4 Expected Credit Loss (-)		1.144	-	1.144	1.941	-	1.941
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	168.123	3	168.126	138.205	3	138.208
1.2.1 Government Debt Securities		242	3	245	27.480	3	27.483
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		167.881	-	167.881	110.725	-	110.725
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	28.460	874.609	903.069	18.405	1.009.121	1.027.526
1.3.1 Government Debt Securities		23.563	173.236	196.799	13.508	381.334	394.842
1.3.2 Equity Securities		4.897	6.001	10.898	4.897	5.466	10.363
1.3.3 Other Financial Assets		-	695.372	695.372	-	622.321	622.321
1.4 Derivative Financial Assets	(5.1.2)	1.096.065	6.991	1.103.056	696.959	10.406	707.365
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		1.096.065	6.991	1.103.056	696.959	10.406	707.365
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)</b>	(5.1.6)	13.006.693	8.406.069	21.412.762	11.759.762	8.243.953	20.003.715
2.1 Loans	(5.1.5)	13.552.936	6.982.968	20.535.904	12.302.304	7.218.181	19.520.485
2.2 Lease Receivables	(5.1.10)	-	-	-	-	-	-
2.3 Factoring Receivables	(5.1.5)	100.365	3.927	104.292	100.322	5.529	105.851
2.4 Financial Assets Measured at Amortised Cost	(5.1.6)	184.265	1.419.174	1.603.439	187.659	1.020.243	1.207.902
2.4.1 Government Debt Securities		184.265	1.404.101	1.588.366	187.659	1.006.930	1.194.589
2.4.2 Other Financial Assets		-	15.073	15.073	-	13.313	13.313
2.5 Expected Credit Losses (-)		830.873	-	830.873	830.523	-	830.523
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(5.1.16)	78.818	-	78.818	102.748	-	102.748
3.1 Assets Held for Sale		78.818	-	78.818	102.748	-	102.748
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		112.500	-	112.500	112.500	-	112.500
4.1 Investments in Associates (Net)	(5.1.7)	-	-	-	-	-	-
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Investments in Subsidiaries (Net)	(5.1.8)	112.500	-	112.500	112.500	-	112.500
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-financial Subsidiaries		112.500	-	112.500	112.500	-	112.500
4.3 Joint Ventures (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	(5.1.12)	355.619	-	355.619	360.135	-	360.135
<b>VI. INTANGIBLE ASSETS (Net)</b>	(5.1.13)	90.305	-	90.305	91.027	-	91.027
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		90.305	-	90.305	91.027	-	91.027
<b>VII. INVESTMENT PROPERTY (Net)</b>	(5.1.14)	-	-	-	-	-	-
<b>VIII. CURRENT TAX ASSET</b>		1.456	-	1.456	1.264	-	1.264
<b>IX. DEFERRED TAX ASSET</b>	(5.1.15)	173.753	-	173.753	191.840	-	191.840
<b>X. OTHER ASSETS</b>	(5.1.17)	431.778	26.682	458.460	255.721	25.055	280.776
<b>TOTAL ASSETS</b>		16.138.812	13.656.483	29.795.295	14.998.395	12.239.236	27.237.631

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

## CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 31 MARCH 2021

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

LIABILITIES	Footnotes	CURRENT PERIOD (31/03/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	9.953.844	9.852.761	19.806.605	9.286.198	8.381.210	17.667.408
II. FUNDS BORROWED	(5.II.3)	21.778	1.130.455	1.152.233	20.370	1.134.772	1.155.142
III. MONEY MARKET FUNDS		3.002	666.853	669.855	-	610.160	610.160
IV. SECURITIES ISSUED (Net)	(5.II.4)	-	1.654.567	1.654.567	-	1.480.900	1.480.900
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	1.654.567	1.654.567	-	1.480.900	1.480.900
V. FUNDS		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(5.II.2)	729.366	6.771	736.137	1.097.100	10.392	1.107.492
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		729.366	6.771	736.137	1.097.100	10.392	1.107.492
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5.II.6)	48.025	94	48.119	52.863	767	53.630
X. PROVISIONS	(5.II.8)	194.898	-	194.898	205.971	-	205.971
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		46.207	-	46.207	37.613	-	37.613
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		148.691	-	148.691	168.358	-	168.358
XI. CURRENT TAX LIABILITIES	(5.II.9)	49.452	-	49.452	187.777	-	187.777
XII. DEFERRED TAX LIABILITIES	(5.II.9)	-	-	-	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	(5.II.11)	-	2.370.692	2.370.692	-	2.127.599	2.127.599
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	2.370.692	2.370.692	-	2.127.599	2.127.599
XV. OTHER LIABILITIES	(5.II.5)	819.646	339.299	1.158.945	579.134	178.006	757.140
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	1.944.506	9.285	1.953.791	1.865.999	18.413	1.884.412
16.1 Paid-in Capital		941.161	-	941.161	941.161	-	941.161
16.2 Capital Reserves		228.678	-	228.678	213.775	-	213.775
16.2.1 Equity Share Premium		128.678	-	128.678	128.678	-	128.678
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		100.000	-	100.000	85.097	-	85.097
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(10.787)	-	(10.787)	(10.787)	-	(10.787)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		3.668	9.285	12.953	3.850	18.413	22.263
16.5 Profit Reserves		707.492	-	707.492	496.392	-	496.392
16.5.1 Legal Reserves		52.876	-	52.876	42.321	-	42.321
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		654.616	-	654.616	454.071	-	454.071
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or Loss		74.124	-	74.124	221.449	-	221.449
16.6.1 Prior Periods' Profit or Loss		(9.397)	-	(9.397)	(15.534)	-	(15.534)
16.6.2 Current Period Net Profit or Loss		83.521	-	83.521	236.983	-	236.983
16.7 Minority Interest	(5.II.13)	170	-	170	159	-	159
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>13.764.518</b>	<b>16.030.777</b>	<b>29.795.295</b>	<b>13.295.412</b>	<b>13.942.219</b>	<b>27.237.631</b>

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Footnotes	CURRENT PERIOD (31/03/2021)			PRIOR PERIOD (31/12/2020)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I-II+III)</b>		<b>13.184.275</b>	<b>35.880.501</b>	<b>49.064.776</b>	<b>12.056.855</b>	<b>28.621.078</b>	<b>40.677.933</b>
<b>I. GUARANTIES AND WARRANTIES</b>	(5. III. 1)	<b>559.235</b>	<b>901.232</b>	<b>1.460.467</b>	<b>606.591</b>	<b>659.971</b>	<b>1.266.562</b>
1.1. Letters of Guarantee		516.685	288.145	804.830	584.041	277.530	861.571
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		516.685	288.145	804.830	584.041	277.530	861.571
1.2. Bank Acceptances		22.550	230.178	252.728	22.550	134.217	156.767
1.2.1. Import Letter of Acceptances		22.550	230.178	252.728	22.550	134.217	156.767
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		20.000	382.909	402.909	-	248.224	248.224
1.3.1. Documentary Letters of Credit		20.000	382.909	402.909	-	248.224	248.224
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>2.305.643</b>	<b>2.020.576</b>	<b>4.326.219</b>	<b>1.952.794</b>	<b>611.413</b>	<b>2.564.207</b>
2.1. Irrevocable Commitments	(5. III. 1)	2.305.643	2.020.576	4.326.219	1.952.794	611.413	2.564.207
2.1.1. Asset Purchase Commitments		923.963	2.020.576	2.944.539	385.008	611.413	996.421
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		1.104.872	-	1.104.872	1.332.248	-	1.332.248
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		227.304	-	227.304	184.090	-	184.090
2.1.8. Tax and Fund Liabilities from Export Commitments		7.095	-	7.095	8.878	-	8.878
2.1.9. Commitments for Credit Card Limits		27.489	-	27.489	27.643	-	27.643
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		14.920	-	14.920	14.927	-	14.927
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5. III. 5)	<b>10.319.397</b>	<b>32.958.693</b>	<b>43.278.090</b>	<b>9.497.470</b>	<b>27.349.694</b>	<b>36.847.164</b>
3.1. Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1. Fair Value Hedges		-	-	-	-	-	-
3.1.2. Cash Flow Hedges		-	-	-	-	-	-
3.1.3. Foreign Net Investment Hedges		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		10.319.397	32.958.693	43.278.090	9.497.470	27.349.694	36.847.164
3.2.1. Forward Foreign Currency Buy/Sell Transactions		1.868.419	4.607.038	6.475.457	1.217.875	2.804.384	4.022.259
3.2.1.1. Forward Foreign Currency Transactions - Buy		1.034.618	2.198.463	3.233.081	681.994	1.321.999	2.003.993
3.2.1.2. Forward Foreign Currency Transactions - Sell		833.801	2.408.575	3.242.376	535.881	1.482.385	2.018.266
3.2.2. Swap Transactions Related to Foreign Currency and Interest		5.694.299	23.004.780	28.699.079	6.150.641	20.122.986	26.273.627
3.2.2.1. Foreign Currency Swap- Buy		626.216	12.434.430	13.060.646	869.791	10.611.464	11.481.255
3.2.2.2. Foreign Currency Swap- Sell		2.752.525	9.975.636	12.728.161	2.905.626	8.987.200	11.892.826
3.2.2.3. Interest Rate Swap- Buy		1.157.779	297.357	1.455.136	1.187.612	262.161	1.449.773
3.2.2.4. Interest Rate Swap- Sell		1.157.779	297.357	1.455.136	1.187.612	262.161	1.449.773
3.2.3. Foreign Currency, Interest Rate and Securities Options		2.673.274	4.948.399	7.621.673	2.128.954	4.001.488	6.130.442
3.2.3.1. Foreign Currency Options- Buy		1.141.237	2.639.068	3.780.305	846.789	2.191.355	3.038.144
3.2.3.2. Foreign Currency Options- Sell		1.532.037	2.309.331	3.841.368	1.282.165	1.810.133	3.092.298
3.2.3.3. Interest Rate Options- Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options- Sell		-	-	-	-	-	-
3.2.3.5. Securities Options- Buy		-	-	-	-	-	-
3.2.3.6. Securities Options- Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		83.405	-	83.405	-	-	-
3.2.4.1. Foreign Currency Futures- Buy		-	-	-	-	-	-
3.2.4.2. Foreign Currency Futures- Sell		83.405	-	83.405	-	-	-
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		-	398.476	398.476	-	420.836	420.836
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>174.034.217</b>	<b>103.825.669</b>	<b>277.859.886</b>	<b>158.917.049</b>	<b>92.617.634</b>	<b>251.534.683</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>2.282.706</b>	<b>1.739.209</b>	<b>4.021.915</b>	<b>1.137.729</b>	<b>1.562.121</b>	<b>2.699.850</b>
4.1. Customer Fund and Portfolio Balances		1.123.273	-	1.123.273	258.104	-	258.104
4.2. Investment Securities Held in Custody		110.799	1.435.242	1.546.041	122.153	1.212.528	1.334.681
4.3. Cheques Received for Collection		840.964	248.032	1.088.996	543.222	297.648	840.870
4.4. Commercial Notes Received for Collection		100.170	55.935	156.105	100.955	51.945	152.900
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		107.500	-	107.500	113.295	-	113.295
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>171.751.511</b>	<b>102.086.460</b>	<b>273.837.971</b>	<b>157.779.320</b>	<b>91.055.513</b>	<b>248.834.833</b>
5.1. Marketable Securities		234.798	72.685	307.483	231.872	76.641	308.513
5.2. Guarantee Notes		127.699	282.927	410.626	157.024	252.321	409.345
5.3. Commodity		-	88.605	88.605	-	72.414	72.414
5.4. Warranty		-	-	-	-	-	-
5.5. Immovables		7.414.341	20.332.321	27.746.662	7.510.940	17.144.696	24.655.636
5.6. Other Pledged Items		163.974.673	81.309.922	245.284.595	149.879.484	73.509.441	223.388.925
5.7. Pledged Items - Depository		-	-	-	-	-	-
<b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>187.218.492</b>	<b>139.706.170</b>	<b>326.924.662</b>	<b>170.973.904</b>	<b>121.238.712</b>	<b>292.212.616</b>

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 MARCH 2021

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

INCOME AND EXPENSE ITEMS		Footnotes	CURRENT PERIOD (01/01/2021-31/03/2021)	PRIOR PERIOD (01/01/2020-31/03/2020)
<b>I.</b>	<b>INTEREST INCOME</b>	(5. IV. 1)	<b>707.841</b>	<b>554.830</b>
1.1	Interest on Loans	(5. IV. 1)	648.250	521.061
1.2	Interest on Reserve Deposits		10.610	-
1.3	Interest on Banks	(5. IV. 1)	8.468	9.224
1.4	Interest on Money Market Placements		5.462	3.569
1.5	Interest on Marketable Securities Portfolio	(5. IV. 1)	34.479	20.657
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		2.014	1.732
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		14.682	9.545
1.5.3	Financial Assets Measured at Amortized Cost		17.783	9.380
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		572	319
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>		<b>481.052</b>	<b>309.652</b>
2.1	Interest on Deposits	(5. IV. 2)	389.498	203.353
2.2	Interest on Funds Borrowed	(5. IV. 2)	51.433	51.509
2.3	Interest on Money Market Placements		3.982	3.861
2.4	Interest on Securities Issued	(5. IV. 2)	29.751	38.916
2.5	Interest on Leasing Expenses		4.252	4.628
2.6	Other Interest Expenses		2.136	7.385
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>226.789</b>	<b>245.178</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>57.206</b>	<b>49.898</b>
4.1	Fees and Commissions Received		67.991	58.369
4.1.1	Non-cash Loans		5.571	4.401
4.1.2	Other	(5. IV. 12)	62.420	53.968
4.2	Fees and Commissions Paid (-)		10.785	8.471
4.2.1	Non-cash Loans		14	26
4.2.2	Other	(5. IV. 12)	10.771	8.445
<b>V</b>	<b>DIVIDEND INCOME</b>	(5. IV. 3)	-	-
<b>VI.</b>	<b>TRADING INCOME / LOSS (Net)</b>	(5. IV. 4)	<b>14.429</b>	<b>66.167</b>
6.1	Trading Gain / Loss on Securities		7.478	6.386
6.2	Gain / Loss on Derivative Financial Transactions		(38.124)	91.012
6.3	Foreign Exchange Gain / Loss		45.075	(31.231)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5. IV. 5)	<b>92.915</b>	<b>33.334</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>391.339</b>	<b>394.577</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSS (-)</b>	(5. IV. 6)	<b>99.113</b>	<b>71.107</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	(5. IV. 6)	<b>20</b>	<b>70.011</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>92.672</b>	<b>76.530</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(5. IV. 7)	<b>94.129</b>	<b>92.094</b>
<b>XIII.</b>	<b>NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)</b>		<b>105.405</b>	<b>84.835</b>
<b>XIV.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XV.</b>	<b>INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		-	-
<b>XVI.</b>	<b>GAIN / LOSS ON NET MONETARY POSITION</b>		-	-
<b>XVII.</b>	<b>P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	(5. IV. 8)	<b>105.405</b>	<b>84.835</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(5. IV. 9)	<b>(21.873)</b>	<b>(20.375)</b>
18.1	Current Tax Provision		(1.520)	(15.555)
18.2	Deferred Tax Expense Effect (+)		(20.353)	(8.246)
18.3	Deferred Tax Income Effect (-)		-	3.426
<b>XIX.</b>	<b>NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	(5. IV. 10)	<b>83.532</b>	<b>64.460</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
20.1	Income From Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income From Other Discontinued Operations		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
21.1	Expenses on Non-current Assets Held for Sale		-	-
21.2	Losses from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses From Other Discontinued Operations		-	-
<b>XXII.</b>	<b>PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		-	-
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
<b>XXIV.</b>	<b>NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXII-XXIII)</b>		-	-
<b>XXV.</b>	<b>NET PROFIT / LOSS (XIX+XXIV)</b>	(5. IV. 11)	<b>83.532</b>	<b>64.460</b>
25.1	Group Profit/Loss		83.521	64.447
25.2	Minority Interest		11	13
	Earnings per share		0,00089	0,00068

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

**FİBABANKA A.Ş. AND ITS SUBSIDIARY****CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 1 JANUARY 2021-31 MARCH 2021**

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

	CURRENT PERIOD (01/01/2021- 31/03/2021)	PRIOR PERIOD (01/01/2020- 31/03/2020)
I. CURRENT PERIOD PROFIT / LOSS	83.532	64.460
II. OTHER COMPREHENSIVE INCOME	(9.310)	(31.315)
2.1 Not Reclassified Through Profit or Loss	-	-
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurements Gain/Loss	-	-
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.2 Reclassified Through Profit or Loss	(9.310)	(31.315)
2.2.1 Foreign Currency Conversion Differences	-	-
Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other		
2.2.2 Comprehensive Income	(11.576)	(39.027)
2.2.3 Cash Flow Hedge Income/Loss	-	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	2.266	7.712
III. TOTAL COMPREHENSIVE INCOME (I+II)	74.222	33.145

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss								
	Paid-in Capital	Share Premium	Share Certificate	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity Excluding Minority Interests	Minority Interests	Total Equity
PRIOR PERIOD (31/03/2020)																
I. Balances at beginning of the period	941.161	128.678	-	81.575	-	(7.777)	-	-	15.774	-	284.349	319	214.927	1.659.005	87	1.659.092
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)	941.161	128.678	-	81.575	-	(7.777)	-	-	15.774	-	284.349	319	214.927	1.659.005	87	1.659.092
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	(31.315)	-	-	-	64.447	33.132	13	33.145
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	(3.520)	-	-	-	-	-	-	-	-	-	(3.520)	-	(3.520)
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	212.044	2.883	(214.927)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	212.044	-	(212.044)	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	2.883	(2.883)	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	78.055	-	(7.777)	-	-	(15.541)	-	496.393	3.202	64.447	1.688.617	100	1.688.717
CURRENT PERIOD (31/03/2021)																
I. Prior period ending balance	941.161	128.678	-	85.097	-	(10.787)	-	-	22.263	-	496.393	(15.534)	236.983	1.884.252	160	1.884.412
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balance (I+II)	941.161	128.678	-	85.097	-	(10.787)	-	-	22.263	-	496.393	(15.534)	236.983	1.884.252	160	1.884.412
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	(9.310)	-	-	-	83.521	74.211	10	74.221
V. Capital Increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertable Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt (*)	-	-	-	(4.842)	-	-	-	-	-	-	-	-	-	(4.842)	-	(4.842)
X. Increase / decrease due to other changes (**)	-	-	-	19.745	-	-	-	-	-	-	-	(19.745)	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	211.099	25.882	(236.983)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	211.099	-	(211.099)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	25.882	(25.884)	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	100.000	-	(10.787)	-	-	12.953	-	707.492	(9.397)	83.521	1.953.621	170	1.953.791

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

(\*\*) Interest expenses before 2020 are recognized under "prior years profit or loss" in the balance sheet.

1. Tangible and intangible asset revaluation reserve

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

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

4. Exchange differences on transition,

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

6. Other (accumulated gains or losses on cash flow hedge, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will be reclassified to profit or loss)

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Footnotes	CURRENT PERIOD ( 01/01/2021 - 31/03/2021)	PRIOR PERIOD ( 01/01/2020 - 31/03/2020)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating profit before changes in operating assets and liabilities		(474.121)	116.132
1.1.1 Interest received (+)		692.283	496.700
1.1.2 Interest paid (-)		(396.455)	(169.579)
1.1.3 Dividend received (+)		-	-
1.1.4 Fees and commission received (+)		67.269	55.194
1.1.5 Other income (+)		98.482	(15.862)
1.1.6 Collections from previously written off loans and other receivables (+)		43.055	148.769
1.1.7 Cash payments to personnel and service suppliers (-)		(149.529)	(263.415)
1.1.8 Taxes paid (-)		(144.084)	(5.216)
1.1.9 Other (+/-)		(685.142)	(130.459)
1.2 Changes in Operating Assets and Liabilities		1.226.995	(127.436)
1.2.1 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		(29.718)	1.550.660
1.2.2 Net (increase) / decrease in due from banks (+/-)		185.988	(361.849)
1.2.3 Net (increase) / decrease in loans (+/-)		(258.197)	(2.791.410)
1.2.4 Net (increase) / decrease in other assets (+/-)		(219.566)	(38.651)
1.2.5 Net (increase) / decrease in bank deposits (+/-)		(131.884)	(548.248)
1.2.6 Net (increase) / decrease in other deposits (+/-)		1.353.084	1.466.642
1.2.7 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8 Net (increase) / decrease in funds borrowed (+/-)		10.940	161.957
1.2.9 Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-)		316.348	433.463
<b>I. Net Cash Provided from Banking Operations (+/-)</b>		<b>752.874</b>	<b>(11.304)</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		-	-
<b>II. Net Cash Flow Provided from Investment Activities (+/-)</b>		<b>(138.426)</b>	<b>(13.147)</b>
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		-	(6.000)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		-	-
2.3 Cash paid for the purchase of tangible and intangible assets (-)		(11.151)	(97.775)
2.4 Cash obtained from the sale of tangible and intangible assets (+)		65.951	-
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		-	-
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		128.660	96.900
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		(309.701)	(31.828)
2.8 Cash obtained from the sale of financial assets at amortised cost (+)		-	18.191
2.9 Other (+/-)		(12.185)	7.365
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		-	-
<b>III. Net Cash Provided from Financing Activities (+/-)</b>		<b>(48.062)</b>	<b>395.655</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		-	479.690
3.2 Cash outflow from funds borrowed and securities issued (-)		(48.746)	(83.624)
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for financial leases liabilities (-)		(4.252)	(3.081)
3.6 Other (+/-)		4.936	2.670
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>		<b>136.654</b>	<b>133.745</b>
<b>V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>703.040</b>	<b>504.949</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period (+)</b>		<b>2.537.372</b>	<b>2.123.003</b>
<b>VII. Cash and Cash Equivalents at the End of the Period (V+VI)</b>		<b>3.240.412</b>	<b>2.627.952</b>

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



# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

---

### SECTION THREE

#### ACCOUNTING PRINCIPLES

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

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

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

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

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

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

##### 3. Other

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

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

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

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

The major factor in managing interest rate and liquidity risk at the balance sheet is parallel movement of assets and liabilities.

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

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

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

##### 2. Foreign currency transactions

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

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

## FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

	31 March 2021	31 December 2020
US Dollar	8,3260	7,3405
Euro	9,7741	9,0079

#### III. Explanations on consolidated subsidiaries

Fiba Portföy Yönetimi A.Ş. ("Fiba Portföy"); the subsidiary of the Bank was consolidated by using full consolidation method in the consolidated financial statements dated 31 March 2021. Fibabanka A.Ş. and Fiba Portföy Yönetimi A.Ş. together are referred to as "the Group" in the report.

Capital Markets Board ("CMB") approved Fiba Portföy's licence application for portfolio management activity and the licence numbered PYŞ. PY 56/1267 and dated 12 December 2013 was assigned to Fiba Portföy.

The objective of Fiba Portföy is to manage portfolios consisting of financial assets as a representative by entering into portfolio management contracts in accordance with CMB laws and relevant regulation and also to perform capital markets operations. Besides, Fiba Portföy can manage the portfolios of local and foreign investment funds, investment trusts, local/foreign real persons, brokerage companies and other similar legal entities within the context of the related regulation as portfolio management activities. On the condition that, the requirements of the Capital Markets regulations are fulfilled and necessary approvals and licences from the Capital Markets Board are obtained; Fiba Portföy can also perform investment advisory services, market consultancy in Borsa İstanbul A.Ş. Emerging Companies Market, and intermediary services for the trading of investment fund certificates. The Bank owns 99% of the equity of Fiba Portföy whose headquarters is located in Istanbul.

According to full consolidation method, the subsidiary's 100% of assets, liabilities, revenues, expenditures and off-balance sheet liabilities were combined with the Parent Bank's assets, liabilities, revenues, expenditures and off-balance sheet liabilities. Book value of the investment in the Group's subsidiary and the portion of the cost of subsidiary's capital belonging to the Group are eliminated. All intragroup balances and income and expenses relating to transactions between the Bank and its subsidiary are eliminated in full consolidation. Minority shares in the net income of consolidated subsidiary determined the net income of the Group and were presented as a separate item in the statement of profit or loss. Minority shares were presented under equity in the consolidated financial statement.

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

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

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

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

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

# **FİBABANKA A.Ş. AND ITS SUBSIDIARY**

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

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

---

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

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

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

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

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

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

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

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

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

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

### **VII. Explanations on financial assets**

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

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

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

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

# **FİBABANKA A.Ş. AND ITS SUBSIDIARY**

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

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

---

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

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

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

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

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

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

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

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

#### **4. Loans**

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

---

### VIII. Explanations on expected credit loss

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

As of 1 January 2018, the Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 September 2016 numbered 29750.

#### Calculation of expected credit loss

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions. Expected credit loss is calculated by using following components: "Exposure at Default", "Probability of Default" and "Loss Given Default".

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

##### *Stage 1*

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

##### *Stage 2*

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

##### *Stage 3*

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

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

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

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

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

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

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

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

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

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

	Base Scenario		Negative Scenario	
	Growth	Unemployment	Growth	Unemployment
1st year	5,80%	12,90%	3,70%	13,90%
2st year	5,00%	11,80%	2,90%	12,80%
3st year	5,00%	10,90%	2,90%	11,90%

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

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

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

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

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

## **FİBABANKA A.Ş. AND ITS SUBSIDIARY**

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

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

---

**IX. Explanations on offsetting financial instruments**

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

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

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

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

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

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

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

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

The Group does not have any discontinued operations.

**XII. Explanations on goodwill and other intangible assets**

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

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

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

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

## FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

#### XIII. Explanations on tangible assets

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

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

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

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

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

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

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

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

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

#### Explanation on TFRS 16 Leases standard

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

#### TFRS 16 "Lease" Standard

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

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

Right to use asset:

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

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

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

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

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



# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

---

### Explanation on TFRS 16 Leases standard (continued)

#### Lease liabilities:

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

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

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

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

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

#### XIV. Explanations on leasing transactions

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

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

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

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

#### XVI. Explanations on contingent assets

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

#### XVII. Explanations on liabilities for employee benefits

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

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

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

There is no employee foundation, fund or similar institutions.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

---

### XVIII. Explanations on taxation

#### 1. Current Tax

Effective from 1 January 2006, statutory income is subject to corporate tax at 20%, 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%. In accordance with the Article 11 of the Law No. 7316 on the Procedure for the Collection of Public Receivables and the Law on Amendments to Certain Laws published in the Official Gazette dated April 22, 2021, and with the temporary Article 13 added to the Corporate Tax Law, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022. As of March 31, 2021, the corporate tax rate in Turkey is 20%. In accordance with Article 14 of the Law, the rate to be applied for the year 2021 will start from the declarations to be submitted as of 1 July 2021 and will be valid for the taxation period starting from 01/01/2021. Since the tax rate change is valid as of April 22, 2021, 20% was used as the tax rate for the period tax and deferred tax calculations in the Financial Statements dated March 31, 2021.

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

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

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

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

#### 2. Deferred Tax

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

As of March 31, 2021, the corporate tax rate in Turkey is 20%. In accordance with the Article 11 of the Law No. 7316 on the Procedure for the Collection of Public Receivables and the Law on Amendments to Certain Laws published in the Official Gazette dated April 22, 2021, and with the temporary Article 13 added to the Corporate Tax Law, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022. In accordance with Article 14 of the Law, the rate to be applied for the year 2021 will start from the declarations to be submitted as of 1 July 2021 and will be valid for the taxation period starting from 01/01/2021. Since the tax rate change is valid as of April 22, 2021, 20% was used as the tax rate for the period tax and deferred tax calculations in the Financial Statements dated March 31, 2021.

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.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

---

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

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

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

As of 31 March 2021, the deferred tax asset is TL 173.753 (31 December 2020: TL 191.840 deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within "Deferred Tax Income Effect" and "Deferred Tax Expense Effect" in the statement of profit or loss; no deferred tax income and deferred tax expense is TL 20.353 for the current period (1 January - 31 March 2020: TL 8.246 net expense). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 2.266 of expense (1 January - 31 March 2020: TL 7.712 income).

#### **3. Transfer Pricing**

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

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

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

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

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

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

### **XX. Additional Tier I Capital**

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

It has recognised the issued Tier 1 of USD 30.000 nominal and related interest accrual as "subordinated debt".

Information on debt instruments to be included in the equity calculation is explained under the on equity items in the fourth section, Information on Financial Structure and Risk Management.

### **Explanations on share certificates issued**

None.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### 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

The Bank operates in consumer banking services, current accounts, deposit accounts, long term investment products, clearing and custody services, credit and atm services, retail loans, long term mortgage loans, and all other kinds of consumer banking services and commercial services. The Bank's consolidated subsidiary Fiba Portföy is dealing with portfolio management and its activity outcomes and asset&liabilities are reported under "Treasury and Headquarters".

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period -1 January - 31 March 2021				
Operating Income	97.889	206.924	86.525	391.339
Operating Profit	688	92.914	11.803	105.405
Taxation				(21.873)
Net Profit/(Loss) for the Period				83.532
Current Period -31 March 2021				
Segment Assets	4.737.269	15.207.852	9.850.174	29.795.295
Total Assets				29.795.295
Segment Liabilities	15.455.411	3.482.599	8.903.492	27.841.502
Shareholders' Equity				1.953.793
Total Liabilities				29.795.295

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period -1 January - 31 March 2020				
Operating Income	72.003	241.898	80.676	394.577
Operating Profit	(8.627)	150.083	(56.622)	84.835
Taxation				(20.375)
Net Profit/(Loss) for the Period				64.460
Prior Period -31 December 2020				
Segment Assets	3.777.473	15.229.438	8.230.720	27.237.631
Total Assets				27.237.631
Segment Liabilities	12.673.602	3.993.327	8.686.290	25.353.219
Shareholders' Equity				1.884.412
Total Liabilities				27.237.631

## FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

#### XXIV. Profit reserves and distribution of the profit

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

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

In the Ordinary General Assembly Meeting which was held on 26 March 2021, it was decided that the Bank would separate TL 10,555 as legal reserves and TL 200,545 as extraordinary reserves after deducting TL 18,736 (which is the interest expense of the Tier1 security having capital characteristics, TL 100.000 nominal, before 2020) from the net profit of TL 229,835 in 2020.

#### XXV. Earnings Per Share

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

	31 March 2021	31 December 2020
Net Profit / (Loss) distributable to Common Shares	83.532	64.460
Average Number of Issued Common Shares (Thousand)	94.116.055	94.116.055
Earnings Per Share (Amounts presented as full TL)	0,00089	0,00068

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

There are no bonus shares issued by the Bank in 2021 (31 December 2020: None).

#### XXVI. Cash and Cash Equivalent Assets

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

---

### XXVII. Other Disclosures

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

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

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

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

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

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

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### SECTION FOUR

#### INFORMATION ON CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT

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

As of 31 March 2021, the Group's total capital has been calculated as TL 4.456.228 and the capital adequacy ratio is 19,17% (As of 31 December 2020, the Group's total capital amounted to TL 4.173.852 and the capital adequacy ratio was 19,42%).

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

	Current Period (31/03/2021) Amount	Amount as per the regulation before 1/1/2014 *
<b>TIER I CAPITAL</b>		
Paid-in capital to be entitled for compensation after all creditors	941.161	
Share Premium	128.678	
Reserves (**)	785.504	
Other comprehensive income according to TAS	12.953	
Profit	93.987	
Current period profit	83.532	
Prior period profit	10.455	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
<b>Tier I Capital Before Deductions</b>	<b>1.962.283</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 (***)	30.532	--
Improvement costs for operational leasing	8.627	--
Goodwill and other intangible assets and related deferred taxes	0	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	158.516	--
Excess amount arising from deferred tax assets from temporary differences	15.600	--
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains	--	--
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

(\*\*)The difference between the expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated with the method before TFRS 9 has been recorded in the "Retained Earnings" account; in accordance with Provisional Article 5 of the Regulation on Equity of Banks, related amount is shown net by adding back 20% of the provision difference, net of tax.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Current Period (31/03/2021) Amount	Amount as per the regulation before 1/1/2014 *
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	--	--
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
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>223.275</b>	--
<b>Total Common Equity Tier I Capital</b>	<b>1.739.008</b>	--
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred stock not included in Tier I capital and the related share premiums	--	--
Debt instruments and the related issuance premiums defined by the BRSA	320.215	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
<b>Additional Core Capital before Deductions</b>	<b>349.780</b>	--
<b>Deductions from Additional Core Capital</b>	--	--
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--



# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Current Period (31/03/2021) Amount	Amount as per the regulation before 1/1/2014 *
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--
Other items to be defined by the BRSA	--	--
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--	--
Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	--	--
<b>Total Deductions from Additional Tier I Capital</b>	--	--
<b>Total Additional Tier I Capital</b>	<b>349.780</b>	--
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>2.088.788</b>	--
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	2.111.007	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	256.433	--
<b>Tier II Capital before Deductions</b>	<b>2.367.440</b>	--
<b>Deductions from Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	--	--
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	--	--
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)	--	--
Other items to be defined by the BRSA (-)	--	--
<b>Total Deductions from Tier II Capital</b>	--	--
<b>Total Tier II Capital</b>	<b>2.367.440</b>	--
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>4.456.228</b>	--

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Current Period (31/03/2021) Amount	Amount as per the regulation before 1/1/2014 *
<b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>	<b>4.456.228</b>	
Loans granted against the Articles 50 and 51 of the Banking Law	--	--
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years	--	--
Other items to be defined by the BRSA	--	--
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	--	--
<b>EQUITY</b>	<b>4.456.228</b>	
<b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>	<b>4.456.228</b>	--
<b>Total Risk Weighted Assets (****)</b>	<b>23.250.986</b>	--
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	7,48	--
Tier I Capital Adequacy Ratio (%)	8,98	--
Capital Adequacy Ratio (%)	19,17	--
<b>BUFFERS</b>		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,57	--
a) Capital Conservation Buffer Requirement (%)	2,50	--
b) Bank-specific Counter-Cyclical Buffer Requirement(%)	0,07	--
c) Systemically Important Banks Buffer Requirement Ratio (%)	--	--

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Current Period (31/03/2021) Amount	Amount as per the regulation before 1/1/2014 *
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets (%)	2,98	--
	--	--
<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)	474.013	--
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	256.433	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets	--	--
<b>Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)</b>	--	--
	--	--
Upper limit for Additional Tier I Capital items subject to Temporary Article 4		--
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	--	--
	--	--
Upper limit for Additional Tier II Capital items subject to Temporary Article 4		--
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	--	--

\* The amounts to be considered under the transitional provisions

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Prior Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 (*)
<b>TIER I CAPITAL</b>		
Paid-in capital to be entitled for compensation after all creditors	941.161	--
Share premium	128.678	
Reserves	652.415	
Other comprehensive income according to TAS	22.263	
Profit	240.294	
Current period profit	237.055	
Prior period profit	3.239	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
Minority shares	1.984.811	
<b>Tier I Capital Before Deductions</b>		
<b>Deductions From Tier I Capital</b>		--
Valuation adjustments calculated as per the Article 9 (i) of the Regulation on Bank Capital	44.426	
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (**)	9.552	--
Improvement costs for operational leasing	--	--
Goodwill and other intangible assets and related deferred taxes	153.938	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	30.200	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains	--	--
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

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

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Prior Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 (*)
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	--	--
Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Other items to be defined by the BRSA	--	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>238.316</b>	
<b>Total Common Equity Tier I Capital</b>	<b>1.746.695</b>	
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred stock not included in Tier I capital and the related share premiums	--	
Debt instruments and the related issuance premiums defined by the BRSA	320.215	
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	
<b>Additional Core Capital before Deductions</b>	<b>320.215</b>	
<b>Deductions from Additional Core Capital</b>	<b>--</b>	
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Prior Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 (*)
The 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>	320.215	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	2.066.910	
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.868.480	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	
Provisions (Article 8 of the Regulation on the Equity of Banks)	238.462	
<b>Tier II Capital before Deductions</b>	2.106.942	
<b>Deductions from Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital	--	
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	--	
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital	--	--
Other items to be defined by the BRSA	--	--
<b>Total Deductions from Tier II Capital</b>	--	--
<b>Total Tier II Capital</b>	2.106.942	
<b>Total Equity (Total Tier I and Tier II Capital)</b>	4.173.852	

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Prior Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 (*)
<b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>	<b>4.173.852</b>	
Loans granted against the Articles 50 and 51 of the Banking Law	--	
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years	--	
Other items to be defined by the BRSA	--	
<b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank Owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	--	--
<b>EQUITY</b>	<b>4.173.852</b>	
<b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>	<b>4.173.852</b>	--
<b>Total Risk Weighted Assets</b>	<b>21.493.545</b>	--
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	8,31	--
Tier I Capital Adequacy Ratio (%)	9,62	--
Capital Adequacy Ratio (%)	19,42	--
<b>BUFFERS</b>		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,58	--
a) Capital Conservation Buffer Requirement (%)	2,50	--
b) Bank-specific Counter-Cyclical Buffer Requirement(%)	0,08	--
c) Systemically Important Banks Buffer Requirement Ratio (%)	--	--

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

	Prior Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 (*)
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to risk weighted assets (%)	3,62	--
<b>Amounts lower than Excesses as per Deduction Rules</b>	--	--
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	--	--
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	--	--
Remaining mortgage servicing rights	--	--
Net deferred tax assets arising from temporary differences	--	--
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	--	--
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	451.871	--
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	238.462	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0,6% Risk Weighted Assets	--	--
<b>Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)</b>	--	--
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	--	--
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	--	--
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	--	--
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	--	--

\* The amounts to be considered under the transitional provisions



# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

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

### Debt instruments included in shareholder's equity calculation:

Issuer	Fibabanka A.Ş.	Fibabanka A.Ş.	Fibabanka A.Ş.
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	TRSFIBA10016	XS2096028571
Regulation of debt instrument	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English Law	BRSA's "Regulation on Equities of Banks" dated 1 November 2006	BRSA's "Regulation on Equities of Banks" dated 1 November 2006 and English law
Consideration Status in Shareholders' Equity Calculation			
Situation of being subject to practice of being taken into consideration with 10% deduction after 1/1/2015	No	No	No
Eligible at unconsolidated / consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Security	Subordinated Security	Subordinated Security
Recognized amount in shareholders' equity calculation (As of the most recent reporting date - Thousand TL)	2.111.007	100.000	249.780
Nominal value of debt instrument (Thousand TL)	2.497.800	100.000	249.780
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity	Subordinated Debt Instruments
Issuing date of debt instrument	24/03/16-10/05/17	20/03/19	31/12/19
Maturity structure of debt instrument (Demand/Time)	Time	Demand	Demand
Initial term of debt instrument	11 years	--	--
Issuer call subject to prior BRSA approval	Has pre-payment right	Has pre-payment right	Has pre-payment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million	31/12/2024; USD 30 million
Subsequent call date, if any	None	At the end of every 5th year following	On each interest payments date after first 5 years

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

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

**Interest/Dividend Payments**

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### Explanations on TFRS 9 Transition Process

	2021	2022
<b>EQUITY ITEMS</b>		
Common Equity	1.739.008	1.660.998
Common Equity if transition process not implemented <sup>a</sup>	1.660.998	1.660.998
Tier 1 Capital	2.088.788	2.010.778
Tier 1 Capital if transition process not implemented <sup>b</sup>	2.010.778	2.010.778
Total Capital	4.456.228	4.378.218
Equity if transition process not implemented <sup>c</sup>	4.378.218	4.378.218
<b>TOTAL RISK WEIGHTED AMOUNTS</b>		
Total Risk Weighted Amounts	21.493.545	21.493.545
<b>CAPITAL ADEQUACY RATIO</b>		
Common Equity Adequacy Ratio (%)	8,13	7,94
Common Equity Ratio if transition process not implemented <sup>d</sup> (%)	7,58	7,58
Tier 1 Capital Adequacy Ratio (%)	9,62	9,43
Tier 1 Capital Adequacy Ratio if transition process not implemented <sup>d</sup> (%)	9,06	9,06
Capital Adequacy Ratio (%)	19,42	19,23
Capital Adequacy Ratio if transition process not implemented <sup>d</sup> (%)	18,87	18,87
<b>LEVERAGE</b>		
Leverage Ratio Total Risk Amount	38.838.091	38.838.091
Leverage (%)	5,38	5,18
Leverage Ratio if transition process not implemented <sup>e</sup> (%)	5,18	5,18

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

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

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

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

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

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### 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 no. 29511 on 23 October 2015 and became effective as of 31 March 2016. As the Bank uses the standard approach for the calculation of capital adequacy, the following tables those have to be disclosed in accordance with the Communiqué on an annual basis were not presented by the Bank as of 31 March 2021:

- CR8 - RWA flow statements of credit risk exposures under IRB (Internal Ratings Based)
- CCR7 - RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- MR2 - RWA flow statements of market risk exposures under an IMA

#### a. Overview of Risk Weighted Amounts

	Risk Weighted Amounts		Minumum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	19.612.237	18.541.156	1.568.979
2 Of which standardised approach (SA)	19.612.237	18.541.156	1.568.979
3 Of which internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	751.899	432.266	60.152
5 Of which standardised approach for counterparty credit risk (SA-CCR)	751.899	432.266	60.152
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	150.478	103.531	12.038
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	549.950	596.750	43.996
17 Of which standardised approach (SA)	549.950	596.750	43.996
18 Of which internal model approaches (IMM)	--	--	--
19 Operational risk	2.186.422	1.819.842	174.914
20 Of which basic indicator approach	2.186.422	1.819.842	174.914
21 Of which standardised approach	--	--	--
22 Of which advanced measurement approach	--	--	--
23 Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	--	--	--
24 Floor adjustment	--	--	--
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	23.250.986	21.493.545	1.860.079

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

## FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

---

#### III. Explanations on Consolidated Currency Risk

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

As of 31 March 2021, the Group's net long position is TL 156.863 (31 December 2020: TL 260.388 net long position) resulting from short position on the balance sheet amounting to TL 2.332.303 (31 December 2020: TL 1.652.982 short position) and long position on the off-balance amounting to TL 2.489.166 (31 December 2020: TL 1.913.370 long position). The Bank uses "Standard Method" in legal reporting to measure the foreign exchange risk.

The announced foreign exchange buying rates of the Bank at balance sheet date and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 8,3260
Euro purchase rate as at the balance sheet date	TL 9,7741

Date	USD	EURO
25 March 2021	7,9666	9,4257
26 March 2021	7,9409	9,3278
29 March 2021	7,9893	9,415
30 March 2021	8,1192	9,5618
31 March 2021	8,3260	9,7741

The US Dollar buying rate is TL 7,6282 and EUR buying rate is TL 9,0913 (in full TL amounts) respectively, according to simple arithmetic average on March 2021.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### III. Explanations on Consolidated Currency Risk (continued)

Current Period	EUR	USD	Other	Total
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT	816.167	2.139.053	188.554	3.143.774
Due From Banks	449.106	103.809	29.672	582.587
Financial Assets at Fair Value through Profit/Loss (*)	--	3	--	3
Money Market Placements	615.768	--	--	615.768
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	74.673	799.936	--	874.609
Loans and Receivables(**)	5.860.686	1.172.770	7.886	7.041.342
Investments in Assoc., Subsidiaries and Entities under Common Control (Asset Measured at Amortized Cost)	745.707	673.467	--	1.419.174
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	1.111	3.640	410	5.161
<b>Total Assets</b>	<b>8.563.218</b>	<b>4.892.678</b>	<b>226.522</b>	<b>13.682.418</b>
<b>Liabilities</b>				
Bank Deposits	35.187	678.546	21.154	734.887
Foreign Currency Deposits	1.246.305	6.767.673	1.103.896	9.117.874
Money Market Borrowings	23.078	643.775	--	666.853
Funds Provided from Other Financial Institutions	350.451	780.004	--	1.130.455
Securities Issued(****)	--	4.025.259	--	4.025.259
Sundry Creditors	43.822	245.788	841	290.451
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(*****)	24.434	24.454	54	48.942
<b>Total Liabilities</b>	<b>1.723.277</b>	<b>13.165.499</b>	<b>1.125.945</b>	<b>16.014.721</b>
<b>Net Balance Sheet Position</b>	<b>6.839.941</b>	<b>(8.272.821)</b>	<b>(899.423)</b>	<b>(2.332.303)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(6.769.664)</b>	<b>8.387.585</b>	<b>871.245</b>	<b>2.489.166</b>
Financial Derivative Assets (*****)	3.532.055	13.511.206	1.674.239	18.717.500
Financial Derivative Liabilities (*****)	10.301.719	5.123.621	802.994	16.228.334
Non-Cash Loans (*****)	407.489	485.169	8.574	901.232
<b>Prior Period</b>				
Total Assets	8.106.764	3.975.142	178.526	12.260.432
Total Liabilities	1.436.966	11.518.474	957.974	13.913.414
<b>Net Balance Sheet Position</b>	<b>6.669.798</b>	<b>(7.543.332)</b>	<b>(779.448)</b>	<b>(1.652.982)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(6.521.053)</b>	<b>7.601.889</b>	<b>832.534</b>	<b>1.913.370</b>
Financial Derivative Assets (*****)	2.804.595	10.922.254	1.209.021	14.935.870
Financial Derivative Liabilities (*****)	9.325.648	3.320.365	376.487	13.022.500
<b>Non-Cash Loans</b>	<b>298.514</b>	<b>358.375</b>	<b>3.082</b>	<b>659.971</b>

(\*) Accruals of trading derivative financial assets amounting to TL 6.991 are not included.

(\*\*) Includes foreign currency indexed loans and accruals amounting to TL 54.577.

(\*\*\*) TL 21.480 of prepaid expenses are not included.

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

(\*\*\*\*\*) TL 6.771 of accruals of derivative financial liabilities are not included.

(\*\*\*\*\* In the current period, foreign currency purchase commitments within the financial derivative assets amounted to TL 949.376 (31 December 2020: TL 316.665), foreign currency sale commitments within the derivative financial liabilities amounted to TL 1.071.200 (31 December 2020: TL 294.748).

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### IV. Explanations on Consolidated Interest Rate Risk

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

Standard method and Asset-Liability risk measurement methods are used to measure the Group's interest rate risk.

Measurements by the standard method are carried out monthly by using maturity ladder. Bank applies interest rate shock analysis to interest rate sensitive assets and liabilities considering historic economic crisis. Change in the net present value of the net assets of the Bank are monitored within the limits set by the Board of Directors.

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

Current Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	2.051.892	--	--	--	--	1.452.029	3.503.921
Banks	544.298	--	--	--	--	274.528	818.826
Financial Assets at Fair Value Through Profit or Loss(*)	362.279	258.929	180.527	469.447	--	--	1.271.182
Interbank Money Market Placements	615.768	--	--	--	--	--	615.768
Financial Assets Measured at Fair Value through Other Comprehensive Income	87.263	115.514	215.785	470.645	2.964	10.898	903.069
Loans(**)	3.305.482	2.943.799	5.409.962	5.595.381	2.690.497	(135.326)	19.809.795
Financial Assets Measured at Amortized Cost	51.358	197.152	71.365	1.283.092	--	--	1.602.967
Other Assets(***)	--	--	--	--	--	1.269.767	1.269.767
<b>Total Assets</b>	<b>7.018.340</b>	<b>3.515.394</b>	<b>5.877.639</b>	<b>7.818.565</b>	<b>2.693.461</b>	<b>2.871.896</b>	<b>29.795.295</b>
<b>Liabilities</b>							
Bank Deposits	377.098	424.233	--	--	--	68.281	869.612
Other Deposits	13.737.104	2.185.815	332.749	24.375	95.082	2.561.868	18.936.993
Interbank Money Market Received	414.404	255.451	--	--	--	--	669.855
Sundry Creditors	--	--	--	--	--	696.457	696.457
Marketable Securities Issued(****)	--	6.245	20.827	3.748.407	249.780	--	4.025.259
Funds Borrowed From Other Institutions	257.327	447.231	397.718	49.957	--	--	1.152.233
Other Liabilities(*****)	163.923	54.700	102.795	462.838	--	2.660.630	3.444.886
<b>Total Liabilities</b>	<b>14.949.856</b>	<b>3.373.675</b>	<b>854.089</b>	<b>4.285.577</b>	<b>344.862</b>	<b>5.987.236</b>	<b>29.795.295</b>
Balance Sheet Long Position	--	141.719	5.023.550	3.532.988	2.348.599	--	11.046.856
Balance Sheet Short Position	(7.931.516)	--	--	--	--	(3.115.340)	(11.046.856)
Off-Balance Sheet Long Position	--	260.000	448.390	746.745	--	21.781.354	23.236.489
Off-Balance Sheet Short Position	(83.405)	(260.000)	(448.390)	(746.745)	--	(21.447.600)	(22.986.140)
<b>Total Position</b>	<b>(8.014.921)</b>	<b>141.719</b>	<b>5.023.550</b>	<b>3.532.988</b>	<b>2.348.599</b>	<b>(2.781.586)</b>	<b>250.349</b>

(\*) Includes derivative financial assets.

(\*\*) Non-performing loans TL 695.075, net-off related stage 3 loans expected credit losses TL 371.899 and expected losses for stage 1 TL 179.923 and for stage 2 TL 278.579 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 104.292).

(\*\*\*) Non-interest bearing column includes TL 112.500 investments in subsidiaries, TL 355.619 tangible assets, TL 90.305 intangible assets, TL 175.209 tax asset, TL 78.818 assets held for sale, TL 458.461 other assets and TL 1.144 expected credit losses on financial assets.

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

(\*\*\*\*\*) Non-interest bearing column includes TL 1.953.791 shareholders' equity, TL 1.158.946 other liabilities, TL 194.898 provisions and TL 49.452 tax liabilities.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### IV. Explanations on Consolidated Interest Rate Risk (continued)

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

Prior Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.866.495	--	--	--	--	1.055.197	2.921.692
Banks	436.226	--	--	--	--	452.319	888.545
Financial Assets at Fair Value Through Profit or Loss(*)	301.624	24.185	102.834	416.930	--	--	845.573
Interbank Money Market Placements	412.231	--	--	--	--	--	412.231
Financial Assets Measured at Fair Value through Other Comprehensive Income	192.033	22.533	356.369	411.077	35.151	10.363	1.027.526
Loans(**)	2.561.382	4.601.714	4.968.879	5.456.936	1.417.999	(210.691)	18.796.219
Financial Assets Measured at Amortized Cost	21.376	52.051	231.707	406.955	495.407	--	1.207.496
Other Assets(***)	--	--	--	--	--	1.138.349	1.138.349
<b>Total Assets</b>	<b>5.791.367</b>	<b>4.700.483</b>	<b>5.659.789</b>	<b>6.691.898</b>	<b>1.948.557</b>	<b>2.445.537</b>	<b>27.237.631</b>
<b>Liabilities</b>							
Bank Deposits	576.032	373.840	--	--	--	50.624	1.000.496
Other Deposits	11.963.450	2.574.787	90.603	3.136	86.968	1.947.968	16.666.912
Interbank Money Market Received	362.845	247.315	--	--	--	--	610.160
Sundry Creditors	--	--	--	--	--	454.477	454.477
Marketable Securities Issued(****)	37.310	38.843	61	3.312.070	220.215	--	3.608.499
Funds Borrowed From Other Institutions	519	591.837	560.968	1.818	--	--	1.155.142
Other Liabilities(*****)	384.959	263.522	129.222	383.419	--	2.580.823	3.741.945
<b>Total Liabilities</b>	<b>13.325.115</b>	<b>4.090.144</b>	<b>780.854</b>	<b>3.700.443</b>	<b>307.183</b>	<b>5.033.892</b>	<b>27.237.631</b>
Balance Sheet Long Position	--	610.339	4.878.935	2.991.455	1.641.374	--	10.122.103
Balance Sheet Short Position	(7.533.748)	--	--	--	--	(2.588.355)	(10.122.103)
Off-Balance Sheet Long Position	10.000	215.000	524.130	700.641	--	17.256.366	18.706.137
Off-Balance Sheet Short Position	(10.000)	(215.000)	(524.130)	(700.641)	--	(17.687.677)	(19.137.448)
<b>Total Position</b>	<b>(7.533.748)</b>	<b>610.339</b>	<b>4.878.935</b>	<b>2.991.455</b>	<b>1.641.374</b>	<b>(3.019.666)</b>	<b>(431.311)</b>

(\*) Includes derivative financial assets.

(\*\*) Non-performing loans TL 619.425 net-off related provision for expected loss of stage 3 loans TL 388.750 and expected losses for stage 1 TL 155.743 and for stage 2 TL 285.623 are presented in "non-interest bearing" column. (Includes factoring receivables amounting to TL 105.951)

(\*\*\*) Non-interest bearing column includes TL 112.500 investments in subsidiaries, TL 360.135 tangible assets, TL 91.027 intangible assets, TL 193.104 tax asset, TL 102.748 assets held for sale, TL 280.775 other assets and TL 1.941 expected credit losses on financial assets.

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

(\*\*\*\*\*) Non-interest bearing column includes TL 1.884.412 shareholders' equity, TL 757.140 other liabilities, TL 205.971 provisions and TL 187.777 tax liabilities.



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

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

**IV. Explanations on Consolidated Interest Rate Risk (continued)**

**Average interest rates applied to financial instruments**

Current Period	EUR %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Financial Assets at Fair Value Through Profit/ Loss	0,01	--	--	18,79
Interbank Money Market Placements	--	3,17	--	18,44
Financial Assets Measured at Fair Value through Other Comprehensive Income	0,01	--	--	--
Loans	3,41	5,68	--	16,05
Financial Assets Measured at Amortized Cost	5,74	4,56	--	19,06
	4,50	5,84	--	11,92
<b>Liabilities</b>				
Bank Deposits	--	1,93	--	17,93
Other Deposits	0,77	1,68	--	18,27
Interbank Money Market Received	1,18	1,92	--	18,00
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	7,19	--	--
Funds Borrowed from Other Financial Institutions	2,36	1,25	--	13,23

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

Prior Period	EUR %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Financial Assets at Fair Value Through Profit/ Loss	--	--	--	17,50
Interbank Money Market Placements	--	3,15	--	11,74
Financial Assets Measured at Fair Value through Other Comprehensive Income	0,01	--	--	18,08
Loans	3,12	5,65	--	13,81
Financial Assets Measured at Amortized Cost	5,91	4,76	--	18,13
	4,52	6,70	--	9,04
<b>Liabilities</b>				
Bank Deposits	--	1,17	--	16,87
Other Deposits	0,85	1,85	--	16,52
Interbank Money Market Received	1,47	2,17	--	--
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	7,19	--	--
Funds Borrowed from Other Financial Institutions	2,38	1,27	--	10,66

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

## **FİBABANKA A.Ş. AND ITS SUBSIDIARY**

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

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

---

#### **V. Explanations on Consolidated Position Risk of Equity Securities Resulted from Banking Book**

The Bank has no position risk of equity shares as of 31 March 2021 (31 December 2020: 9.764).

#### **VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio**

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

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

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

For long-term liquidity "Maturity Mismatch Report" is prepared and presented to ALCO on a weekly basis. The Bank, resulting from the general structure of Turkish banking sector, has a liquidity gap at the 1 year maturity period. The Bank intends to eliminate liquidity mismatch shifting focus to long-term funding alternatives. Such decisions of the risk of incompatibility are taken by ALCO. The Bank diversifies its funding sources among customer deposits, domestic and foreign borrowings, bills and bonds issued, taking into consideration the maturity match between its assets and liabilities and keeps liquid assets in order to fully meet the liquidity requirements that may emerge in case of market volatility.

#### **Information on the use of stress testing:**

Department of Risk Management implements stress testing according to Liquidity and Funding Risk Policy approved by the Board of Directors on a weekly basis. These stress tests are based on the scenarios of the deposit outflow, funds obtained from bonds issued will outflow and banks limits will not be used during a 14-day period, the results are included in the presentation of ALCO on a weekly basis and in the Presentation of Risk Committee on a monthly basis. In this way, the Bank's funding structure is closely monitored and actions are taken on behalf of existing risk management.

Alternative funding sources are identified in case of need. ALCO members are responsible for taking actions against short-term liquidity shocks. In the case of a crisis or if deemed necessary, ALCO summon a meeting and take necessary actions immediately. These action plans are approved by the Board of Directors under the ICAAP. The Bank reviews resources that are available in any emergency situation constantly and takes into consideration the results of the above-mentioned stress testing and scenario analysis by the early warning system.

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks"; published in the Official Gazette numbered 28948, dated 21 March 2014; liquidity ratio is required to be 80% for foreign currency assets/liabilities and 100% for total assets/liabilities in the calculation of the banks' weekly and monthly reporting effective from 1 January 2019.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### 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)			3.678.049	3.088.945
<b>CASH OUTFLOWS</b>				
2 Deposits from natural persons and retail deposits	14.057.768	7.169.518	1.311.624	719.395
3 Stable deposits	2.065.032	--	104.069	--
4 Less stable deposits	11.992.736	7.169.518	1.207.555	719.395
5 Unsecured funding except for retail deposits and deposits from natural persons, of which:	3.871.167	1.743.459	2.344.162	1.213.778
6 Operational deposits	--	--	--	--
7 Non-Operational deposits	2.527.521	936.542	1.010.428	377.782
8 Other unsecured funding	1.343.646	847.044	1.333.735	835.996
9 Secured funding	--	--	215.507	215.555
10 Other cash outflows	3.033.438	1.118.610	800.308	591.975
11 Outflows related to derivative exposures and other collateral requirements	591.278	528.539	575.374	515.035
12 Outflows related to restructured financial instruments	--	--	--	--
13 Payment commitments granted for debts to financial markets and other off-balance sheet commitments	2.442.160	590.071	224.935	76.940
14 Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15 Other irrevocable or conditionally revocable off-balance sheet obligations	9.333	82	9.514	179
16 TOTAL CASH OUTFLOWS			4.681.116	2.740.882
<b>CASH INFLOWS</b>				
17 Secured receivables	38.086	38.086	26.820	26.561
18 Unsecured receivables	2.564.206	1.206.496	1.946.348	1.141.925
19 Other cash inflows	277.654	231.069	266.498	225.227
20 TOTAL CASH INFLOWS	2.879.946	1.475.651	2.239.667	1.393.712
21 TOTAL HQLA			3.678.049	3.088.945
22 TOTAL NET CASH OUTFLOWS			2.473.485	1.370.972
23 LIQUIDITY COVERAGE RATIO (%)			148,70	225,31

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### 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)			3.853.952	3.432.561
<b>CASH OUTFLOWS</b>				
2 Deposits from natural persons and retail deposits	13.443.587	7.787.753	1.249.177	774.719
3 Stable deposits	1.878.584	--	94.004	--
4 Less stable deposits	11.565.003	7.787.753	1.155.174	774.719
5 Unsecured funding except for retail deposits and deposits from natural persons, of which:	3.698.768	1.781.162	2.100.562	1.068.541
6 Operational deposits	--	--	--	--
7 Non-Operational deposits	2.615.663	1.136.152	1.055.610	446.962
8 Other unsecured funding	1.083.105	645.010	1.044.952	621.578
9 Secured funding	--	--	301.478	277.593
10 Other cash outflows	3.143.418	1.033.621	766.638	552.840
11 Outflows related to derivative exposures and other collateral requirements	488.506	467.146	495.404	472.259
12 Outflows related to restructured financial instruments	--	--	--	--
13 Payment commitments granted for debts to financial markets and other off-balance sheet commitments	2.654.912	566.475	271.234	80.581
14 Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15 Other irrevocable or conditionally revocable off-balance sheet obligations	9.329	56	9.346	56
16 TOTAL CASH OUTFLOWS			4.427.201	2.673.748
<b>CASH INFLOWS</b>				
17 Secured receivables	30.623	25.205	31.694	26.394
18 Unsecured receivables	2.242.825	868.534	1.625.512	760.418
19 Other cash inflows	246.404	230.374	251.073	234.738
20 TOTAL CASH INFLOWS	2.519.852	1.124.114	1.908.279	1.021.549
21 TOTAL HQLA			3.853.952	3.432.561
22 TOTAL NET CASH OUTFLOWS			2.518.513	1.653.838
23 LIQUIDITY COVERAGE RATIO (%)			153,02	207,55

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

## FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

#### VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)

The table below shows the lowest, highest and average Liquidity Coverage of the 1 January - 31 March 2021 period.

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	202,84%	26/03/2021	116,76%	01/03/2021	151,71%
FC	467,24%	15/01/2021	154,37%	01/03/2021	240,88%
Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	205,80%	06/10/2020	108,83%	21/10/2020	155,01%
FC	517,79%	14/10/2020	163,22%	23/10/2020	222,85%

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

The Bank calculates cash outflows and transactions that are complete collateral arising from derivative transactions, taking into account the 24-month averages in accordance, with The Bank implements with the Regulation of Liquidity Coverage Ratio Calculation of Banks published in the Official Gazette dated 21 March 2014 and numbered 28948.

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

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

**VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)**

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated*	Total
<b>Assets</b>								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.861.979	1.641.942	--	--	--	--	--	3.503.921
Banks	274.528	544.298	--	--	--	--	--	818.826
Financial Assets at Fair Value Through Profit or Loss(*)	--	362.280	258.929	180.689	469.280	4	--	1.271.182
Interbank Money Market Placements	--	615.768	--	--	--	--	--	615.768
Financial Assets Available-for-Sale	10.898	74.630	115.514	215.785	483.278	2.964	--	903.069
Loans (**)	--	2.612.487	4.319.743	6.695.922	5.872.319	444.650	(135.326)	19.809.795
Investment Securities Held-to-Maturity	--	--	197.152	50.018	1.334.450	21.347	--	1.602.967
Other Assets(***)	--	--	--	--	--	--	1.269.767	1.269.767
<b>Total Assets</b>	<b>2.147.405</b>	<b>5.851.405</b>	<b>4.891.338</b>	<b>7.142.414</b>	<b>8.159.327</b>	<b>468.965</b>	<b>1.134.441</b>	<b>29.795.295</b>
<b>Liabilities</b>								
Bank Deposits	68.282	377.096	424.234	--	--	--	--	869.612
Other Deposits	2.561.868	13.737.104	2.185.815	332.749	24.375	95.082	--	18.936.993
Funds Borrowed from Other Financial Institutions	--	98.543	454.110	374.311	224.578	691	--	1.152.233
Interbank Money Market Received	--	414.404	255.451	--	--	--	--	669.855
Marketable Securities Issued(****)	--	--	6.304	20.769	1.637.399	2.360.787	--	4.025.259
Sundry Creditors	--	696.457	--	--	--	--	--	696.457
Other Liabilities (*****)	--	554.001	66.543	119.206	482.419	2.378	2.220.339	3.444.886
<b>Total Liabilities</b>	<b>2.630.150</b>	<b>15.877.605</b>	<b>3.392.457</b>	<b>847.035</b>	<b>2.368.771</b>	<b>2.458.938</b>	<b>2.220.339</b>	<b>29.795.295</b>
<b>Net Liquidity Surplus / (Gap)</b>	<b>(482.745)</b>	<b>(10.026.200)</b>	<b>1.498.881</b>	<b>6.295.379</b>	<b>5.790.556</b>	<b>(1.989.973)</b>	<b>(1.085.898)</b>	<b>--</b>
<b>Net Off-Balance Sheet Position</b>								
Derivative Financial Assets	--	(9.237)	184.432	30.342	30.117	--	--	235.654
Derivative Financial Liabilities	--	7.057.402	7.795.170	4.540.135	2.364.165	--	--	21.756.872
Non-Cash Loans	--	185.036	163.564	513.411	107.451	491.005	--	1.460.467
<b>Prior Period</b>								
<b>Total Assets</b>	<b>1.988.929</b>	<b>4.859.833</b>	<b>3.830.556</b>	<b>7.352.604</b>	<b>6.951.400</b>	<b>1.326.651</b>	<b>927.658</b>	<b>27.237.631</b>
<b>Total Liabilities</b>	<b>1.998.594</b>	<b>13.868.671</b>	<b>3.842.737</b>	<b>959.412</b>	<b>2.102.337</b>	<b>2.178.265</b>	<b>2.287.615</b>	<b>27.237.631</b>
<b>Net Liquidity Gap</b>	<b>(9.665)</b>	<b>(9.008.838)</b>	<b>(12.181)</b>	<b>6.393.192</b>	<b>4.849.063</b>	<b>(851.614)</b>	<b>(1.359.957)</b>	<b>--</b>
<b>Net Off-Balance Sheet Position</b>	<b>--</b>	<b>(132.550)</b>	<b>(248.246)</b>	<b>(87.296)</b>	<b>37.180</b>	<b>--</b>	<b>--</b>	<b>(430.912)</b>
Derivative Financial Assets	--	6.895.549	5.241.626	3.619.924	2.056.419	--	--	17.813.518
Derivative Financial Liabilities	--	7.028.099	5.489.872	3.707.220	2.019.239	--	--	18.244.430
Non-Cash Loans	--	70.868	169.508	520.054	96.829	409.303	--	1.266.562

(\*) Includes derivatives financial assets.

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

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

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

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### 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;

	Current Period (**)	Prior Period (**)
1 Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*)	49.992.656	44.928.955
2 The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	--	--
3 The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	(18.194.031)	(17.141.341)
4 The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	--	--
5 The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	--	--
6 Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	--	--
7 Total risk amount	31.798.625	27.787.614

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

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

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

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

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

**VII. Explanations on Consolidated Leverage Ratio**

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

Bank's consolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 6,14%. Minimum leverage ratio has to be 3% according to the regulation.

	Balance sheet assets	Current Period(*)	Prior Period(*)
1	Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	26.333.397	23.578.237
2	(Assets deducted in determining Tier 1 capital)	(231.523)	(242.604)
3	Total balance sheet risks (sum of lines 1 and 2)	26.101.874	23.335.633
<b>Derivative financial instruments and credit derivatives</b>			
4	Replacement cost associated with all derivative financial instruments and credit derivatives	354.419	343.256
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	212.080	188.771
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	566.499	532.027
<b>Securities or commodity financing transactions (SCFT)</b>			
7	Risks from SCFT assets (except for on-balance sheet)	439.827	363.552
8	Risks from brokerage activities related exposures	--	--
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	439.827	363.552
<b>Off-balance sheet transactions</b>			
10	Gross notional amounts of off-balance sheet transactions	4.690.425	3.556.402
11	(Adjustments for conversion to credit equivalent amounts)	--	--
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	4.690.425	3.556.402
<b>Capital and total risks</b>			
13	Tier 1 capital	2.056.209	2.052.914
14	Total risks (sum of lines 3, 6, 9 and 12)	31.798.625	27.787.614
<b>Leverage ratio</b>			
15	Leverage ratio	6,48	7,40

(\*)Represents three-month average amounts.

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



# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### SECTION FIVE

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

##### I. Explanations and disclosure related to the consolidated assets

##### 1. Information on cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	57.089	597.044	54.967	281.636
Balances with the Central Bank of Turkey	303.058	2.546.730	411.057	2.174.032
Other	--	--	--	--
<b>Total</b>	<b>360.147</b>	<b>3.143.774</b>	<b>466.024</b>	<b>2.455.668</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	292.448	915.398	407.561	782.078
Unrestricted Time Deposits	10.610	--	3.496	--
Restricted Time Deposits	--	1.631.332	--	1.391.954
<b>Total</b>	<b>303.058</b>	<b>2.546.730</b>	<b>411.057</b>	<b>2.174.032</b>

According to the communiqué No: 2005/1 on "Reserve Deposits" of CBRT, banks operating in Turkey are required to keep reserve deposit at the rates varying from 3% - 8% (31 December 2020: 1%-6%) for TL liabilities and at the rates varying from 5% - 21% (31 December 2020: 5%-21%) for FC liabilities, especially USD and EUR, depending on maturities of liabilities.

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable	88	--	2.796	--
<b>Total</b>	<b>88</b>	<b>--</b>	<b>2.796</b>	<b>--</b>

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

As of 31 March 2021, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 168.038 (31 December 2020: TL 135.412).

When fair value hedge accounting terminated, the fair value amount on the hedged financial instruments are reflected into the statement of profit or loss by amortization during the life time of the hedged financial instruments.

##### *Loans recognised at fair value through profit or loss*

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

#### 2.2 Information on financial assets at fair value through profit or loss subject to repurchase agreements

None.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	153.318	--	97.046	--
Swap Transactions	672.981	--	368.124	--
Futures Transactions	--	--	--	--
Options	269.766	6.991	231.789	10.406
Other	--	--	--	--
<b>Total</b>	<b>1.096.065</b>	<b>6.991</b>	<b>696.959</b>	<b>10.406</b>

### 3. Information on Banks

#### 3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	236.098	386.416	465.117	39.805
Foreign	141	196.171	461	383.162
Foreign head-offices and branches	--	--	--	--
<b>Total</b>	<b>236.239</b>	<b>582.587</b>	<b>465.578</b>	<b>422.967</b>

#### 3.2 Due from foreign banks

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".

### 4. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	2.993	749.743	2.929	717.544
Other	--	--	--	--
<b>Total</b>	<b>2.993</b>	<b>749.743</b>	<b>2.929</b>	<b>717.544</b>

As of 31 March 2021 the amount of financial assets valued at fair value through other comprehensive income not given as collateral or not blocked is TL 150.333 (31 December 2020: TL 307.053).

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

	Current Period	Prior Period
Debt instruments	893.048	1.017.163
Quoted on Stock Exchange	893.048	1.017.163
Unquoted on Stock Exchange	--	--
Share certificates	10.898	10.363
Quoted on Stock Exchange	10.898	10.363
Unquoted on Stock Exchange	--	--
Impairment provision (-)	877	--
<b>Total</b>	<b>903.069</b>	<b>1.027.526</b>

### 5. Information on Loans

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans to Shareholders	--	20	--	20
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	20	--	20
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	6.311	--	6.497	--
<b>Total</b>	<b>6.311</b>	<b>20</b>	<b>6.497</b>	<b>20</b>

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

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Non-restructured	Restructured	
			Revised Contract Terms	Refinanced
<b>Loans</b>	<b>16.937.959</b>	<b>1.292.054</b>	<b>1.376.141</b>	<b>338.967</b>
Working Capital Loans	6.365.612	705.062	838.645	320.637
Export Loans	--	--	764	--
Import Loans	--	--	--	--
Loans to Financial Sector	108.722	--	--	--
Consumer Loans	3.287.578	55.852	18.729	5.134
Credit Cards	14.087	787	--	--
Others	7.161.960	530.353	518.003	13.196
Specialization Loans	--	--	--	--
Other Receivables	--	--	--	--
<b>Total (*)</b>	<b>16.937.959</b>	<b>1.292.054</b>	<b>1.376.141</b>	<b>338.967</b>

(\*) Amounting to TL 104.292 factoring receivables are also included.

(\*\*) As of 31 March 2021, in accordance with the decision of the BRSA on March 17, 2020 number 8948, the total amount of loans continued to be classified as the second group, which is effective from 17 March 2020 to 30 June 2021 within 90-180 days past due, is TL 50,337.

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-months Expected Credit Losses	179.923	--	155.743	--
Significant Increase in Credit Risk	--	278.579	--	285.623
<b>Total</b>	<b>179.923</b>	<b>278.579</b>	<b>155.743</b>	<b>285.623</b>

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

Current Period	Commercial Loans	Consumer Loans	Total
1-30 days	112.756	5.344	118.100
31-60 days	90.032	4.756	94.788
61-90 days (*)	26.523	33.835	60.358
<b>Total</b>	<b>229.311</b>	<b>43.935</b>	<b>273.246</b>

(\*)According to BRSA's announcement numbered 8948 and dated 17 March 2020, up to 180 days past due loans are also included.

(\*\*) As of 31 March 2021, in accordance with the decision of the BRSA on March 27, 2020 number 8970, the total amount of loans continued to be classified as the second group, which is effective from 17 March 2020 to 30 June 2021 within 90-180 days past due, is TL 49,405.

Prior Period	Commercial Loans	Consumer Loans	Total
1-30 days	44.642	6.244	50.886
31-60 days	16.355	6.219	22.574
61-90 days	127.971	24.885	152.856
<b>Total</b>	<b>188.968</b>	<b>37.348</b>	<b>226.316</b>

#### *Maturity analysis of cash loans*

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"

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

	Short-Term	Medium or Long Term	Total
<b>Consumer Loans-TL</b>	<b>1.052.090</b>	<b>2.232.499</b>	<b>3.284.589</b>
Mortgage Loans	--	257.917	257.917
Vehicle Loans	--	2.717	2.717
General Purpose Loans	1.052.090	1.971.865	3.023.955
Other	--	--	--
<b>Consumer Loans-Indexed to FC</b>	<b>--</b>	<b>4.059</b>	<b>4.059</b>
Mortgage Loans	--	3.791	3.791
Vehicle Loans	--	--	--
General Purpose Loans	--	268	268
Other	--	--	--
<b>Consumer Loans-FC</b>	<b>--</b>	<b>33</b>	<b>33</b>
Mortgage Loans	--	33	33
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Individual Credit Cards-TL</b>	<b>6.654</b>	<b>--</b>	<b>6.654</b>
With Installment	1.060	--	1.060
Without Installment	5.594	--	5.594
<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>483</b>	<b>5.161</b>	<b>5.644</b>
Mortgage Loans	--	430	430
Vehicle Loans	--	--	--
General Purpose Loans	483	4.731	5.214
Other	--	--	--
<b>Loans Given to Employees - Indexed to FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Loans Given to Employees - FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Personnel Credit Cards - TL</b>	<b>655</b>	<b>--</b>	<b>655</b>
With Installment	178	--	178
Without Installment	477	--	477
<b>Personnel Credit Cards - FC</b>	<b>12</b>	<b>--</b>	<b>12</b>
With Installment	--	--	--
Without Installment	12	--	12
<b>Overdraft Loans-TL (Real Persons)</b>	<b>72.968</b>	<b>--</b>	<b>72.968</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>1.132.928</b>	<b>2.241.752</b>	<b>3.374.680</b>

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

	Short-Term	Medium or Long Term	Total
Installment Commercial Loans - TL	751.974	2.887.323	3.639.297
Real Estate Loans	--	69	69
Vehicle Loans	7.488	72.071	79.559
General Purpose Loans	744.486	2.815.183	3.559.669
Other	--	--	--
Installment Commercial Loans - Indexed to FC	--	41.362	41.362
Real Estate Loans	--	--	--
Vehicle Loans	--	5.736	5.736
General Purpose Loans	--	35.626	35.626
Other	--	--	--
Installment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	7.463	--	7.463
With Installment	1.587	--	1.587
Without Installment	5.876	--	5.876
Corporate Credit Cards - FC	25	--	25
With Installment	--	--	--
Without Installment	25	--	25
Overdraft Loans-TL (Legal Entities)	86.821	--	86.821
Overdraft Loans-FC (Legal Entities)	--	--	--
<b>Total</b>	<b>846.283</b>	<b>2.928.685</b>	<b>3.774.968</b>

#### 5.5 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	19.945.121	19.006.911
<b>Total (*)</b>	<b>19.945.121</b>	<b>19.006.911</b>

(\*) Factoring receivables amounting to TL 104.292 (31 December 2020: TL 105.851) are included. There are no financial loans at fair value through profit or loss (31 December 2020: there are no financial loans at fair value through profit or loss).

#### 5.6 Allocation of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	19.081.922	18.080.629
Foreign Loans	863.199	926.282
<b>Total (*)</b>	<b>19.945.121</b>	<b>19.006.911</b>

(\*) Factoring receivables amounting to TL 104.292 (31 December 2020: TL 105.851) are included. There are no financial loans at fair value through profit or loss (31 December 2020: there are no financial loans at fair value through profit or loss).

#### 5.7 Loans granted to subsidiaries and associates

The Bank does not have any loans granted to subsidiaries and associates as of 31 March 2021 (31 December 2020: None).

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

#### 5.8 Provisions provided against loans (third stage)

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	35.442	33.606
Loans and Receivables with Doubtful Collectability	60.107	56.774
Uncollectible Loans and Receivables	276.350	298.370
<b>Total</b>	<b>371.899</b>	<b>388.750</b>

#### 5.9 Information on non-performing loans (Net)

##### 5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period	15	75	2.539
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	15	75	2.539
Prior Period	453	21.568	2.301
Gross Amounts before Specific Provisions	--	--	--
Restructured Loans and Other Receivables	453	21.568	2.301

##### 5.9.2 Movement on non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Balances at the End of Prior Period	64.587	82.945	471.893
Additions (+)	169.286	10.864	2.096
Transfers from Other Categories of Non-Performing Loans (+)	--	57.109	17.291
Transfers to Other Categories of Non-Performing Loans (-)	57.109	17.291	--
Collections (-)	6.906	5.486	30.663
Write-offs (-)	--	--	--
Sold (-) (*)	880	19.992	42.669
Corporate and Commercial Loans	797	19.626	34.471
Retail Loans	76	356	7.511
Credit Cards	7	10	687
Other	--	--	--
Balances at End of the Period	168.978	108.149	417.948
Provisions (-)	35.442	60.107	276.350
<b>Net Balance on Balance Sheet</b>	<b>133.536</b>	<b>48.042</b>	<b>141.598</b>

(\*) The loan amounting to TL 63.541 has been written off from assets by transferring to asset management company in 2021.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>			
Balance as of Period End	161.207	39.718	41.624
Provisions (-)	30.095	17.962	28.760
<b>Net Balance on Balance Sheet</b>	<b>131.112</b>	<b>21.756</b>	<b>12.864</b>
<b>Prior Period</b>			
Balance as of Period End	39.441	16.545	42.344
Provisions (-)	17.748	14.239	29.235
<b>Net Balance on Balance Sheet</b>	<b>21.693</b>	<b>2.306</b>	<b>13.109</b>

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period (Net)</b>	<b>168.978</b>	<b>108.149</b>	<b>141.598</b>
Loans Granted to Real Persons and Legal Entities (Gross)	168.978	108.149	417.948
Provisions (-)	35.442	60.107	276.350
Loans Granted to Real Persons and Legal Entities (Net)	133.536	48.042	141.598
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
<b>Prior Period (Net)</b>	<b>30.981</b>	<b>26.171</b>	<b>173.523</b>
Loans Granted to Real Persons and Legal Entities (Gross)	64.587	82.945	471.893
Provisions (-)	33.606	56.774	298.370
Loans Granted to Real Persons and Legal Entities (Net)	30.981	26.171	173.523
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

#### 5.10 Information on interest accruals, valuation differences and related provisions calculated for non-performing loans by the banks which reserves provision according to TFRS 9

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

#### 5.11 Explanations about policy of write-off policy

In the event that the conditions stated in the law related to the unworthiness of the receivable arise, whole provisions are set aside for all of these loans and the loans are written off from the assets by the board decision.



# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	48.002	736.657	48.344	858.607
Other	--	--	--	--
<b>Total</b>	<b>48.002</b>	<b>736.657</b>	<b>48.344</b>	<b>858.607</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	184.265	1.404.101	187.659	1.006.930
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
<b>Total</b>	<b>184.265</b>	<b>1.404.101</b>	<b>187.659</b>	<b>1.006.930</b>

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

	Current Period	Prior Period
Debt instruments	1.603.439	1.207.902
Quoted on Stock Exchange	1.603.439	1.207.902
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
<b>Total</b>	<b>1.603.439</b>	<b>1.207.902</b>

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

	Current Period	Prior Period
Balance at the beginning of period	1.207.902	575.098
Foreign Exchange Difference in Monetary Assets	100.608	132.935
Revaluation adjustments	(14.772)	5.934
Purchases during the year	309.701	493.935
Disposals through Sales and Redemptions	--	--
Impairment provision (-)	--	--
<b>Total</b>	<b>1.603.439</b>	<b>1.207.902</b>

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

#### 7. Information on associates

The Group has no investment in an associate as of 31 March 2021 (31 December 2020: None).

#### 8. Information on consolidated subsidiaries

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

##### *Non-financial subsidiaries*

The Bank has TL 112.500 investment in a non-financial subsidiary as of 31 December 2020 (31 December 2019: TL 112.500).

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

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

##### *Financial subsidiaries*

The Bank has TL 5.445 investment in a financial subsidiary as of 31 March 2021 (31 March 2020: TL 5.445).

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)	Consolidation Type
Fiba Portföy Yönetimi A.Ş.	İstanbul	99,00%	99,00%	Full Consolidation

Fiba Portföy Yönetimi A.Ş. has been established on 26 September 2013 with 99% share of Fibabanka A.Ş.

The financial information about Fiba Portföy Yönetimi A.Ş.as of 31 March 2021 is given below:

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
18.872	17.100	384	-	--	1.145	1.324	--

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

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

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

**I. Explanations and disclosure related to the consolidated assets (continued)****8. Information on subsidiaries (continued)*****Movement of consolidated investment in subsidiaries***

	Current Period	Prior Period
Balance at Beginning of Period	5.445	5.445
Movements during the Period	--	--
Additions and Capital Increases	--	--
Bonus Shares Received	--	--
Dividends from the Current Year Profit	--	--
Sales/Liquidations	--	--
Reclassification of shares	--	--
Increase / (Decrease) in Market Values	--	--
Currency Differences on Foreign Subsidiaries	--	--
Reversal of Impairment Losses/ Impairment Losses (-)	--	--
Balance at the End of Period	5.445	5.445
Capital Commitments	5.445	5.445
Share of Percentage at the end of Period (%)	99	99

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

***Sectoral information on consolidated financial subsidiaries and the related carrying amount***

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

***Valuation of investments in consolidated subsidiaries***

	Current Period	Prior Period
Valuation with Cost Value	5.445	5.445
Valuation with Fair Value	--	--

**Quoted consolidated investments in subsidiaries**

None

## **FİBABANKA A.Ş. AND ITS SUBSIDIARY**

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

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

---

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

**9. Information on entities under common control**

The Group does not have investments in entities under common control as of 31 March 2021.

**10. Information on lease receivables**

The Group does not have lease receivables as of 31 March 2021.

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

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

**12. Information on tangible assets**

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

**13. Information on intangible assets**

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

**14. Information on investment properties**

None.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

#### 15. Information on deferred tax asset

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

As of 31 March 2021, the deferred tax asset amounting to TL 173.753 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2020: TL 191.840 deferred tax asset).

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

Current Period		
	Deferred Tax Base	Deferred Tax Asset/(Liability)
Tax Losses(*)	644.749	128.950
Financial Assets Valuation	(427.507)	(85.501)
Unearned Commission Income/Prepaid Commission Expenses	35.700	7.140
Retirement Pay and Unused Vacation Provision	46.207	9.241
Tangible Assets Base Differences	(42.853)	(8.570)
Provisions	604.807	120.960
Other	18.423	1.533
<b>Deferred Tax Asset/(Liability)</b>	<b>234.777</b>	<b>44.803</b>
(*) As of 31 March 2021, the bank has a tax losses of TL 644.749. The expiration date for these tax losses is December 31, 2026.		
Prior Period		
	Deferred Tax Base	Deferred Tax Asset/(Liability)
Financial Assets Valuation	294.394	58.879
Unearned Commission Income/Prepaid Commission Expenses	43.865	8.773
Retirement Pay and Unused Vacation Provision	37.613	7.523
Tangible Assets Base Differences	(36.784)	(7.357)
Provisions	605.850	121.170
Other	14.268	2.852
<b>Deferred Tax Asset/(Liability)</b>	<b>959.206</b>	<b>191.840</b>

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

	1 January - 31 March 2021	1 January - 31 March 2020
Deferred Tax Asset, 1 January	191.840	54.503
Deferred Tax Income / (Expense)	(20.353)	(4.820)
Deferred Tax Recognized Directly Under Equity	2.266	7.712
<b>Deferred Tax Asset/(Liability) , Period End Balance</b>	<b>173.753</b>	<b>57.395</b>

## **FİBABANKA A.Ş. AND ITS SUBSIDIARY**

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

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

---

- I. Explanations and disclosure related to the consolidated assets (continued)
- 15.2 *Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet*  
None (31 December 2020: None).
- 15.3 *Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes*  
None.
16. Information on assets held for sale and non-current assets related to discontinued operations  
As of 31 March 2021, the Group has TL 78.818 assets held for sale (31 December 2019: TL 102.748).
17. Information on other assets  
Other assets do not exceed 10% of total assets excluding the off-balance sheet items.
- 17.1 *Information on prepaid expenses, tax and similar items*  
As of 31 March 2021, total prepaid expenses are TL 47.768 (31 December 2020: TL 41.636).

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

#### 1. Information on deposits

##### 1.1 Information on maturity structure of deposits

###### Current period

	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months -		Cumulative	Total
						1 Year	1 Year and Over	Deposit	
Saving Deposits	328.148	--	4.261.915	2.404.731	260.494	197.286	72.701	--	7.525.275
Foreign Currency Deposits	1.322.609	--	4.383.796	2.137.837	136.364	8.877	134.698	--	8.124.181
Residents in Turkey	1.215.103	--	4.324.084	2.134.711	135.892	8.816	134.596	--	7.953.202
Residents Abroad	107.506	--	59.712	3.126	472	61	102	--	170.979
Public Sector Deposits	222	--	989	2.398	--	--	--	--	3.609
Commercial Deposits	499.370	--	283.914	1.306.720	3.401	18.978	70	--	2.112.453
Other Ins. Deposits	3.750	--	3.870	168.318	282	563	--	--	176.783
Precious Metal Deposits	407.774	--	586.918	--	--	--	--	--	994.692
Interbank Deposits	68.281	--	283.973	517.358	--	--	--	--	869.612
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	86	--	249.781	424.235	--	--	--	--	674.102
Foreign Banks	63.000	--	34.192	93.123	--	--	--	--	190.315
Special Finan.Inst.	5.195	--	--	--	--	--	--	--	5.195
Other	--	--	--	--	--	--	--	--	--
Total	2.630.154	--	9.805.375	6.537.362	400.541	225.704	207.469	--	19.806.605

###### Prior period

	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months -		Cumulative	Total
						1 Year	1 Year and Over	Deposit	
Saving Deposits	239.170	--	3.296.030	2.162.226	82.919	40.295	19.070	--	5.839.710
Foreign Currency Deposits	1.022.955	--	3.826.483	1.841.608	143.243	12.482	124.436	--	6.971.207
Residents in Turkey	921.277	--	3.805.228	1.832.539	143.243	12.428	124.345	--	6.839.060
Residents Abroad	101.678	--	21.255	9.069	--	54	91	--	132.147
Public Sector Deposits	1.394	--	409	865	--	--	--	--	2.668
Commercial Deposits	308.622	--	469.252	2.082.225	4.362	3.572	29	--	2.868.062
Other Ins. Deposits	3.340	--	3.485	125.948	17.516	516	--	--	150.805
Precious Metal Deposits	372.485	--	461.975	--	--	--	--	--	834.460
Interbank Deposits	50.624	--	558.252	391.620	--	--	--	--	1.000.496
Central Bank of Turkey	--	--	386.108	--	--	--	--	--	386.108
Domestic Banks	79	--	146.815	379.982	--	--	--	--	526.876
Foreign Banks	45.473	--	25.329	11.638	--	--	--	--	82.440
Special Finan.Inst.	5.072	--	--	--	--	--	--	--	5.072
Other	--	--	--	--	--	--	--	--	--
Total	1.998.590	--	8.615.886	6.604.492	248.040	56.865	143.535	--	17.667.408

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### II. Explanations and disclosures related to consolidated liabilities (continued)

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3.413.339	2.739.691	4.063.577	2.736.619
Foreign Currency Saving Deposits	1.521.834	1.025.106	6.169.118	4.415.973
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
<b>Total</b>	<b>4.935.173</b>	<b>3.764.797</b>	<b>10.232.695</b>	<b>7.152.592</b>

#### 1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad

#### 1.4 Saving deposits that are not under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad	--	--
Deposits of Ultimate Shareholders and Their Close Families	40.526	11.366
Deposits of Chairman and Members of the Board of Directors and their Close Families	53.066	43.256
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	--	--
Saving Deposits in Banks Established in Turkey Exclusively for Off Shore Banking Activities	--	--

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	178.191	--	100.750	--
Swap Transactions	314.751	--	767.895	--
Futures Transactions	--	--	--	--
Options	236.424	6.771	228.455	10.392
Other	--	--	--	--
<b>Total</b>	<b>729.366</b>	<b>6.771</b>	<b>1.097.100</b>	<b>10.392</b>

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	--	--	--	--
From Domestic Banks and Institutions	21.778	187.639	20.370	180.458
From Foreign Banks, Institutions and Funds	--	942.816	--	954.314
<b>Total</b>	<b>21.778</b>	<b>1.130.455</b>	<b>20.370</b>	<b>1.134.772</b>



# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### II. Explanations and disclosures related to consolidated liabilities (continued)

#### 3.2 Maturity analysis of borrowing

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	21.778	104.694	20.370	98.963
Medium and Long Term	--	1.025.761	--	1.035.809
<b>Total</b>	<b>21.778</b>	<b>1.130.455</b>	<b>20.370</b>	<b>1.134.772</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 the funds provided in the form of deposits, bank borrowings and bond issuance.

#### 4. Information related with issued instruments

Current Period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	1.637.399
Book Value	--	--	--	1.654.567
Prior period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	1.443.590
Book Value	--	--	--	1.480.900

#### 5. Other Liabilities

Other liabilities of balance sheet do not exceed 10% of the balance sheet total excluding the off-balance sheet items.

#### 6. Obligations under financial lease

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

	Current Period		Prior Period	
	Gross	Net	Brüt	Net
Less than 1 Year	52.891	43.885	50.854	37.604
Between 1-4 Years	27.457	3.864	33.330	15.470
More than 4 Years	1.954	369	2.774	556
<b>Total</b>	<b>82.302</b>	<b>48.118</b>	<b>86.958</b>	<b>53.630</b>

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

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

#### 8. Information on provisions

##### 8.1 Foreign exchange losses on the foreign currency indexed loans

The foreign exchange losses on foreign currency indexed loans are netted off from the loans on the balance sheet. As of 31 March 2021, there is no provision of foreign exchange loss on the foreign currency indexed loans. (31 December 2020: None).

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### II. Explanations and disclosures related to liabilities (continued)

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

As of 31 March 2021, the specific provision provided for unindemnified non cash loans is TL 3.195 (31 December 2020: TL 4.566).

#### 8.3 Explanation on other provisions

##### 8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	128.000	151.000

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

None.

##### 8.3.3 Explanations on reserves for employee benefits

As of 31 March 2021, reserves for employee benefits amounting to TL 46.206 (31 December 2020: TL 37.613) comprise of TL 21.485 reserve for employee termination benefits (31 December 2020: TL 19.874), TL 8.975 unused vacation pay liability (31 December 2020: TL 6.193) and TL 15.746 personnel bonus accrual (31 December 2020: TL 11.546).

### 9. Explanations on Tax Liability

#### 9.1 Explanations on current tax liability

##### 9.1.1 Explanations on tax provision

As of 31 March 2021, the Group's current tax liability is TL 49.452 (31 December 2020: TL 187.777)

##### 9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	1.307	143.871
Taxation on securities	14.225	13.359
Property tax	133	173
Banking and Insurance Transaction Tax (BITT)	16.727	13.397
Taxes on foreign exchange transactions	2.585	1.433
Value added taxes payable	849	1.715
Income tax ceased from wages	5.483	6.945
Other	700	1.004
<b>Total</b>	<b>42.009</b>	<b>181.897</b>

##### 9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	3.174	2.494
Social Security Premiums- Employer	3.604	2.864
Bank Social Aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee	222	174
Unemployment Insurance- Employer	443	348
Other	--	--
<b>Total</b>	<b>7.443</b>	<b>5.880</b>

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### II. Explanations and disclosures related to liabilities (continued)

#### 9.2 Explanations on deferred tax liabilities

None (31 December 2020: None).

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

None (31 December 2020: None).

#### 11. Explanations on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments subject to common equity	100.000	256.084	100.000	220.276
Subordinated loans	--	--	--	--
Subordinated debt instruments* (*)	100.000	256.084	100.000	220.276
Debt instruments subject to Tier 2 equity	--	2.114.608	--	1.907.323
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	2.114.608	--	1.907.323
<b>Total</b>	<b>100.000</b>	<b>2.370.692</b>	<b>100.000</b>	<b>2.127.599</b>

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

#### 12. Information on shareholders' equity

##### 12.1 Paid-in capital

	Current Period	Prior Period
Common Stock	941.161	941.161
Preferred Stock	--	--

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

Registered share capital system is not applied.

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

None.

##### 12.4 Information on share capital increases from revaluation funds:

None.

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

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

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

None.

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

The Group does not have any preferred shares.

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

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

**II. Explanations and disclosures related to liabilities (continued)****12.8 Common stock issue premiums, shares and equity instruments**

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

	Current Period	Prior Period
Number of Shares (Thousand)	26.230.098	26.230.098
Number of 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	3.668	9.285	3.850	18.413
Exchange Difference	--	--	--	--
<b>Total</b>	<b>3.668</b>	<b>9.285</b>	<b>3.850</b>	<b>18.413</b>

**12.10 Information on other capital reserves**

The Parent Bank has issued a TL-denominated debt instrument on 20 March 2019 with nominal amount of TL 100.000 with a floating interest rate, which fulfills the conditions of 7th section-2nd paragraph of BRSA's "Regulation on Equities of Banks", has equity characteristics and will be added to Tier I capital calculations. The debt instrument under "Other Capital Reserves" account and interest expense under "Prior Periods Profit or Losses" account.

**12.11 Information on revaluation reserve**

None.

**12.12 Bonus shares of subsidiaries, associates and joint ventures**

None.

**12.13 Information on legal reserves**

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

**12.14 Information on extraordinary reserves**

	Current Period	Prior Period
Reserves allocated by the General Assembly	654.616	454.071
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

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

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

---

**II. Explanations and disclosures related to liabilities (continued)****13. Information on minority shares:**

	Current Period	Prior Period
Opening Balance	159	87
Minority Shares in Net Profit of Subsidiaries	11	72
Dividend Payment in Prior Period	--	--
Increase /(Decrease) in Minority Shares due to Sale	--	--
Others	--	--
<b>Period-end Balance</b>	<b>170</b>	<b>159</b>

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

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

	Current Period	Prior Period
Asset Sale and Purchase Commitments	2.944.539	996.421
Credit Card Limit Commitments	27.489	27.643
Credit Card and Bank Trans. Promo. Guarantee	--	--
Commitments for Credit Allocation with the Guarantee of Budget Commitments	1.104.872	1.332.248
Commitment for Cheques	7.095	8.878
Other Irrevocable Commitments	227.304	184.090
Other Irrevocable Commitments	14.920	14.927
<b>Total</b>	<b>4.326.219</b>	<b>2.564.207</b>

##### 1.2 Possible losses and commitments related to off-balance sheet items, including the ones listed below

##### 1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits

	Current Period	Prior Period
Letters of Guarantee TL	516.685	584.041
Letters of Guarantee FC	288.145	277.530
Letters of Credit	402.909	248.224
Bills of Exchange and Acceptances	252.728	156.767
<b>Total</b>	<b>1.460.467</b>	<b>1.266.562</b>

The Bank has set aside TL 13.118 of expected credit loss allowance for non-cash loans (31 December 2020: TL 9.788).

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

	Current Period	Prior Period
Revocable Letters of Guarantee	7.173	18.446
Irrevocable Letters of Guarantee	690.014	728.239
Letters of Guarantee Given in Advance	65.950	66.645
Letters of Guarantee Given to Customs	22.842	14.100
Other Letters of Guarantee	18.851	34.141
<b>Total</b>	<b>804.830</b>	<b>861.571</b>

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

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	638	--
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	638	--
Other Non-Cash Loans	1.459.829	1.266.562
<b>Total</b>	<b>1.460.467</b>	<b>1.266.562</b>

## **FİBABANKA A.Ş. AND ITS SUBSIDIARY**

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

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

---

- III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments (continued)**
- 3. Information on sectorial risk concentrations of non-cash loans**  
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**  
The Group provided provision of TL 6.217 for the legal cases pending against the Group where the cash outflows are probable (31 December 2020: TL 6.198).
- 8. Custodian and intermediary services**  
The Group provides trading and safe keeping services in the name and account of third parties. Such transactions are presented in off-balance statements.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### IV. Explanations and disclosures related to the statement of profit or loss

#### 1. Interest income

##### 1.1 Information on interest on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans(*)	559.676	86.559	387.568	126.089
Short Term Loans	293.357	10.908	167.277	17.868
Medium and Long Term Loans	266.319	75.651	220.291	108.221
Interest on Non-Performing Loans	2.015	--	7.404	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>561.691</b>	<b>86.559</b>	<b>394.972</b>	<b>126.089</b>

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

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

	Current Period		Prior Period	
	TL	FC	TP	YP
The Central Bank of Turkey	95	--	--	--
Domestic Banks	8.321	18	9.105	37
Foreign Banks	--	34	--	82
Branches and Head Office Abroad	--	--	--	--
<b>Total</b>	<b>8.416</b>	<b>52</b>	<b>9.105</b>	<b>119</b>

##### 1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	2.014	--	1.716	16
Financial Assets at Fair Value Through Other Comprehensive Income	616	14.066	84	9.461
Financial Assets Measured at Amortized Cost	4.558	13.225	4.075	5.305
<b>Total</b>	<b>7.188</b>	<b>27.291</b>	<b>5.875</b>	<b>14.782</b>

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

None (31 March 2020: None).



# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

#### 2. Interest expense

##### 2.1 Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>559</b>	<b>6.608</b>	<b>456</b>	<b>9.104</b>
The Central Bank of Turkey	--	--	--	--
Domestic Banks	559	1.130	456	5.264
Foreign Banks	--	5.478	--	3.840
Branches and Head Office Abroad	--	--	--	--
<b>Other Institutions</b>	<b>--</b>	<b>44.266</b>	<b>--</b>	<b>41.949</b>
<b>Total</b>	<b>559</b>	<b>50.874</b>	<b>456</b>	<b>51.053</b>

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

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

Total interest expense given to subsidiaries is TL 211 (1 January - 31 March 2020: TL 189).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	--	29.751	13.127	25.789

##### 2.4 Information on maturity structure of interest expenses paid for deposits

Account Description	Demand Deposits	Time Deposits					Cumulative Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
<b>Turkish Lira</b>								
Bank Deposits	--	7.111	--	--	--	--	--	7.111
Saving Deposits	--	162.789	104.095	1.880	1.617	960	--	271.341
Public Sector Deposits	--	50	182	--	--	--	--	232
Commercial Deposits	--	11.689	62.855	221	405	1	--	75.171
Other	--	141	5.691	506	18	--	--	6.356
7 Days Notice	--	--	--	--	--	--	--	--
<b>Total</b>	<b>--</b>	<b>181.780</b>	<b>172.823</b>	<b>2.607</b>	<b>2.040</b>	<b>961</b>	<b>--</b>	<b>360.211</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	--	14.759	9.411	680	51	936	--	25.837
Bank Deposits	--	2.519	--	--	--	--	--	2.519
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	931	--	--	--	--	--	931
<b>Total</b>	<b>--</b>	<b>18.209</b>	<b>9.411</b>	<b>680</b>	<b>51</b>	<b>936</b>	<b>--</b>	<b>29.287</b>
<b>Grand Total</b>	<b>--</b>	<b>199.989</b>	<b>182.234</b>	<b>3.287</b>	<b>2.091</b>	<b>1.897</b>	<b>--</b>	<b>389.498</b>

#### 3. Information on dividend income

None (31 March 2020: None).

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

	Current Period	Prior Period
Income	1.575.834	880.275
Gains on Capital Market Operations	10.453	8.374
Gains on Derivative Financial Instruments	624.504	543.725
Foreign Exchange Gains	940.877	328.176
Loss (-)	1.561.405	814.108
Losses on Capital Market Operations	2.975	1.988
Losses on Derivative Financial Instruments	662.628	452.713
Foreign Exchange Losses	895.802	359.407
Net Trading Income / ( Loss )	14.429	66.167

#### 5. Information on other operating income

Other operating income mainly consists of provision reversals, profit from sale of assets, commissions on cheques and notes and costs recharged.

#### 6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	99.113	71.107
12 Months Expected Credit Losses (Stage 1)	24.988	26.900
Significant Increase In Credit Risk (Stage 2)	6.149	24.638
Impaired Credits (Stage 3)	67.976	19.569
Impairment Losses on Marketable Securities	--	--
Financial Assets Valued at Fair Value Through Profit or Loss	--	--
Financial Assets Valued at Fair Value Through Other Comprehensive Income	--	--
Impairment Losses on Associates, Subsidiaries and Joint Ventures	--	--
Associates	--	--
Subsidiaries	--	--
Joint-Ventures	--	--
Other (*)	20	70.011
Total	99.133	141.118

(\*) As of 31 March 2021, no expenses for possible losses (31 March 2020: TL 64.000).

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

	Current Period	Prior Period
Provision for Employee Termination Benefits	1.612	1.319
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	4.715	3.861
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	8.774	4.806
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	--
Impairment of Assets Held for Sale	5.642	7.384
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	39.797	38.558
Operational leases expenses related with TFRS 16 exceptions	601	231
Repair and Maintenance Expenses	527	620
Advertisement Expenses	3.645	4.942
Other Expenses	35.024	32.765
Losses on Sale of Assets	246	1.996
Other	33.343	34.170
Total	94.129	92.094

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

---

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

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

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".

#### 9. Explanations on tax provision for resumed operations and discontinued operations

##### 9.1 Current period taxation income or expense and deferred tax income or expense

As of 31 March 2021, the Group provided current tax expense of TL 1.496 in the statement of profit or loss for the 3 months period (1 January - 31 March 2020: TL 15.555 expense).

As of 31 March 2021, the Group provided the deferred tax expense of TL 20.377 in the statement of profit or loss for 3 months period (1 January - 31 March 2020: TL 8.246 net deferred tax expense).

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

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"

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

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

In the current and prior periods, the Group's income from ordinary banking transactions is interest income from loans and marketable securities and other banking service income. Main expenses are interest expense on deposits and similar debt items which are funding resources of loans and marketable securities.

##### 11.2 *Changes in estimations made by the Group with respect to the financial statement items do not have a material effect on profit/loss*

##### 11.3 *Consolidated profit in current period from minority shares*

Consolidated profit in current period from minority shares is TL 12 (1 January - 31 March 2020: TL 13 )

#### 12. If "other" lines of the statement of profit or loss exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items

In the current period, "other" items recognised in "fees and commissions received" majorly comprised of commissions such as limit allocation and revision commissions, valuation commissions, insurance commissions, contracted merchant commissions, credit card commissions and account maintenance fees.

In the current period, "other" items recognised in "fees and commissions paid" majorly comprised of commissions to correspondent banks, credit card commissions and commissions on issuance of securities.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

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

##### 1.1 Current period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	20	635.851	70.760
Balance at the End of the Period	--	--	--	20	398.498	44.748
Interest and Commission Income Received	268	--	--	--	13.999	32

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

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

##### Prior period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	20	331.014	61.073
Balance at the End of the Period	--	--	--	20	635.851	70.760
Interest and Commission Income Received	--	--	--	--	8.014	288

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

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

##### 1.2 Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	2.544	7.685	18.479	57.840	512.953	231.137
Balance at the End of the Period	16.221	2.544	7.007	18.479	457.589	512.953
Deposit Interest Expense	211	189	474	2.803	11.287	4.741

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

##### 1.3 Information on funds obtained from the Bank's risk group

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

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### V. Explanations and disclosures on the risk group of the Parent Bank (continued)

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	1.181.279	741.741
Balance at the End of the Period	--	--	--	--	776.081	1.181.279
Total Income/Loss	--	--	--	--	13.814	7.942
Transactions for Hedging Purposes:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

(\*) As described in the Article 49 of Banking Act no.5411.

#### 2. Information on transactions with the Bank's risk group

##### 2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

The terms of related party transactions are equivalent to those that prevail in arm's length transactions only if such terms can be substantiated regarding the limits exposed by the Banking Act. Adopted Bank policy is that assets and liabilities will not be dominated by the risk group and the balances with the risk group will have a reasonable share in the total balance sheet.

##### 2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of 31 December 2020, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 2,01% (31 December 2020: 3,38%) and the ratio of the deposits of entities of risk group to total deposits is 2,59% (31 December 2020: 3,02%). There are no funds obtained from entities of risk group (31 December 2020: None).

In the current period, benefits such as salaries and bonuses; provided to the key management are TL 4.078 (1 January - 31 March 2020: TL 4.349).

##### 2.3 Total of similar type of transactions together, unless a separate disclosure is required to present the effect of the transactions on financial statements

None.

##### 2.4 Transactions accounted for under equity method

None.

##### 2.5 Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agency contracts, finance lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

None.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### VI. Explanations on the Group's domestic, foreign, off-shore branches or investments in associates and foreign representative offices

#### 1. Information related to the Group's domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic Branch	50	1.678			
			Country of Incorporations		
Foreign Reprasantation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

#### Domestic Consolidated Subsidiaries

	Number of Employees	Assets	Legal Capital
Fiba Portföy Yönetimi A.Ş.	15	18.874	5.500

### VII. Events after balance sheet date

In accordance with the Article 11 of the Law No. 7316 on the Procedure for the Collection of Public Receivables and the Law on Amendments to Certain Laws published in the Official Gazette dated April 22, 2021, and with the temporary Article 13 added to the Corporate Tax Law, the corporate tax rate is 25% for the taxation period of 2021 and this rate will be applied as 23% for the taxation period of 2022. In accordance with Article 14 of the Law, the rate to be applied for the year 2021 will start from the declarations to be submitted as of 1 July 2021 and will be valid for the taxation period starting from 01/01/2021. Since the tax rate change is valid as of April 22, 2021, 20% was used as the tax rate for the period tax and deferred tax calculations in the Financial Statements dated March 31, 2021.

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

#### Summary information of Parent Bank's risk ratings by international rating agencies

Fitch Ratings	
Long term FC and TL Rating	B+
Short term FC and TL Rating	B
Viability Rating	b
Viability Rating	5
Support Rating	A- (tur)
Long term National Scale Rating	B+
Senior Unsecured Debt Rating	B-
Subordinated Debt Rating	Negative

## **FİBABANKA A.Ş. AND ITS SUBSIDIARY**

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

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

---

#### **SECTION SIX**

##### **DISCLOSURES ON REVIEW REPORT**

**I. Disclosures on reviewed report**

The consolidated financial statements of the Bank and its subsidiary as of 31 March 2021, have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ and a review report is presented before the accompanying financial statements.

**II. Disclosures and footnotes prepared by independent auditors**

None.

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### SECTION SEVEN

#### I. Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager

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

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

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

In the Extraordinary General Assembly held on 28 November 2006, the name of Bank Europa Bankası A.Ş. was amended as Millennium Bank A.Ş. On 10 February 2010, Banco Comercial Portugues S.A. and Credit Europe Bank N.V., which is an affiliate of Fiba Group, signed a share purchase agreement to transfer 95% of the Parent Bank's shares to Credit Europe Bank N.V. and the legal approval process has been completed as of 27 December 2010. In the Extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. has been amended as Fibabanka A.Ş. ("the Bank").

Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97,6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2,4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012.

In 2013, capital was increased in the total amount of TL 123.350 to TL 500.000, provided from inflation adjustment difference of TL 17,415, from the profit from the sale of real estate of TL 9.502 and cash from Fiba Holding of TL 96.432 to reach TL 550.000.

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 of TL 121.017 (TL 84.328 of said amount is the share 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 was increased by TL 93.646 on 7 September 2016 all by TurkFinance B.V. to TL 941.161. In addition, TL 55.299 recorded under the equity as share premium.

As of 31 March 2021, the Bank's paid-in capital is TL 941.161.

As of 31 March 2021, The Bank's Shareholder Structure:

Commercial Title	Share Amount (Full basis TL)	Share Ratios (%)
Fiba Holding A.Ş.	673.807.731,27	71,59%
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	5.051.846,37	0,54%
<b>TOTAL</b>	<b>941.160.553,25</b>	<b>100,00%</b>



# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

- I. Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager (continued)
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 (\*)

Name	Duty	Responsibility Area	Date of Appointment	Educational Status	Professional Experience
Hüsnü Mustafa Özyeğin	Chairman of the Board of Directors		27-Dec-10	Graduate	46 years
Fevzi Bozer	Vice Chairman of the Board of Directors		27-Dec-10	Graduate	38 years
İsmet Kaya Erdem	Member of the Board of Directors		11-Feb-13	Undergraduate	70 years
Mehmet Güleşci	Member of the Board of Directors		27-Dec-10	Graduate	36 years
Memduh Aslan Akçay	Member of the Board of Directors		13-Apr-16	Graduate	30 years
Hülya Kefeli	Member of the Board of Directors		15-May-17	Undergraduate	36 years
Faik Onur Umut	Member of the Board of Directors		23-Jan-19	Undergraduate	35 years
Seyfettin Ata Köseoğlu	Member of the Board of Directors		23-Jan-20	Graduate	32 years
Ömer Mert	General Manager , Member of the Board of Directors		18-Jan-17	Graduate	25 years
Elif Alsev Utku Özbey	Deputy General Manager	Financial Control and Financial Reporting	7-Jan-11	Graduate	26 years
Ahu Dolu	Assistant General Manager	Financial Institutions and Project Finance	1-Dec-15	Undergraduate	23 years
Turgay Hasdiker	Assistant General Manager	Credits	1-Dec-15	Undergraduate	29 years
Kerim Lokman Kuriş	Assistant General Manager	Corporate and Commercial Banking	1-Dec-15	Undergraduate	22 years
Sezin Erken	Assistant General Manager	Consumer Banking & Funding Resource Management	10-Aug-17	Graduate	19 years
Gerçek Önal	Assistant General Manager	Chief Legal Officer	1-Feb-16	Graduate	20 years
İbrahim Toprak	Assistant General Manager	Treasury	1-Apr-20	Graduate	18 years
Serdar Yılmaz	Assistant General Manager	Information Technologies & Banking Operations	1-Sep-20	Graduate	25 years
Ahmet Cemil Borucu	Director	Board of Inspection	7-Feb-11	PhD	22 years
Ayşe Tulgar Ayça	Director	Risk Management	15-Mar-11	Graduate	22 years
Serdar Yıldırım	Director	Legislation and Compliance	6-Apr-11	Graduate	23 years
Kansu Pulular	Director	Internal Control & Operational Risk	2-Jan-17	Graduate	16 years

# FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

### I. Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager (continued)

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

Summary of Consolidated Balance Sheet		
(Thousand TL)	31/03/2021	31/12/2020
Cash and Cash Equivalents	4.937.371	4.220.527
Financial Assets Valued at Fair Value Through Profit or Loss	168.126	138.208
Financial Assets Valued at Fair Value Through Other Comprehensive Income	903.069	1.027.526
Derivative Financial Assets	1.103.056	707.365
Financial Assets Measured at Amortized Cost (Net)	21.412.762	20.003.715
Assets Held for Sale (Net)	78.818	102.748
Investments in Associates, Subsidiaries and Joint Ventures	112.500	112.500
Tangible Assets (Net)	355.619	360.135
Intangible Assets (Net)	90.305	91.027
Current Tax Assets	1.456	1.264
Deferred Tax Assets	173.753	191.840
Other Assets	458.460	280.776
<b>Total Assets</b>	<b>29.795.295</b>	<b>27.237.631</b>
Deposits	19.806.605	17.667.408
Funds Borrowed	1.152.233	1.155.142
Money Market Funds	669.855	610.160
Securities Issued (Net)	1.654.567	1.480.900
Derivative Financial Liabilities	736.137	1.107.492
Lease Liabilities (Net)	48.119	53.630
Provisions	194.898	205.971
Current Tax Liabilities	49.452	187.777
Deferred Tax Liabilities	-	--
Subordinated Debts	2.370.692	2.127.599
Other Liabilities	1.158.946	757.140
Shareholders' Equity	1.953.791	1.884.412
<b>Total Liabilities</b>	<b>29.795.295</b>	<b>27.237.631</b>

Summary of Consolidated Statement of Profit or Loss		
(Thousand TL)	31/03/2021	31/03/2020
Net Interest Income	226.789	245.178
Net Fees and Commission Income	57.206	49.898
Trading Income/ Loss (Net)	14.429	66.167
Other Operating Revenues	92.915	33.334
<b>Total Operating Income</b>	<b>391.339</b>	<b>394.577</b>
Expected Credit Losses (-)	99.113	71.107
Other Provision Expenses (-)	20	70.011
Personnel Expenses (-)	92.672	76.530
Other Operating Expenses (-)	94.129	92.094
<b>Net Operating Income / Loss</b>	<b>105.405</b>	<b>84.835</b>
<b>Profit/Loss on Continuing Operations Before Tax</b>	<b>105.405</b>	<b>84.835</b>
Tax Provision for Continuing Operations	(21.873)	(20.375)
<b>Net Period Profit / Loss</b>	<b>83.532</b>	<b>64.460</b>

## FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

---

I. Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager (continued)

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

Affecting the entire world since the beginning of 2020, the coronavirus pandemic was a critical test for Fibabanka in terms of demonstrating the extent to which it values its stakeholders. Thanks to the investments we have made in advanced technology over a long period, we were able to take quick action and adopt the remote working model for our headquarters employees. Branch personnel continued to serve the Bank's customers by working from home and from branch locations alternately. Fibabanka has taken various measures to ensure hygiene and social distance in order to safeguard the health of Bank customers and employees. In addition, we conducted our business operations without compromising on service quality by adjusting our working hours and directing customers to digital channels, such as Fibabanka Mobile and Internet Banking channels. I would like to express my gratitude to all our employees who have shown great effort and commitment during this difficult but necessary adaptation process.

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

From day one, Fibabanka has conducted its business operations in light of its "big data" focused digital transformation journey. Thanks to our advanced technology and big data focused investments, the Bank broadened its customer base and provided even better customer service in 2020. As a result of this;

Fibabanka continued to support Turkish people and economy during this period.

As of March 2021, Fibabanka net loans portfolio is TL 19,8 billion.

The Bank has funded its loan portfolio mainly by customer deposits also in 2020. In this period, customer deposits amounting to TL 18,9 billion constitutes 64% of total liabilities.

In the first quarter of 2021, by taking care of asset quality, it is aimed to continue having an efficient loan portfolio and higher non-interest income together with higher number of customers. In addition, by keeping the operating expenses under control, the Bank's profit has been achieved a steady growth. As a result the Bank's net profit in the three months of 2021 is TL 82,4 million as per unconsolidated financial statements and TL 83,5 million as per consolidated financial statement. As an indicator of Bank's strong capital structure, unconsolidated capital adequacy ratio is 19,14%, consolidated capital adequacy ratio is 19,17% as of 31 March 2021.

Besides its financial targets, the Bank, with 50 branches and 1.663 employees, has also non-financial targets like digitalization and inclusion aiming to offer increasingly new innovations through its alternative distribution channels like internet and mobile banking.

In 2021, the Bank will continue its agile, efficient and customer focused growth by keeping its prudent and deliberate attitude against asset quality. In this sense, with the motto "agile thinking, agile solutions" and a personal attention to the customers, our main goals for the future are to increase our service quality by keeping our innovating and enterprising approach in all areas and to increase customer loyalty by being by side in all needs of our customers.

On this journey we went out with the vision of "Being the most loved Bank of Turkey", 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 2021, 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  
General Manager and Member of the Board of Directors

## **FİBABANKA A.Ş. AND ITS SUBSIDIARY**

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

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

---

**I. Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager (continued)**

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

As of 31 March 2021, the Bank serves with 50 domestic branches and 1.663 employees.

Total assets of Fibabanka, as of the first quarter of 2021 realised as TL 29.795.296 on consolidated basis.

According to consolidated financial statements, the loan volume, which was TL 18.796.220 at the end of 2020, has been realised as TL 19.908.796 as of the first quarter of the year. Share of the loans in total assets has been realised as 67%.

Credit worthiness of loans and other receivables are monitored continuously in accordance with related laws and regulations. For new credits disbursed, the Bank complies with the limits determined under the Banking Laws and Regulations. Collaterals are taken for the loans disbursed in order to mitigate risk. According to consolidated financial statements, as of the first quarter of 2021, NPLs have been realised as TL 695.075 and provisions related to NPLs provided in the amount of TL 371.899.

According to consolidated financial statements, financial assets measured at fair value through profit or loss have been realised as TL 168.126, financial assets measured at fair value through other comprehensive income have been realised as TL 903.069 and financial assets measured at amortized cost have been realised as TL 1.603.439. Ratio of total securities portfolio to total assets is 9%.

As of third quarter of 2021, the consolidated deposit volume has been realised as TL 19.806.605.

According to the consolidated financial statements, net profit is TL 83.532 in the three months period of 2021.

As of 31 March 2021, the Bank's consolidated capital adequacy ratio is 19,17%.