

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**LIMITED REVIEW REPORT,
CONSOLIDATED FINANCIAL
STATEMENTS AND FOOTNOTES
FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2016**

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

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF INTERIM
FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

To the Board of Directors of Fibabanka A.Ş.

Introduction

We have reviewed the accompanying consolidated balance sheet of Fibabanka A.Ş. (“the Bank”) and its consolidated subsidiary (together will be referred as “the Group”) as at 30 September 2016, and the consolidated statement of income, consolidated statement of income and expense items under shareholders’ equity, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with the “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” principles for the matters not legislated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Basis for Qualified Conclusion

The accompanying consolidated financial statements include a general reserve amounting to TL 13,500 thousands as of 30 September 2016, entire amount accounted for in the current period by the Group management in line with conservatism principle considering the circumstances those may arise due to the changes in the economy or market conditions.

Qualified Conclusion

Based on our review, except for the effect 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 financial position of Fibabanka A.Ş. and its subsidiary as at 30 September 2016, and of the results of their operations and their cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Regulations.

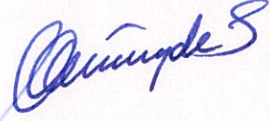
Report on Other Legal and Regulatory Requirements

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

Additional paragraph for English translation:

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Müjde Şehsuvaroğlu
Partner

Istanbul, 10 November 2016

**THE CONSOLIDATED FINANCIAL REPORT OF FİBABANKA A.Ş. FOR THE
NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016**

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


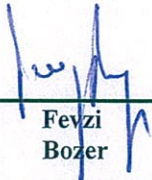

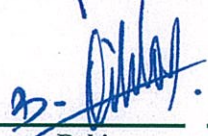

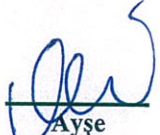
- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- EXPLANATORY DISCLOSURES AND FOOTNOTES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

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

Subsidiary:

- Fiba Portföy Yönetimi A.Ş.

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

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

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

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

SECTION ONE**General Information**

I.	History of the Parent Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status	1
II.	Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Parent Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Parent Bank's Risk Group	1
III.	Explanations Regarding the Shares of the Parent Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents	2
IV.	Individuals and Institutions That Have Qualified Shares in the Parent Bank	3
V.	Summary Information on the Parent Bank's Services and Activity Areas	3
VI.	Other Information	3
VII.	Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods	3
VIII.	Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Parent Bank and Its Subsidiaries	3

SECTION TWO**Consolidated Financial Statements**

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

SECTION THREE**Accounting Policies**

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

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

I.	Explanations Related to the Consolidated Components of Shareholders Equity	20
II.	Explanations on Consolidated Risk Management	28
III.	Explanations on Consolidated Currency Risk	29
IV.	Explanations on Consolidated Interest Rate Risk	31
V.	Explanations on Consolidated Share Position Risk	34
VI.	Explanations on Consolidated Liquidity Risk	34
VII.	Explanations on Consolidated Leverage Ratio	40
VIII.	Explanations on Consolidated Segment Reporting	41

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

I.	Explanations and Disclosures Related to the Consolidated Assets	42
II.	Explanations and Disclosures Related to the Consolidated Liabilities	55
III.	Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Contingencies and Commitments	62
IV.	Explanations and Disclosures Related to the Consolidated Income Statement	64
V.	Explanations on the Risk Group of the Parent Bank	69
VI.	Explanations on the Parent Bank's domestic, foreign, off shore branches or investments in associates and foreign representative offices	71
VII.	Events After Balance Sheet Date	71
VIII.	Other disclosures on activities	71

SECTION SIX**Limited Review Report**

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

SECTION SEVEN**Interim Period Activity Report**

I.	Interim Activity Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager	73
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FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016

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

SECTION ONE

GENERAL INFORMATION

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

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

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

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

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

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

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

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

Credit Europe Bank N.V.’s share of capital increased from 95% to 97.6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97.6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2.4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. There were sales of equity shares to the management of the Bank in 2013. Total share of the management is 0.94%.

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.

FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016

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

II. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control over the Management and Internal Audit of the Parent Bank, Changes in Shareholder Structure during the Current Period, if any and Information on the Parent Bank’s Risk Group (cont’d)

The Bank’s paid 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, share issuance premium of TL 55,299 was recognised in the shareholders’ equity.

As of 30 September 2016, capital of the bank is TL 941,161 and all paid in .

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

Name Surname	Title	Date
<i>Board of Directors</i>		
Hüsnü Mustafa Özyeğin	Chairman	27 December 2010
Fevzi Bozer	Deputy Chairman	27 December 2010
Mehmet Güleşci	Member	27 December 2010
Mevlüt Hamdi Aydın	Member	24 January 2013
İsmet Kaya Erdem	Member	11 February 2013
Memduh Aslan Akçay	Member	13 April 2016
Selçuk Yorgancıoğlu	Member	22 September 2016
Bekir Dildar (*)	Member-General Manager	27 December 2010
<i>Audit Committee</i>		
Fevzi Bozer	Member	27 December 2010
Mevlüt Hamdi Aydın	Member	24 January 2013
<i>Assistant General Managers</i>		
Elif Alev Utku Özbey	AGM-Financial Control & Reporting	7 January 2011
Adem Aykın	AGM-Information Technologies, Organizations and Projects	1 July 2011
Esra Osmanağaoğlu	AGM-Banking Operations	29 February 2012
Emre Ergun	AGM-Retail Banking	2 May 2013
Kerim Lokman Kuriş	AGM – Corporate & Commercial Banking	1 December 2015
Turgay Hasdiker	AGM – Corporate & Commercial Credits	1 December 2015
Ahu Dolu	AGM – Financial Institutions	1 December 2015
Cengiz Sinanoğlu	Coordinator – Retail Credits	7 February 2013
Ömer Rıfat Gencal	Coordinator - Treasury	2 February 2015
Gerçek Önal	Coordinator – Legal Affairs	1 February 2016

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

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016

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

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

Name Surname/ Commercial Title	Share Amount (Nominal)	Share Ratios	Paid in Capital (Nominal)	Unpaid Shares
Fiba Holding A.Ş.	670,055	71.2%	670,055	--
Hüsnü Mustafa Özyeğin	663,372	70.5%	663,372	--

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

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 30 September 2016, the Bank serves with 70 domestic branches and 1,496 employees.

VI. Other Information

The Bank's Commercial Title:	Fibabanka Anonim Şirketi
The Bank's Head Office Address:	Esentepe Mah. Büyükdere Caddesi No:129 Şişli 34394 İstanbul
The Bank's Phone and Fax Numbers:	Telephone : (0212) 381 82 82 Fax : (0212) 258 37 78
The Bank's Web Site Address:	www.fibabanka.com.tr
The Bank's E-Mail Address:	malikontrol@fibabanka.com.tr
Reporting Period:	1 January 2016 – 30 September 2016

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

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

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

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

None.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

FİBANKA A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 SEPTEMBER 2016
(Amount expressed in thousands of Turkish Lira)

ASSETS	Note	CURRENT PERIOD (30/09/2016)			PRIOR PERIOD (31/12/2015)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	131,418	1,716,738	1,848,156	33,358	1,440,751	1,474,109
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(5.1.2)	203,134	5,391	208,525	107,090	7,441	114,531
2.1 Financial Assets Held for Trading		203,134	5,391	208,525	107,090	7,441	114,531
2.1.1 Government Debt Securities		16,763	5,079	21,842	15,832	4,044	19,876
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		143,149	306	143,455	91,258	2,714	93,972
2.1.4 Other Marketable Securities		43,222	6	43,228	-	683	683
2.2 Financial Assets Classified at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.2.1 Government Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
III. BANKS	(5.1.3)	994	70,299	71,293	5,645	64,401	70,046
IV. MONEY MARKET PLACEMENTS		-	20,972	20,972	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	20,972	20,972	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(5.1.4)	128,001	581,954	709,955	84,302	529,469	613,771
5.1 Share Certificates		-	923	923	-	2,697	2,697
5.2 Government Securities		126,001	234	126,235	75,373	324	75,697
5.3 Other Marketable Securities		2,000	580,797	582,797	8,929	526,448	535,377
VI. LOANS	(5.1.5)	7,262,453	2,969,849	10,232,302	5,958,464	2,656,313	8,614,777
6.1 Loans		7,146,848	2,969,849	10,116,697	5,889,699	2,656,313	8,546,012
6.1.1 Loans to the Bank's Risk Group		23,409	36	23,445	29	34	63
6.1.2 Government Securities		-	-	-	-	-	-
6.1.3 Others		7,123,439	2,969,813	10,093,252	5,889,670	2,656,279	8,545,949
6.2 Non-Performing Loans		213,893	-	213,893	147,230	-	147,230
6.3 Specific Provisions (-)		98,288	-	98,288	78,465	-	78,465
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD TO MATURITY (Net)	(5.1.6)	-	-	-	-	-	-
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	-	-	-	-	-	-
9.1 Associates Accounted for Using the Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		-	-	-	-	-	-
9.2.1 Financial Associates		-	-	-	-	-	-
9.2.2 Non-Financial Associates		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Jointly Controlled Entities Accounted for Using the Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Jointly Controlled Entities		-	-	-	-	-	-
11.2.1 Jointly Controlled Financial Entities		-	-	-	-	-	-
11.2.2 Jointly Controlled Non-Financial Entities		-	-	-	-	-	-
XII. LEASE RECEIVABLES	(5.1.10)	-	-	-	-	-	-
12.1 Finance Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(5.1.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Net Foreign Investment Hedge		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(5.1.12)	186,606	-	186,606	191,693	-	191,693
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	4,469	-	4,469	5,364	-	5,364
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		4,469	-	4,469	5,364	-	5,364
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII. TAX ASSETS		1,937	-	1,937	1,901	-	1,901
17.1 Current Tax Asset		249	-	249	188	-	188
17.2 Deferred Tax Asset	(5.1.15)	1,688	-	1,688	1,713	-	1,713
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.1.16)	4,804	-	4,804	3,299	-	3,299
18.1 Held for Sale		4,804	-	4,804	3,299	-	3,299
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.17)	163,847	10,314	174,161	82,599	14,494	97,093
TOTAL ASSETS		8,087,663	5,375,517	13,463,180	6,473,715	4,712,869	11,186,584

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

FİBANKA A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 SEPTEMBER 2016
(Amount expressed in thousands of Turkish Lira)

LIABILITIES	Note	CURRENT PERIOD (30/09/2016)			PRIOR PERIOD (31/12/2015)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	4,610,172	3,501,303	8,111,475	3,938,356	3,517,368	7,455,724
1.1 Deposits from the Bank's Risk Group		186,319	469,627	655,946	250,952	334,754	585,706
1.2 Other		4,423,853	3,031,676	7,455,529	3,687,404	3,182,614	6,870,018
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.II.2)	141,150	308	141,458	80,892	2,716	83,608
III. FUNDS BORROWED	(5.II.3)	16,796	1,520,925	1,537,721	15,919	1,008,527	1,024,446
IV. MONEY MARKET FUNDS		125,908	373,448	499,356	67,572	437,250	504,822
4.1 Interbank Money Market Funds		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Funds		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		125,908	373,448	499,356	67,572	437,250	504,822
V. MARKETABLE SECURITIES ISSUED (Net)	(5.II.4)	992,981	-	992,981	503,741	-	503,741
5.1 Bills		992,981	-	992,981	503,741	-	503,741
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS	(5.II.5)	88,985	35,235	124,220	80,524	20,164	100,688
VIII. OTHER LIABILITIES	(5.II.5)	246,427	8,558	254,985	107,540	7,257	114,797
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.6)	-	99	99	-	171	171
10.1 Finance Lease Payables		-	104	104	-	183	183
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	5	5	-	12	12
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(5.II.7)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Net Foreign Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(5.II.8)	160,536	-	160,536	113,812	-	113,812
12.1 General Loan Loss Provision		120,837	-	120,837	91,103	-	91,103
12.2 Provision for Restructuring		-	-	-	-	-	-
12.3 Reserves for Employee Benefits		14,297	-	14,297	13,862	-	13,862
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		25,402	-	25,402	8,847	-	8,847
XIII. TAX LIABILITY	(5.II.9)	37,778	-	37,778	35,949	-	35,949
13.1 Current Tax Liability		37,778	-	37,778	35,949	-	35,949
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	(5.II.10)	-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(5.II.11)	-	330,548	330,548	-	211,913	211,913
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	1,276,353	(4,330)	1,272,023	1,042,720	(5,807)	1,036,913
16.1 Paid-in Capital		941,161	-	941,161	847,515	-	847,515
16.2 Capital Reserves		124,696	(4,330)	120,366	67,023	(5,807)	61,216
16.2.1 Share premium		128,678	-	128,678	73,379	-	73,379
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Revaluation Reserve		(1,546)	(4,330)	(5,876)	(3,920)	(5,807)	(9,727)
16.2.4 Tangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-	-	-
16.2.8 Hedge Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Accumulated Revaluation Reserves on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		(2,436)	-	(2,436)	(2,436)	-	(2,436)
16.3 Profit Reserves		128,369	-	128,369	46,786	-	46,786
16.3.1 Legal Reserves		7,790	-	7,790	3,711	-	3,711
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		120,579	-	120,579	43,075	-	43,075
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Profit or Loss		82,075	-	82,075	81,344	-	81,344
16.4.1 Prior Years' Profit/Loss		(239)	-	(239)	(174)	-	(174)
16.4.2 Current Year Profit/Loss		82,314	-	82,314	81,518	-	81,518
16.5 Minority Interest	(5.II.13)	52	-	52	52	-	52
TOTAL LIABILITIES AND EQUITY		7,697,086	5,766,094	13,463,180	5,987,025	5,199,559	11,186,584

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

FIBABANK A.Ş.
CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
AS OF 30 SEPTEMBER 2016
(Amount expressed in thousands of Turkish Lira)

	Note	CURRENT PERIOD (30/09/2016)			PRIOR PERIOD (31/12/2015)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-III)		5,892,370	9,495,466	15,387,836	3,803,991	5,424,117	9,228,108
I. GUARANTEES AND SURETYSHIPS	(5.III.1)	419,290	508,487	927,777	380,113	665,519	1,045,632
1.1. Letters of Guarantee		418,240	162,454	580,694	379,738	175,756	555,494
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		418,240	162,454	580,694	379,738	175,756	555,494
1.2. Bank Loans		1,050	66,470	67,520	375	106,491	106,866
1.2.1. Import Letters of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		1,050	66,470	67,520	375	106,491	106,866
1.3. Letters of Credit		-	279,563	279,563	-	383,272	383,272
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	279,563	279,563	-	383,272	383,272
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Suretyships		-	-	-	-	-	-
II. COMMITMENTS	(5.III.1)	661,926	909,033	1,570,959	420,094	245,421	665,515
2.1. Irrevocable Commitments		661,926	909,033	1,570,959	420,094	245,421	665,515
2.1.1. Forward asset purchase and Sales commitments		274,910	909,033	1,183,943	110,809	245,421	356,230
2.1.2. Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		135,740	-	135,740	110,140	-	110,140
2.1.5. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Payment Commitment for Checks		156,603	-	156,603	145,123	-	145,123
2.1.8. Tax and Fund Liabilities from Export Commitments		3,647	-	3,647	3,553	-	3,553
2.1.9. Commitments for Credit Card Expenditure Limits		88,001	-	88,001	47,363	-	47,363
2.1.10. Commitments for Promotions Related with Credit Cards and Banking Activities		1	-	1	1	-	1
2.1.11. Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		3,024	-	3,024	3,105	-	3,105
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.III.5)	4,811,154	8,077,946	12,889,100	3,003,784	4,513,177	7,516,961
3.1. Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2. Held for Trading Transactions		4,811,154	8,077,946	12,889,100	3,003,784	4,513,177	7,516,961
3.2.1. Forward Foreign Currency Buy/Sell Transactions		240,755	430,579	671,334	245,552	580,104	825,656
3.2.1.1. Forward Foreign Currency Transactions-Buy		70,121	259,713	329,834	112,825	294,595	407,420
3.2.1.2. Forward Foreign Currency Transactions-Sell		170,634	170,866	341,500	132,727	285,509	418,236
3.2.2. Swap Transactions Related to F.C. and Interest Rates		2,497,318	5,732,379	8,229,697	1,217,730	2,358,058	3,575,788
3.2.2.1. Foreign Currency Swap-Buy		1,352,811	2,752,132	4,104,943	536,802	1,260,905	1,797,707
3.2.2.2. Foreign Currency Swap-Sell		1,094,507	2,980,247	4,074,754	680,928	1,097,153	1,778,081
3.2.2.3. Interest Rate Swaps-Buy		25,000	-	25,000	-	-	-
3.2.2.4. Interest Rate Swaps-Sell		25,000	-	25,000	-	-	-
3.2.3. Foreign Currency, Interest Rate and Securities Options		2,067,449	1,914,988	3,982,437	1,540,502	1,575,015	3,115,517
3.2.3.1. Foreign Currency Options-Buy		273,195	1,593,635	1,866,830	366,843	1,123,185	1,490,028
3.2.3.2. Foreign Currency Options-Sell		1,794,254	321,353	2,115,607	1,173,659	451,830	1,625,489
3.2.3.3. Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5. Securities Options-Buy		-	-	-	-	-	-
3.2.3.6. Securities Options-Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		5,632	-	5,632	-	-	-
3.2.4.1. Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2. Foreign Currency Futures-sell		5,632	-	5,632	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		66,949,396	28,512,958	95,462,354	58,185,614	28,020,035	86,205,649
IV. ITEMS HELD IN CUSTODY		783,514	166,761	950,275	461,674	138,992	600,666
4.1. Assets under Management		107,462	-	107,462	96,096	-	96,096
4.2. Investment Securities Held in Custody		72,099	68,341	140,440	10,660	63,373	74,033
4.3. Checks Received for Collection		480,358	55,676	536,034	270,365	73,383	343,748
4.4. Commercial Notes Received for Collection		123,595	42,744	166,339	84,553	2,236	86,789
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		66,165,882	28,346,197	94,512,079	57,723,940	27,881,043	85,604,983
5.1. Marketable Securities		49,003	80,421	129,424	50,577	76,160	126,737
5.2. Guarantee Notes		164,955	64,868	229,823	148,183	55,751	203,934
5.3. Commodity		2,500	-	2,500	2,500	-	2,500
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		8,767,550	3,701,564	12,469,114	6,482,019	3,658,003	10,140,022
5.6. Other Pledged Items		57,181,874	24,499,344	81,681,218	51,040,661	24,091,129	75,131,790
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		72,841,766	38,008,424	110,850,190	61,989,605	33,444,152	95,433,757

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

FİBANKA A.Ş.
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2016

(Amount expressed in thousands of Turkish Lira)

INCOME STATEMENT	Note	CURRENT PERIOD (01/01/2016- 30/09/2016)	PRIOR PERIOD (01/01/2015- 30/09/2015)	CURRENT PERIOD (01/07/2016- 30/09/2016)	PRIOR PERIOD (01/07/2015- 30/09/2015)
I. INTEREST INCOME	(5.IV.1)	930,523	631,122	332,973	232,628
1.1 Interest Income on Loans		897,433	599,384	320,688	221,631
1.2 Interest Received from Statutory Reserves		5,741	1,732	2,015	1,043
1.3 Interest Received from Banks		5,029	9,275	1,863	1,461
1.4 Interest Received from Money Market Placements		361	152	256	15
1.5 Interest Received from Marketable Securities Portfolio		21,748	20,456	8,069	8,441
1.5.1 Financial Assets Held for Trading		1,020	844	355	294
1.5.2 Financial Assets at Fair Value Through Profit and Loss		-	-	-	-
1.5.3 Financial Assets Available for Sale		20,728	19,612	7,714	8,147
1.5.4 Investments Held to Maturity		-	-	-	-
1.6 Finance Lease Income		-	-	-	-
1.7 Other Interest Income		211	123	82	37
II. INTEREST EXPENSE		557,935	348,490	196,728	135,291
2.1 Interest on Deposits	(5.IV.2)	443,008	268,685	152,230	106,306
2.2 Interest on Funds Borrowed	(5.IV.2)	44,436	34,556	17,410	12,665
2.3 Interest on Money Market Funds		557	345	-	86
2.4 Interest on Securities Issued	(5.IV.2)	61,335	40,081	24,129	14,325
2.5 Other Interest Expense		8,599	4,823	2,959	1,909
III. NET INTEREST INCOME/EXPENSE (I - II)		372,588	282,632	136,245	97,337
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		20,219	23,088	4,433	7,324
4.1 Fees and Commissions Received		36,011	31,550	12,001	10,112
4.1.1 Non-cash Loans		7,363	7,989	2,466	2,458
4.1.2 Other	(5.IV.12)	28,648	23,561	9,535	7,654
4.2 Fees and Commissions Paid		15,792	8,462	7,568	2,788
4.2.1 Non-cash Loans		168	101	51	38
4.2.2 Other	(5.IV.12)	15,624	8,361	7,517	2,750
V. DIVIDEND INCOME		-	-	-	-
VI. TRADING INCOME/ LOSS (Net)	(5.IV.4)	26,771	(4,636)	8,408	10,706
6.1 Gains/Losses on Securities Trading		5,773	(1,359)	2,080	(925)
6.2 Derivative Financial Transactions Gains/Losses		24,502	(3,110)	12,578	13,349
6.3 Foreign Exchange Gains/Losses		(3,504)	(167)	(6,250)	(1,718)
VII. OTHER OPERATING INCOME	(5.IV.5)	38,623	29,665	16,489	11,954
VIII. TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		458,201	330,749	165,575	127,321
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.IV.6)	121,914	63,106	43,207	24,078
X. OTHER OPERATING EXPENSES (-)	(5.IV.7)	221,428	180,399	74,843	64,097
XI. NET OPERATING INCOME/LOSS (VIII-IX-X)		114,859	87,244	47,525	39,146
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII. PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD		-	-	-	-
XIV. NET MONETARY POSITION GAIN/LOSS		-	-	-	-
XV. PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (XI+...+XIV)	(5.IV.8)	114,859	87,244	47,525	39,146
XVI. TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(32,545)	(19,840)	(14,068)	(9,013)
16.1 Current Tax Charge		(33,483)	(11,238)	(13,159)	(1,970)
16.2 Deferred Tax Charge/(Benefit)		938	(8,602)	(909)	(7,043)
XVII. NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.IV.10)	82,314	67,404	33,457	30,133
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income on Assets Held for Sale		-	-	-	-
18.2 Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-
18.3 Other Income on Discontinued Operations		-	-	-	-
XIX. EXPENSE ON DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Expense on Assets Held for Sale		-	-	-	-
19.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-
19.3 Other Expense on Discontinued Operations		-	-	-	-
XX. PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XVIII-XIX)		-	-	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1 Current Tax Charge		-	-	-	-
21.2 Deferred Tax Charge/(Benefit)		-	-	-	-
XXII. NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII. NET PERIOD PROFIT/LOSS (XVII+XXII)	(5.IV.11)	82,314	67,404	33,457	30,133
23.1 Group's Profit/Loss		82,314	67,404	33,457	30,133
23.2 Minority Interest Profit/Loss		-	-	-	-
Earnings per Share		0.00096	0.00109	0.00038	0.00044

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

FİBANKA A.Ş.
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2016
(Amount expressed in thousands of Turkish Lira)

		CURRENT PERIOD	PRIOR PERIOD
STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY		(01/01/2016-30/09/2016)	(01/01/2015-30/09/2015)
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE		
		5,825	(26,865)
II.	TANGIBLE ASSETS REVALUATION RESERVES	-	-
III.	INTANGIBLE ASSETS REVALUATION RESERVES	-	-
IV.	TRANSLATION ADJUSTMENT FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.	PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)	-	-
VI.	PROFIT/LOSS ON NET FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)	-	-
VII.	THE EFFECT OF CORRECTIONS OF THE ERRORS AND CHANGES IN THE ACCOUNTING POLICY	(963)	5,401
VIII.	OTHER INCOME AND EXPENSES RECOGNISED IN EQUITY IN ACCORDANCE WITH TAS	4,862	(21,464)
IX.	DEFERRED TAX EFFECT OF REVALUATION	(1,011)	(143)
X.	NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY (I+II+...+IX)	(1,011)	(143)
XI.	PROFIT/LOSS FOR THE PERIOD	-	-
11.1	Net Changes in the Fair Values of Marketable Securities (Transfer to Profit/Loss)	-	-
11.2	The Portion of Cash-flow Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.3	The Portion of Net Foreign Investment Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.4	Other	-	-
XII.	TOTAL PROFIT/LOSS RECOGNISED FOR THE PERIOD (X±XI)	3,851	(21,607)

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

FIBANKKA A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2016
(Amount expressed in thousands of Turkish Lira)

CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid-in Capital	Paid-in Capital Inflation Adjustment	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Profit/Loss	Prior Period Profit/Loss	Marketable Securities Revaluation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares from Equity Participations	Hedge Funds	Accumulated Rev. Reserve on Assets Held for Sale and Discontinued Oper.	Total Equity Excluding Minority Interest	Minority Interests	Total Equity
PRIOR PERIOD																			
01.01.2015-30.09.2015																			
I. Beginning Balance		550,000	-	-	-	-	-	-	(2,174)	74,139	(27,527)	(8,363)	-	-	-	-	586,075	53	586,128
II. Corrections made according T.A.S.B		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 The Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The Effect of Changes in Account Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balance (I-II)		550,000	-	-	-	-	-	-	(2,174)	74,139	(27,527)	(8,363)	-	-	-	-	586,075	53	586,128
Changes during the Period																			
IV. Increase/Decrease Due to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable Securities Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	(21,607)	-	-	-	-	(21,607)	-	(21,607)
VI. Hedge Funds (Effectives Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Net Foreign Investment Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Tangible Assets Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible Assets Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus Shares from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The Effect of Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The Effect of Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. The Effect of Changes in the Equity of Subsidiaries on the Equity of the Bank		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital Increase		128,860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128,860	-	128,860
14.1 Cash		128,860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128,860	-	128,860
14.2 Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share Issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Paid-in-Capital Inflation Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Net Profit/Loss for the Period		-	-	-	-	-	-	-	-	67,404	-	-	-	-	-	-	67,404	-	67,404
XX. Profit Distribution		-	-	-	-	3,711	-	43,075	-	(74,139)	27,353	-	-	-	-	-	-	-	-
20.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfer to Reserves		-	-	-	-	3,711	-	43,075	-	-	(46,786)	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	(74,139)	74,139	-	-	-	-	-	-	-	-
Ending Balance (III-IV+V+.....+XVIII-XIX-XX)		678,860	-	-	-	3,711	-	43,075	(2,174)	67,404	(174)	(29,970)	-	-	-	-	760,732	53	760,785
CURRENT PERIOD																			
01.01.2016-30.09.2016																			
I. Prior Period End Balance		847,515	-	73,379	-	3,711	-	43,075	(2,436)	81,518	(174)	(9,727)	-	-	-	-	1,036,861	52	1,036,913
Changes during the Period																			
II. Increase/Decrease Due to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	3,851	-	-	-	-	3,851	-	3,851
IV. Hedge Funds (Effectives Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Net Foreign Investment Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible Assets Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible Assets Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. The Effect of Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The Effect of Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The Effect of Changes in the Equity of Subsidiaries on the Equity of the Bank		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase		93,646	-	55,299	-	-	-	-	-	-	-	-	-	-	-	-	148,945	-	148,945
12.1 Cash		93,646	-	55,299	-	-	-	-	-	-	-	-	-	-	-	-	148,945	-	148,945
12.2 Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Paid-in-Capital Inflation Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Net Profit/Loss for the Period		-	-	-	-	-	-	-	-	82,314	-	-	-	-	-	-	82,314	-	82,314
XVIII. Profit Distribution		-	-	-	-	4,079	-	77,504	-	(81,518)	(65)	-	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfer to Reserves		-	-	-	-	4,079	-	77,504	-	-	(81,583)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(81,518)	81,518	-	-	-	-	-	-	-	-
Ending Balance (I-II+III+.....+XVIII-XVII-XVIII)		941,161	-	128,678	-	7,790	-	120,579	(2,436)	82,314	(239)	(5,876)	-	-	-	-	1,271,971	52	1,272,023

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

FİBANKA A.Ş.
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2016
(Amount expressed in thousands of Turkish Lira)

	Note	CURRENT PERIOD (01/01/2016-30/09/2016)	PRIOR PERIOD (01/01/2015-30/09/2015)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit / Loss before Changes in Operating Assets and Liabilities		228,819	164,163
1.1.1 Interest Received (+)		892,886	601,005
1.1.2 Interest Paid (-)		523,630	325,350
1.1.3 Dividend Received (+)		-	-
1.1.4 Fees and Commissions Received (+)		35,438	30,378
1.1.5 Other Income (+)		75,089	25,268
1.1.6 Collections from Previously Written Off Loans (+)		2,663	780
1.1.7 Cash Payments to Personnel and Service Suppliers (-)		192,502	155,574
1.1.8 Taxes Paid (-)		47,197	10,807
1.1.9 Other (+/-)		(13,928)	(1,537)
1.2 Changes in Banking Operations Assets and Liabilities		(778,603)	146,576
1.2.1 Net (Increase) Decrease in Financial Assets Held for Trading (+/-)		(43,972)	(45,788)
1.2.2 Net(Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		-	-
1.2.3 Net (Increase) Decrease in Due From Banks (+/-)		(212,150)	535,309
1.2.4 Net (Increase) Decrease in Loans (+/-)		(1,662,655)	(962,697)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)		(75,019)	43,515
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		81,435	50,864
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		553,785	536,140
1.2.8 Net Increase (Decrease) in Borrower Funds (+/-)		425,966	210,200
1.2.9 Net Increase (Decrease) in Matured Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)		154,007	(220,967)
I Net Cash Flow Provided from Banking Operations (+/-)		(549,784)	310,739
B. CASH FLOW FROM INVESTING ACTIVITIES		-	-
II Net Cash Flow Provided from Investment Activities (+/-)		(102,468)	(403,071)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (-)		-	-
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (+)		-	-
2.3 Tangible Asset Purchases (-)		4,063	156,971
2.4 Tangible Asset Sales (+)		2,608	7,941
2.5 Cash Paid for Purchase of Financial Assets Available for Sale (-)		483,883	317,755
2.6 Cash Obtained from Sales of Financial Assets Available for Sale (+)		384,822	66,743
2.7 Cash Paid for Purchase of Investment Securities (-)		-	-
2.8 Cash Obtained from Sales of Investment Securities (+)		-	-
2.9 Other (+/-)		(1,952)	(3,029)
C. CASH FLOWS FROM FINANCIAL ACTIVITIES		-	-
III Net Cash Provided from Financing Activities (+/-)		830,356	82,656
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)		1,577,968	820,763
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)		1,102,420	739,922
3.3 Share Certificates Issued (+)		148,945	1,815
3.4 Dividends Paid (-)		-	-
3.5 Payments for Finance Leases (-)		-	-
3.6 Other (+/-)		205,863	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		5,361	37,446
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		183,465	27,770
VI. Cash and Cash Equivalents at the Beginning of the Period (+)		201,712	155,773
VII. Cash and Cash Equivalents at the End of the Period (V+VI)		385,177	183,543

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

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

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

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

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

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

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

1. Usage strategy of the financial instruments

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

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

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

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2016

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

II. Explanations on the usage strategy of financial instruments and on foreign currency transactions (*cond't*)

2. Foreign currency transactions

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

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

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

	30 September 2016	31 December 2015
US Dollar	2.9959	2.9076
Euro	3.3608	3.1776

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

As of 30 September 2016, net foreign exchange losses included in the income statement amounts is TL 3,504 (1 January – 30 September 2015: TL 167 loss).

III. Explanations on consolidated subsidiary

Fiba Portföy Yönetimi A.Ş. (“Fiba Portföy”); the subsidiary of the Bank was consolidated by using full consolidation method in the consolidated financial statements dated 30 September 2016. Fibabanka A.Ş. and Fiba Portföy Yönetimi A.Ş. together are referred to as “the Group” in the report.

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

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

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

IV. Explanations on forward transactions, options and derivative instruments

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

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", forward foreign currency purchase/sale contracts, swaps and options are classified as "hedging purpose" and "trading purpose" transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the assets and liabilities arising from the derivative transactions are recorded as off-balance sheet items at their contractual notional amounts.

1. Explanations on derivative financial instruments held for trading

The derivative transactions held for trading are valued at fair-value using market prices or pricing models subsequent to initial recognition and are presented in "derivative financial assets held for trading" or "derivative financial liabilities held for trading" items of the balance sheet depending on the difference's being positive or negative.

2. Explanations on derivative financial instruments held for risk management

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 income statement. If the hedging is effective, the changes in fair value of the hedged item, which is fixed rate TL denominated loans, are presented in statement of financial position together with the hedged item.

The Parent Bank performs effectiveness test at the beginning of the hedge accounting period and at each reporting period. The hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness. 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 amortised to income statement over the life of the hedged item from that date of the hedge accounting is discontinued.

V. Explanations on interest income and expenses

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

VI. Explanations on fee and commission income and expenses

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

VII. Explanations on financial assets

Financial assets include cash on hand, contractual rights to receive cash or another financial asset from the counterparty or the right to exchange of financial instruments or equity instrument transactions of the counterparty. Financial assets are classified into four groups as financial assets at fair value through profit or loss, held to maturity investments, loans and receivables and available-for-sale financial assets.

VII. Explanations on financial assets (cond't)

1. Financial assets at fair value through profit or loss

1.1 *Financial assets held for trading*

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

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

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

2. Available for sale financial assets

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

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

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

3. Held to maturity investments

The Group does not have any held to maturity investments as of 30 September 2016.

4. Loans and receivables

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

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

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

VIII. Explanations on impairment of financial assets

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

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

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

IX. Explanations on offsetting financial instruments

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

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

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

Securities subject to repo (repurchase agreements) are classified as “Financial assets at fair value through profit and loss”, “Financial assets available for sale” or “Investments held to maturity” according to their purposes to be held in the Group’s portfolio and evaluated within the principles of the relevant portfolio. Funds obtained from repurchase agreements are followed under the “Funds from repo transactions” account in liabilities, and interest expense accruals are calculated using the effective interest (internal rate of return) method on the difference between the sales and repurchase prices corresponding to the period designated by a repurchase agreement.

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

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

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

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

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

XII. Explanations on goodwill and other intangible assets

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

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

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

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

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.

XIII. Explanations on tangible assets (cont'd)

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

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

XIV. Explanations on leasing transactions

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

XV. Explanations on provisions and contingent liabilities

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

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

XVI. Explanations on contingent assets

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

XVII. Explanations on liabilities for employee benefits

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

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

- Calculation is based on discount rate is as 10.75%, inflation rate as 7.75% and real rate of rise in salary as 0.00%.
- As ceiling salary amount TL 3,828.37 (full basis TL) is based on.
- Individuals' earliest retirement age is considered as retirement age.
- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There is no employee foundation, fund or similar institutions.

XVIII. Explanations on taxation

1. Current Tax

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

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

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

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

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

2. Deferred tax

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

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

As of 30 September 2016, TL 1,688 of deferred tax asset and there is no deferred tax liability were recognized in the Group's financial statements. (31 December 2015: TL 1,713 deferred tax asset).

Deferred tax benefit/ (charge) is recognized within "Deferred tax benefit/ (charge)" in the income statement. For the current period, deferred tax benefit is TL 938 (1 January – 30 September 2015: TL 8,602 deferred tax charge). Deferred tax effects of the transactions and events recognized directly in the equity are also recognized directly in the equity which is TL 963 loss (30 September 2015: TL 5,401 gain).

3. Transfer pricing

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

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

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

XIX. Additional explanations on borrowings

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

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

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

XX. Explanations on share certificates issued

The Bank’s paid-in capital was increased to TL 941,161 on 7 September 2016 with the capital contribution of TurkFinance B.V. by TL 93,646. In addition, share issuance premium of TL 55,299 was recognised in the shareholders’ equity.

XXI. Explanations on bank acceptances and bills of guarantee

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

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

XXII. Explanation on government incentives

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

XXIII. Explanations on segment reporting

Segment reporting is presented under section four, note VIII.

XXIV. Other matters

None.

SECTION FOUR

FINANCIAL POSITION AND RISK MANAGEMENT

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

As of 30 September 2016, total capital has been calculated as TL 1,706,507,an the capital adequacy standard ratio is 14.47%. As of 31 December 2015, Group’s total capital amounted to TL 1,263,042, and the capital adequacy standard ratio was 13.56% calculated pursuant to former regulations.

I. Information related to the components of shareholders’ equity

	Amount	Amount as per the regulation before 1/1/2014 (*)
TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	941,161	--
Share Premium	128,678	
Reserves	128,369	
Other Comprehensive Income according to TAS	--	
Profit	82,314	
Current Period Profit	82,314	
Prior Period Profit	--	
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	--	
Minority Shareholder	22	
Tier I Capital Before Deductions	1,280,544	
Deductions From Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	--	--
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	8,553	--
Leasehold Improvements on Operational Leases (-)	11,150	--
Goodwill netted with Deferred Tax Liabilities	--	--
Other Intangible Assets Netted with Defferred Tax Liabilities Except Mortgage Servicing Rights	2,681	--
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	--	--
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 (-)	--	--

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

	Amount	Amount as per the regulation before 1/1/2014 (*)
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--	--
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--	--
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	--	--
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	--	--
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	--	--
Excess Amount arising from Mortgage Servicing Rights	--	--
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	--	--
Other items to be Defined by the BRSA	--	
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	
Total Deductions From Common Equity Tier I Capital	22,384	
Total Common Equity Tier I Capital	1,258,160	
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	--	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	--	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	--	
Shares of Third Parties in Additional Tier I Capital	--	
Shares of Third Parties in Additional Tier I Capital (Covered by Temporary Article 3)	--	
Additional Tier I Capital before Deductions	--	
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	--	--
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	--	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	--	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	--	--
Other items to be defined by the BRSA (-)		
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	1,788	--
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	--	
Total Deductions from Additional Tier I Capital	--	
Total Additional Tier I Capital	--	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	1,256,372	

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

	Amount	Amount as per the regulation before 1/1/2014 (*)
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	329,549	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	
Shares of Third Parties in Additional Tier I Capital	--	
Shares of Third Parties in Additional Tier I Capital (Covered by Temporary Article 3)	--	
Provisions (Article 8 of the Regulation on the Equity of Banks)	120,837	
Tier II Capital before Deductions	450,386	
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	--	--
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	--	--
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	--	--
Other items to be Defined by the BRSA (-)	--	
Total Deductions from Tier II Capital	--	
Total Tier II Capital	450,386	
Total Equity (Total Tier I and Tier II Capital)	1,706,758	
Total Tier I and Tier II Capital (Total Equity)		
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	67	
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 (-)	184	
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 (-)	--	--

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

	Amount	Amount as per the regulation before 1/1/2014 (*)
EQUITY		
Total Capital (Total of Tier I Capital and Tier II Capital)	1,706,507	--
Total Risk Weighted Assets	11,791,253	--
CAPITAL ADEQUACY RATIOS		
Consolidated Core Capital Ratio (%)	10.67	--
Consolidated Tier I Capital Ratio (%)	10.66	--
Consolidated Capital Adequacy Ratio (%)	14.47	--
BUFFERS		
Bank-specific total CET1 Capital Ratio	4.50	--
Capital Conservation Buffer Ratio (%)	0.63	--
Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	--	--
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	0.05	--
Amounts lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	--	--
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital	--	--
Remaining Mortgage Servicing Rights	--	--
Net Deferred Tax Assets arising from Temporary Differences	--	--
Limits for Provisions Used in Tier II Capital Calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	120,837	--
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	120,837	--
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	--	--
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	--	--
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	--	--
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	--	--
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	--	--

* The amounts to be considered under the transitional provisions.

FİBABANKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

TIER I CAPITAL	31 December 2015 (*)
Paid-in Capital to be Entitled for Compensation after All Creditors	847,515
Share Premium	73,379
Share Cancellation Profits	--
Reserves	46,786
Other Comprehensive Income according to TAS	--
Profit	81,517
Current Period Profit	81,517
Prior Period Profit	--
General Reserves for Possible Losses	--
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	--
Minority Shares	32
Tier I Capital Before Deductions	1,049,229
Deductions From Tier I Capital	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	12,337
Leasehold Improvements on Operational Leases (-)	13,239
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	5,364
Net Deferred Tax Asset/Liability (-)	--
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	--
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	--
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	--
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	--
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	--
Mortgage Servicing Rights not deducted (-)	--
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	--
Other items to be Defined by the BRSA (-)	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	--
Total Deductions from Tier I Capital	30,940
Total Tier I Capital	1,018,289
ADDITIONAL TIER I CAPITAL	
Preferred Stock not Included in Tier I Capital and the Related Share Premiums	--
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	--
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	--
Additional Tier I Capital before Deductions	
Deductions from Additional Tier I Capital	
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	--
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	--
Other items to be Defined by the BRSA (-)	--
Deductions from Additional Tier I Capital in cases where there are no adequate Tier II Capital (-)	--
Total Deductions from Additional Tier I Capital	--

FİBANKKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

Total Additional Tier I Capital	--
Deductions from Core Capital	1,713
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	1,713
Total Core Capital	1,016,576
TIER II CAPITAL	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained after 1.1.2014)	--
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued or Obtained before 1.1.2014)	155,600
Pledged Assets of the Shareholders to be used for the Bank's Capital	--
General Provisions	91,103
Tier II Capital before Deductions	246,703
Deductions from Tier II Capital	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	--
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	--
Other items to be Defined by the BRSA (-)	--
Total Deductions from Tier II Capital	--
Total Tier II Capital	246,703
CAPITAL	1,263,279
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	--
Net Book Values of Movables and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	--
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	--
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--
Other items to be Defined by the BRSA (-)	237
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	--
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	--
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	--
EQUITY	1,263,042
Amounts lower than Excesses as per Deduction Rules	--
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	--
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Tier I Capital	--
Remaining Mortgage Servicing Rights	--
Net Deferred Tax Assets arising from Temporary Differences	--

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

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

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

Items included in shareholder’s equity

Issuer	Fibabanka A.Ş.	Eco Trade And Development Bank
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	--
Regulation of debt instrument	BRSA’s "Regulation on Equities of Banks" dated 1 November 2006 and English Law	BRSA’s "Regulation on Equities of Banks" dated 1 November 2006" and English Law
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
Validity situation of consolidated or unconsolidated based or consolidated and unconsolidated based	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Bond	Subordinated Loan
Considered amount of shareholders’ equity calculation (By last report date of – Thousand TL)	299,590	29,959
Nominal value of debt instrument (Thousand TL)	299,590	29,959
Related account of debt instrument	Subordinated Debt Instruments	Subordinated Loan
Export date of debt instrument	24/03/16	06/08/13
Maturity structure of debt instrument (Demand/Time)	Time	Time
Beginning term of of debt instrument	11 years	10 years
Whether there is right of reimbursment of exporter or not according to BRSA rules	There is a right to reimbursement	There is a right to reimbursement
Optional reimbursment date, options of conditional reimbursment and reimbursment amount	24/03/2022; 100 million \$	06/08/2018; 10 million \$
Following reimbursment option dates	None	None

FİBANKKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

(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 a quarterly and semi-annually basis were not presented by the Bank as of 30 September 2016:

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

Overview of Risk Weighted Amounts

		a	b	c
		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	10,615,280	8,585,907	849,222
2	Of which standardised approach (SA)	10,615,280	8,585,907	849,222
3	Of which internal rating-based (IRB) approach	--	--	--
4	Counterparty credit risk	343,234	142,274	27,459
5	Of which standardised approach for counterparty credit risk (SA-CCR)	343,234	142,274	27,459
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	30,434	--	2,435
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	147,400	97,063	11,792
17	Of which standardised approach (SA)	147,400	97,063	11,792
18	Of which internal model approaches (IMM)	--	--	--
19	Operational risk	654,905	488,484	52,392
20	Of which basic indicator approach	654,905	488,484	52,392
21	Of which standardised approach	--	--	--
22	Of which advanced measurement approach	--	--	--
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	--	--	--
24	Floor adjustment	--	--	--
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	11,791,253	9,313,728	943,300

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2016

(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 Bank does not take foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

As of 30 September 2016, the Group's net foreign currency short position is TL 18,353 (31 December 2015: TL 112,574 short position) resulting from long position on the balance sheet amounting to TL 109,728, (31 December 2015: TL 159,744 short position) and short position on the off balance sheet amounting to TL 128,081 (31 December 2015: TL 47,170 long position). "Standard Method" is used in legal reporting to measure the foreign exchange risk.

The announced current foreign exchange buy rates of the Bank at 30 September 2016 and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date (full basis TL)	TL 2.9959
Euro purchase rate as at the balance sheet date (full basis TL)	TL 3.3608

Date	USD	EUR
26 September 2016	2.9474	3.3044
27 September 2016	2.9846	3.3546
28 September 2016	2.9709	3.3401
29 September 2016	2.9764	3.3362
30 September 2016	2.9959	3.3608

Simple arithmetic means of foreign exchange rates in September 2016 are TL 2.9601 for US dollar, and TL 3.3165 for Euro. (Full basis TL)

FİBANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

Current Period	EUR	USD	Other	Total
Assets				
Cash and Balances with the Central Bank of Turkey	214,029	1,235,142	267,567	1,716,738
Banks	14,631	52,321	3,347	70,299
Financial Assets at Fair Value through Profit/Loss (*)	1,249	3,836	--	5,085
Interbank Money Market Placements	--	20,972	--	20,972
Financial Assets Available for Sale	64,252	517,702	--	581,954
Loans (**)	1,987,789	1,442,092	54,057	3,483,938
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	--	--	--	--
Investments Held to Maturity	--	--	--	--
Derivative Financial Assets Held for Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	579	277	2	858
Total Assets	2,282,529	3,272,342	324,973	5,879,844
Liabilities				
Banks Deposits	43,771	180,925	17,122	241,818
Foreign Currency Deposits	305,702	2,922,061	31,722	3,259,485
Interbank Money Market Received	45,620	327,828	--	373,448
Funds Borrowed from Other Financial Institutions	844,851	705,734	778	1,551,363
Sundry Creditors	4,218	30,077	940	35,235
Marketable Securities Issued	--	--	--	--
Derivative Financial Liabilities Held for Hedging Purposes	--	--	--	--
Other Liabilities(****)	2,908	305,858	1	308,767
Total Liabilities	1,247,070	4,472,483	50,563	5,770,116
Net Balance Sheet Position	1,035,459	(1,200,141)	274,410	109,728
Net Off-Balance Sheet Position	(1,040,487)	1,188,491	(276,085)	(128,081)
Financial Derivative Assets(*****)	1,545,982	2,766,697	112,276	4,424,955
Financial Derivative Liabilities(*****)	2,586,469	1,578,206	388,361	4,553,036
Non-Cash Loans (*****)	172,121	335,970	396	508,487
Prior Period				
Total Assets	1,657,952	3,107,821	277,133	5,042,906
Total Liabilities	1,580,624	3,568,569	53,457	5,202,650
Net Balance Sheet Position	77,328	(460,748)	223,676	(159,744)
Net Off-Balance Sheet Position	(179,033)	450,735	(224,532)	47,170
Derivative Financial Assets(*****)	1,145,641	1,141,211	116,033	2,402,885
Derivative Financial Liabilities(*****)	1,324,674	690,476	340,565	2,355,715
Non-Cash Loans (*****)	151,798	512,795	926	665,519

(*) The balance does not include trading derivative assets discount amounting to TL 306.

(**) The balance includes foreign currency indexed loans and accruals amounting to TL 514,089.

(***)The balance does not include TL 9,456 of prepaid expenses.

(****)The balance does not include trading derivative liabilities discount amounting to TL 308.

(*****)In the current period, exchange purchase commitments within the derivative financial assets amounted to TL 463,111 (31 December 2015: TL 121,023), exchange sale commitments within the derivative financial liabilities amounted to TL 436,934 (31 December 2015: TL 124,398).

(*****) 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 OF
1 JANUARY – 30 SEPTEMBER 2016**

(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 bank's interest rate risk.

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

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

Current Period End	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,320,516	--	--	--	--	527,640	1,848,156
Banks	17,976	--	--	--	--	53,317	71,293
Financial Assets at Fair Value Through Profit or Loss	17,333	2,652	26,942	120,773	2,568	38,257	208,525
Interbank Money Market Placements	20,972	--	--	--	--	--	20,972
Financial Assets Available-for-Sale	1,648	309	12,578	523,493	171,004	923	709,955
Loans	1,257,157	3,661,646	1,949,792	2,520,319	727,783	115,605	10,232,302
Investment Securities Held-to- Maturity	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	371,977	371,977
Total Assets	2,635,602	3,664,607	1,989,312	3,164,585	901,355	1,107,719	13,463,180
Liabilities							
Bank Deposits	291,011	--	--	--	--	7,354	298,365
Other Deposits	4,769,974	2,270,684	301,903	17,468	--	453,081	7,813,110
Interbank Money Market Received	499,356	--	--	--	--	--	499,356
Sundry Creditors	--	--	--	--	--	124,220	124,220
Marketable Securities Issued	99,163	413,577	480,241	--	--	--	992,981
Funds Borrowed from Other Financial Institutions	408,441	709,137	350,342	2,665	97,574	--	1,568,159
Other Liabilities (**)	7,071	2,355	9,578	120,603	301,961	1,725,421	2,166,989
Total Liabilities	6,075,016	3,395,753	1,142,064	140,736	399,535	2,310,076	13,463,180
Balance Sheet Long Position	--	268,854	847,248	3,023,849	501,820	--	4,641,771
Balance Sheet Short Position	(3,439,414)	--	--	--	--	(1,202,357)	(4,641,771)
Off-Balance Sheet Long Position	--	--	--	25,000	--	6,301,607	6,326,607
Off-Balance Sheet Short Position	(5,632)	--	--	(25,000)	--	(6,531,861)	(6,562,493)
Total Position	(3,445,046)	(268,854)	847,248	3,023,849	501,820	(1,432,611)	(235,886)

(*) Non-interest bearing column includes TL186,606 tangible assets, TL 4,469 intangible assets, TL 1,937 tax asset, TL 4,804 assets held for sale and TL 174,161 other assets.

(**) Non-interest bearing column includes TL 1,272,023 shareholders' equity, TL 254,985 other liabilities, TL 99 finance lease liabilities, TL 160,536 provisions and TL 37,778 tax liabilities.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

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

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

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

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

Average interest rates applied to financial instruments

Current Period End	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	0.49	--	2.78
Banks	0.03	0.68	--	--
Financial Assets at Fair Value Through Profit/ Loss	2.82	4.72	--	10.09
Interbank Money Market Placements	--	0.50	--	--
Financial Assets Available-for-Sale	3.38	4.49	--	9.29
Loans	5.99	6.03	--	15.55
Investment Securities Held-to-Maturity	--	--	--	--
Liabilities				
Bank Deposits	0.05	0.77	--	8.14
Other Deposits	1.46	3.05	--	11.60
Interbank Money Market Funds	0.46	1.62	--	7.50
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	9.25	--	10.82
Funds Borrowed from Other Financial Institutions	1.94	2.14	--	6.72
<hr/>				
Prior Period End	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	0.49	--	3.81
Banks	--	--	--	11.25
Financial Assets at Fair Value Through Profit/Loss	3.72	5.15	--	9.00
Interbank Money Market Placements	--	--	--	--
Financial Assets Available-for-Sale	3.35	4.07	--	8.90
Loans	6.38	6.01	--	15.66
Investment Securities Held-to-Maturity	--	--	--	--
Liabilities				
Bank Deposits	0.24	0.59	--	10.92
Other Deposits	1.63	2.51	--	12.88
Interbank Money Market Received	0.47	1.07	--	7.50
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	11.58
Funds Borrowed from Other Financial Institutions	1.78	1.63	--	6.61

V. Explanations on consolidated equity share position risk

As of 30 September 2016, there is no any equity share position.

VI. Explanations on consolidated liquidity risk

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

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

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

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

Information on the use of stress testing

Department of Risk Management implements stress testing on a weekly basis according to Liquidity and Funding Risk Policy approved by the Board of Directors. These stress tests based on the scenarios is that in a 14-day period the outflow of deposits can not be prevented, deposits and funds obtained from issued TL bonds will outflow; and counter bank limits will not be used and the results takes part in the presents of ALCO meetings on a weekly basis basis and in Risk Committee meetings on a monthly basis. In this way, the bank's funding structure is closely monitored and necessary actions are taken.

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

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks"; published in the Official Gazette numbered 28948, dated 21 March 2014; liquidity ratio is required to be 50 % for foreign currency assets/liabilities and 70 % for total assets/liabilities in the calculation of the banks' weekly and monthly reporting effective from 1 January 2016.

FİBANKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

VI. Explanation on consolidated liquidity risk (cont'd)

Current Period		Total Unweighted Value (*)		Total Weighted Value (*)	
		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)			1,491,507	1,388,856
CASH OUTFLOWS					
2	Deposits from natural persons and retail deposits	5,178,344	1,998,326	320,935	118,149
3	Stable deposits	3,965,102	1,633,671	196,900	81,684
4	Less stable deposits	1,213,242	364,655	124,035	36,466
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	2,729,341	1,301,654	1,515,985	690,860
6	Operational deposits	--	--	--	--
7	Non-operational deposits	2,012,002	1,008,596	804,800	403,439
8	Other unsecured funding	717,340	293,058	711,185	287,421
9	Secured funding			399,173	399,173
10	Other cash outflows	1,379,362	601,247	263,825	179,611
11	Outflows related to derivative exposures and other collateral requirements	115,187	103,040	115,187	103,040
12	Outflows related to restructured financial instruments	--	--	--	--
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments	1,264,175	498,207	148,638	76,571
14	Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15	Other irrevocable or conditionally revocable off-balance sheet obligations	14,463	2	14,463	2
16	TOTAL CASH OUTFLOWS			2,514,381	1,387,795
CASH INFLOWS					
17	Secured receivables	33,849	33,849	11,283	11,283
18	Unsecured receivables	963,336	138,943	541,169	106,614
19	Other cash inflows	22,371	10,047	22,371	10,047
20	TOTAL CASH INFLOWS	28,991	21,403	574,823	127,944
				Upper Limits Applied Total Adjusted Value	
21	TOTAL HQLA			1,491,507	1,388,856
22	TOTAL NET CASH OUTFLOWS			1,939,558	1,259,851
23	LIQUIDITY COVERAGE RATIO (%)			76.90	110.24

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

FİBANKKA A.Ş. AND ITS SUBSIDIARY
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

VI. Explanation on consolidated liquidity risk (cont'd)

Prior Period		Total Unweighted Value (*)		Total Weighted Value (*)	
		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)			1,167,776	1,075,731
CASH OUTFLOWS					
2	Deposits from natural persons and retail deposits	4,133,508	1,694,900	256,038	100,351
3	Stable deposits	3,149,448	1,382,790	157,632	69,140
4	Less stable deposits	984,060	312,110	98,406	31,211
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	1,820,493	854,139	1,498,926	784,822
6	Operational deposits	--	--	--	--
7	Non-operational deposits	1,799,814	835,655	719,925	334,262
8	Other unsecured funding	20,679	18,484	779,001	450,560
9	Secured funding			292,381	292,381
10	Other cash outflows	1,219,644	468,464	234,381	158,742
11	Outflows related to derivative exposures and other collateral requirements	108,334	104,341	108,334	104,341
12	Outflows related to restructured financial instruments	--	--	--	--
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments	1,111,310	364,123	126,047	54,401
14	Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15	Other irrevocable or conditionally revocable off-balance sheet obligations	88,788	88,413	4,439	4,421
16	TOTAL CASH OUTFLOWS			2,286,165	1,340,716
CASH INFLOWS					
17	Secured receivables	19,214	19,214	19,214	19,214
18	Unsecured receivables	785,674	151,345	450,009	113,297
19	Other cash inflows	10,845	6,227	10,845	6,227
20	TOTAL CASH INFLOWS	815,733	176,786	480,068	138,738
				Upper Limits Applied Total Adjusted Value	
21	TOTAL HQLA			1,167,776	1,075,731
22	TOTAL NET CASH OUTFLOWS			1,806,098	1,201,979
23	LIQUIDITY COVERAGE RATIO (%)			64.66	89.50

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

FİBANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

VI. Explanation on consolidated liquidity risk (cont'd)

The table below presents highest, lowest and average consolidated liquidity coverage ratios for the last three month:

Current Period	TL+FC	FC
31 July 2016	79.76%	113.08%
31 August 2016	74.32%	105.75%
30 September 2016	76.79%	112.07%
Average	76.96%	110.30%

Prior Period	TL+FC	FC
31 October 2015	61.89%	84.46%
30 November 2015	66.31%	99.07%
31 December 2015	65.70%	86.61%
Average	64.63%	90.05%

The Bank implements the calculation in accordance with the Regulation of Liquidity Coverage Ratio Calculation of Banks dated 21 March 2014 and numbered 28948 published in the Official Gazette. The related regulations include items that are considered as high quality liquid assets; mainly the securities portfolio and cash assets and money held as required reserves. The important factors affecting the results of the liquidity coverage ratio; remaining maturities of 30 days exchange and money market transactions. Deposits form a significant portion of the Bank's sources of funds, on the other hand bonds issued, money market borrowings, funds provided from abroad are other important sources of funding.

While calculating liquidity coverage ratio, the Bank considers transactions arising from derivative transactions which have probability of cash flow and margin in accordance with the Regulation on Banks' Liquidity Coverage Ratio dated 21 March 2014 and numbered 28948 published in Official Gazette as taking 24-month average into account .

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

VI. Explanation on consolidated liquidity risk (cont'd)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated	Total
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	312,496	1,535,660	--	--	--	--	--	1,848,156
Banks	53,317	17,976	--	--	--	--	--	71,293
Financial Assets at Fair Value Through Profit or Loss	--	55,148	2,648	11,077	137,053	2,596	3	208,525
Interbank Money Market Placements	--	20,972	--	--	--	--	--	20,972
Financial Assets Available-for-Sale	--	--	309	12,578	523,493	172,652	923	709,955
Loans	--	1,328,698	1,488,681	4,154,446	2,754,988	389,884	115,605	10,232,302
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	--	371,977	371,977
Total Assets	365,813	2,958,454	1,491,638	4,178,101	3,415,534	565,132	488,508	13,463,180
Liabilities								
Bank Deposits	7,354	291,011	--	--	--	--	--	298,365
Other Deposits	453,081	4,769,974	2,270,684	301,903	17,468	--	--	7,813,110
Funds Borrowed from Other Financial Institutions	--	31,651	622,568	387,966	457,030	68,944	--	1,568,159
Interbank Money Market Received	--	499,356	--	--	--	--	--	499,356
Marketable Securities Issued	--	98,643	413,577	480,761	--	--	--	992,981
Sundry Creditors	--	124,220	--	--	--	--	--	124,220
Other Liabilities (**)	--	260,537	17,708	14,078	126,417	302,538	1,445,711	2,166,989
Total Liabilities	460,435	6,075,392	3,324,537	1,184,708	600,915	371,482	1,445,711	13,463,180
Net Liquidity Gap	(94,622)	(3,116,938)	(1,832,899)	2,993,393	2,814,619	193,650	(957,203)	--
Net Off-Balance Sheet Position								
Derivative Financial Assets	--	2,101,967	638,570	615,538	2,970,532	--	--	6,326,607
Derivative Financial Liabilities	--	2,111,736	651,989	665,836	3,132,932	--	--	6,562,493
Non-Cash Loans	--	85,896	100,396	342,760	100,971	297,754	--	927,777
Prior Period								
Total Assets	227,413	2,422,706	966,747	3,885,576	2,800,165	502,700	381,277	11,186,584
Total Liabilities	431,277	4,637,877	2,853,839	1,602,636	282,740	226,503	1,151,712	11,186,584
Net Liquidity Gap	(203,864)	(2,215,171)	(1,887,092)	2,282,940	2,517,425	276,197	(770,435)	--
Net Off-Balance Sheet Position								
Derivative Financial Assets	--	371	(14,230)	(29,696)	(83,096)	--	--	(126,651)
Derivative Financial Liabilities	--	721,138	451,533	1,022,630	1,499,854	--	--	3,695,155
Non-Cash Loans	--	720,767	465,763	1,052,326	1,582,950	--	--	3,821,806
Non-Cash Loans	--	6,844	162,889	413,408	276,474	186,017	--	1,045,632

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

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

FİBANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

VI. Explanation on consolidated liquidity risk (cont'd)

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

		Current Period(**)	Prior Period
1	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*)	24,000,947	17,443,409
2	The difference between total assets prepared in accordance with Turkish Accounting Standards (*) and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	--	--
3	The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	(7,087,746)	(4,095,323)
4	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	--	--
5	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	--	--
6	Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	--	--
7	Total risk amount	16,913,201	13,348,086

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

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

VII. Explanation 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;

	On – balance sheet assets	Current Period(*)	Prior Period(*)
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	13,649,370	10,974,528
2	(Assets deducted in determining Tier I capital)	(25,503)	(35,696)
3	Total on-balance sheet risks (sum of lines 1 and 2)	13,623,867	10,938,832
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative financial instruments and credit derivatives	149,182	101,960
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	159,278	86,787
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	308,460	188,747
	Securities or commodity financing transactions (SCFT)		
7	Risks from SCFT assets (except for on-balance sheet)	567,706	552,260
8	Risks from brokerage activities related exposures	--	--
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	567,706	552,260
	Other off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	2,413,168	1,668,246
11	(Adjustments for conversion to credit equivalent amounts)	--	--
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	2,413,168	1,668,246
	Capital and total risks		
13	Tier I capital	1,145,144	927,052
14	Total risks (sum of lines 3, 6, 9 and 12)	16,913,201	13,348,086
	Leverage ratio		
15	Leverage ratio	6.77	6.95

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

VIII. Explanations on consolidated segment reporting

The Bank operates in customer banking services, individual customer current accounts, deposit accounts, long term investment products, clearing and custody services, credit and atm services, retail loans, long term mortgage loans, and all other kinds of customer banking services and commercial services. Fiba Portföy, the Bank’s consolidated subsidiary, performs portfolio management activities and results of its operations and its assets and liabilities are presented under “Treasury and Headquarters” segment.

	Retail Banking	Commercial & Corporate Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period				
1 January – 30 September 2016				
Operating Income	184,196	224,716	49,289	458,201
Operating Profit	16,111	135,539	(36,791)	114,859
Taxation				(32,545)
Net Profit/(Loss) for the Period				82,314
Current Period- 30 September 2016				
Segment Assets	3,445,491	6,671,207	3,346,482	13,463,180
Unallocated Assets				--
Total Assets				13,463,180
Segment Liabilities	5,646,816	2,170,653	4,373,688	12,191,157
Unallocated Liabilities				--
Shareholders’ Equity				1,272,023
Total Liabilities				13,463,180
Prior Period				
1 January – 30 September 2015				
Operating Income	131,981	174,339	24,429	330,749
Operating Profit	(12,482)	111,869	(12,143)	87,244
Taxation				(19,840)
Net Profit/(Loss) for the Period				67,404
Prior Period- 31 December 2015				
Segment Assets	2,875,840	5,670,173	2,640,571	11,186,584
Unallocated Assets				--
Total Assets				11,186,584
Segment Liabilities	4,865,298	2,083,502	3,200,871	10,149,671
Unallocated Liabilities				--
Shareholders’ Equity				1,036,913
Total Liabilities				11,186,584

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

SECTION FIVE

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

I. Explanations and disclosures related to the consolidated assets

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	27,766	60,587	15,703	27,846
Balances with the Central Bank of Turkey	103,652	1,656,151	17,655	1,412,905
Other	--	--	--	--
Total	131,418	1,716,738	33,358	1,440,751

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	103,652	120,491	17,655	100,464
Unrestricted Time Deposits	--	16,804	--	--
Restricted Time Deposits	--	1,518,856	--	1,312,441
Total	103,652	1,656,151	17,655	1,412,905

According to the communiqué No: 2005/1 on “Reserve Deposits” of CBRT, banks that are operating in Turkey are required to keep reserve deposit at the rates varying from 4% - 10.50% for TL liabilities depending on maturities of liabilities and at the rate 5% - 25% and denominated mainly in EUR and USD for FC liabilities. According to the Central Bank of Turkey’s press announcement No. 2014-72 dated 21 October 2014, the Reserve Deposits as from November of 2014 are paid interest on the portion held in Turkish Lira and according to press announcement No. 2015-35 dated 2 May 2015 the Reserve Deposits as from May of 2015 are paid interest on the portion held in USD.

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	6,762	--	8,666	--
Other	--	--	--	--
Total	6,762	--	8,666	--

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

FİBANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	9,473	--	6,749	--
Total	9,473	--	6,749	--

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	2,252	--	13,273	--
Swap Transactions	81,965	1	38,324	1
Futures Transactions	--	--	--	--
Options	58,932	305	39,661	2,713
Other	--	--	--	--
Total	143,149	306	91,258	2,714

3. Information on Banks

3.1 *Information on banks*

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	639	17,975	4,694	--
Foreign	355	52,324	951	64,401
Foreign head-offices and branches	--	--	--	--
Total	994	70,299	5,645	64,401

3.2 *Due from foreign banks*

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

4. Information on financial assets available-for-sale

4.1 *Financial assets subject to repurchase agreements and provided as collateral/blocked*

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	117,879	460,164	72,264	515,988
Other	--	--	--	--
Total	117,879	460,164	72,264	515,988

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

4.2 Details of financial assets available-for-sale

	Current Period	Prior Period
Debt instruments	709,032	611,074
Quoted on Stock Exchange	709,032	600,609
Unquoted on Stock Exchange	--	10,465
Share certificates	923	2,697
Quoted on Stock Exchange	923	2,697
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	709,955	613,771

5. Information on loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans to Shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	3,832	--	2,800	--
Total	3,832	--	2,800	--

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

	Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables (Total)	Loan and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loan and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Cash Loans						
Loans	9,199,824	19	42	516,938	391,264	8,610
Working Capital Loans	--	--	--	--	--	--
Export Loans	250,804	--	--	592	10,919	70
Import Loans	--	--	--	--	--	--
Loans to Financial Sector	399,390	--	--	57	249	--
Consumer Loans	508,781	19	42	33,931	5,988	3,271
Credit Cards	80,968	--	--	8,933	--	--
Others	7,959,881	--	--	473,425	374,108	5,269
Specialization Loans	--	--	--	--	--	--
Other Receivables	--	--	--	--	--	--
Total	9,199,824	19	42	516,938	391,264	8,610

FİBANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

	Current Period		Prior Period	
	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
Number of Extensions	19	391,264	39	191,037
1 or 2 times	19	382,430	39	182,532
3, 4 or 5 times	--	8,834	--	8,505
Over 5 times	--	--	--	--

	Current Period		Prior Period	
	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
Extension Periods	19	391,264	39	191,037
0-6 months	19	31,298	33	10,304
6 -12 months	--	38,081	--	23,521
1 – 2 years	--	112,386	6	36,921
2 – 5 years	--	157,621	--	100,773
5 years and over	--	51,878	--	19,518

The overdue analysis of close monitoring loans

Current Period	Corporate/ Commercial Loans	Consumer Loans	Total
1-30 days	135,781	6,584	142,365
31-60 days	147,464	18,142	165,606
61-90 days	112,850	11,113	123,963
Total	396,095	35,839	431,934

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

Maturity analysis of cash loans

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

FİBANKKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

	Short-Term	Medium or Long Term	Total
Consumer Loans-TL	12,320	464,231	476,551
Real Estate Loans	341	320,590	320,931
Vehicle Loans	418	7,285	7,703
General Purpose Loans	11,561	136,356	147,917
Other	--	--	--
Consumer Loans-Indexed to FC	--	65,292	65,292
Real Estate Loans	--	63,569	63,569
Vehicle Loans	--	--	--
General Purpose Loans	--	1,723	1,723
Other	--	--	--
Consumer Loans-FC	--	1,719	1,719
Real Estate Loans	--	1,719	1,719
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	4,588	--	4,588
With Instalment	616	--	616
Without Instalment	3,972	--	3,972
Individual Credit Cards-FC	30	--	30
With Instalment	--	--	--
Without Instalment	30	--	30
Loans Given to Employees-TL	298	2,464	2,762
Real Estate Loans	--	121	121
Vehicle Loans	--	--	--
General Purpose Loans	298	2,343	2,641
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees – FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Personnel Credit Cards – TL	1,049	--	1,049
With Instalment	294	--	294
Without Instalment	755	--	755
Personnel Credit Cards – FC	21	--	21
With Instalment	--	--	--
Without Instalment	21	--	21
Overdraft Loans-TL (Real Persons)	5,708	--	5,708
Overdraft Loans-FC (Real Persons)	--	--	--
Total	24,014	533,706	557,720

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

5.4 Information on commercial loans with installments and corporate credit cards

	Short Term	Medium or Long Term	Total
Instalment Commercial Loans – TL	377,454	1,832,363	2,209,817
Real Estate Loans	--	4,645	4,645
Vehicle Loans	3,536	51,478	55,014
General Purpose Loans	373,918	1,776,240	2,150,158
Other	--	--	--
Instalment Commercial Loans – Indexed to FC	2,474	180,296	182,770
Real Estate Loans	--	1,293	1,293
Vehicle Loans	--	11,578	11,578
General Purpose Loans	2,474	167,425	169,899
Other	--	--	--
Instalment Commercial Loans – FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards – TL	84,110	--	84,110
With Instalment	15,167	--	15,167
Without Instalment	68,943	--	68,943
Corporate Credit Cards – FC	103	--	103
With Instalment	--	--	--
Without Instalment	103	--	103
Overdraft Loans-TL (Legal Entities)	101,975	--	101,975
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	566,116	2,012,659	2,578,775

5.5 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	10,116,697	8,546,012
Total	10,116,697	8,546,012

5.6 Allocation of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	9,776,622	8,029,397
Foreign Loans	340,075	516,615
Total	10,116,697	8,546,012

5.7 Loans granted to subsidiaries and associates

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

5.8 Specific provisions provided against loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	6,800	4,572
Loans and Receivables with Doubtful Collectability	37,946	15,711
Uncollectible Loans and Receivables	53,542	58,182
Total	98,288	78,465

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period	--	--	177
(Gross Amounts before Specific Provisions)	--	--	--
Restructured Loans and Other Receivables	--	--	177
Rescheduled Loans and Other Receivables	--	--	--
Prior Period	--	--	272
(Gross Amounts before Specific Provisions)	--	--	--
Restructured Loans and Other Receivables	--	--	272
Rescheduled Loans and Other Receivables	--	--	--

5.9.2 Movement on non-performing loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Balances at Beginning of Period	24,646	36,959	85,625
Additions (+)	139,403	2,606	1,594
Transfers from Other Categories of Non-Performing Loans (+)	865	115,753	55,660
Transfers to Other Categories of Non-Performing Loans (-)	115,917	56,362	--
Collections (-)	6,143	4,970	7,555
Write-offs (-) (*)	--	3,009	55,262
Corporate and Commercial Loans	--	2,381	41,011
Retail Loans	--	527	13,190
Credit Cards	--	101	1,061
Other	--	--	--
Balances at End of the Period	42,854	90,977	80,062
Specific Provisions (-)	6,800	37,946	53,542
Net Balance on Balance Sheet	36,054	53,031	26,520

(*) TL 4,264 and TL54,007 of loans were derecognised as they were sold and transferred to asset management companies in February 2016 and in June 2016, respectively.

FİBANKKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Balance as of the Period End	2,058	6,341	25,883
Specific Provisions (-)	412	3,171	8,876
Net Balance on Balance Sheet	1,646	3,170	17,007
Prior Period			
Balance as of the Period End	1,698	59	24,247
Specific Provisions (-)	337	29	7,297
Net Balance on Balance Sheet	1,361	30	16,950

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)			
Loans Granted to Real Persons and Legal Entities (Gross)	42,854	90,977	80,062
Specific provisions (-)	6,800	37,946	53,542
Loans Granted to Real Persons and Legal Entities (Net)	36,054	53,031	26,520
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)			
Loans Granted to Real Persons and Legal Entities (Gross)	24,646	36,959	85,625
Specific provisions (-)	4,572	15,711	58,182
Loans Granted to Real Persons and Legal Entities (Net)	20,074	21,248	27,443
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

5.10 Liquidation policy for uncollectible loans and other receivables

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

5.11 Explanations related to write-off policy

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

6. Information on held-to-maturity investments

None.

7. Information on associates

None.

8. Information on consolidated subsidiary

The Bank has TL 5,445 of consolidated subsidiaries in its consolidated financial statements as of 30 September 2016.

Information on capital adequacy of major subsidiary

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

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/ Loss	Company's Fair Value
5,474	5,282	7	443	15	23	(13)	5,282

(*) Total fixed assets is included by tangible and intangible assets.

Current Period	Fiba Portföy Yönetimi A.Ş.
CORE CAPITAL	5,282
Paid-in Capital	5,500
Inflation Adjustments to Paid-in Capital	--
Share Premium	--
Reserves	--
Current Period's Profit and Prior Periods' Profit	23
Current Period's Losses and Prior Periods' Losses	(241)
Leasehold Improvements on Operational Leases (-)	--
Intangible Assets (-)	--
Goodwill (Net) (-)	--
SUPPLEMENTARY CAPITAL	--
CAPITAL	5,282
DEDUCTIONS FROM CAPITAL	--
NET AVAILABLE EQUITY	5,282

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

8.1 Information on the subsidiaries which are not subject to consolidation

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

8.2 Movement of consolidated investment in subsidiary

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

Investment valuation of consolidated subsidiaries

	Current Period	Prior Period
Valued at Cost	5,445	5,445
Valued at Fair	--	--

Sectoral distribution of consolidated investments in subsidiary

	Current Period	Prior Period
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	5,445	5,445

Quoted consolidated investments in subsidiary

None.

Consolidated subsidiaries disposed in the current period

None.

Consolidated subsidiaries acquired in the current period

None.

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

None.

10. Information on lease receivables

None.

11. Information on derivative financial assets held for hedging purposes

The fair value hedge accounting has been ceased by the Bank as of 30 September 2016 as it became ineffective. The cumulative fair value difference on the carrying value of the hedged loans amounting to TL 2,420 will be recycled to the income statement over the life of the hedged loans.

12. Information on tangible assets

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

13. Information on intangible assets

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

14. Information on investment properties

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

15. Information on deferred tax asset

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

As of 30 September 2016, the deferred tax asset amounting TL 1,688 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2015: TL 1,713 deferred tax asset)

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

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	(12,780)	(2,556)
Unearned Commission Income/Prepaid Commission Expenses	5,887	1,177
Retirement Pay and Unused Vacation Provision	13,534	2,707
Tangible Assets Base Differences	(3,143)	(629)
Carry Forward Tax Losses	204	41
Other	4,736	948
Deferred Tax Asset/(Liability)	8,438	1,688

	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	(1,566)	(313)
Unearned Commission Income/Prepaid Commission Expenses	1,544	309
Retirement Pay and Unused Vacation Provision	13,861	2,772
Tangible Assets Base Differences	(3,945)	(789)
Carry Forward Tax Losses	231	46
Other	(1,561)	(312)
Deferred Tax Asset/(Liability)	8,564	1,713

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

	1 January-30 September 2016	1 January-31 December 2015
Deferred Tax Asset, 1 January	1,713	2,236
Deferred Tax Income / (Expense)	938	(930)
Deferred Tax Recognized Directly Under Equity		406
Other	(963)	1
Deferred Tax Asset/(Liability), End of the Period	1,688	1,713

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

15.2 *Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet*

None.

15.3 *Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes*

None.

16. Information on assets held for sale and non-current assets related to discontinued operations

As of 30 September 2016, the Group has TL 4,804 assets held for sale (31 December 2015: TL 3,299).

17. Information on other assets

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

17.1 *Information on prepaid expenses, tax and similar items*

As of 30 September 2016, total prepaid expenses are TL 21,465 (31 December 2015: TL 20,431).

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

II. Explanations and disclosures related to consolidated liabilities

1. Information on deposits

1.1 Information on maturity structure of deposits

Current Period

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	45,865	--	249,714	2,045,966	328,814	237,563	74,151	--	2,982,073
Foreign Currency									
Deposits	209,810	--	150,881	2,542,785	199,798	76,359	77,873	--	3,257,506
Residents in Turkey	201,957	--	143,602	2,533,029	197,242	70,499	9,843	--	3,156,172
Residents Abroad	7,853	--	7,279	9,756	2,556	5,860	68,030	--	101,334
Public Sector Deposits	8,143	--	--	--	--	--	--	--	8,143
Commercial Deposits	186,379	--	188,490	644,269	247,554	65,971	121,195	--	1,453,858
Other Ins. Deposits	907	--	1,985	53,750	29,397	23,497	15	--	109,551
Precious Metal Deposits	1,979	--	--	--	--	--	--	--	1,979
Interbank Deposits	7,354	--	246,316	44,695	--	--	--	--	298,365
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	10	--	199,542	29,962	--	--	--	--	229,514
Foreign Banks	6,725	--	46,774	14,733	--	--	--	--	68,232
Special Finan.Inst.	619	--	--	--	--	--	--	--	619
Other	--	--	--	--	--	--	--	--	--
Total	460,437	--	837,386	5,331,465	805,563	403,390	273,234	--	8,111,475

Prior Period

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

	Under the Guarantee of Deposit Insurance		Exceeding the limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	859,990	662,868	2,102,542	1,647,273
Foreign Currency Saving Deposits	171,179	153,380	1,713,774	1,611,494
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
Total	1,031,169	816,248	3,816,316	3,258,767

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	39,538	26,184
Deposits of Chairman and Members of the Board of Directors and their Close Families	4,878	3,009
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	--	--
Saving Deposits in Banks Established in Turkey Exclusively for Off Shore Banking Activities	--	--

2. Information on derivative financial liabilities held for trading

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

Trading Purpose Derivative Financial Liabilities	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	8,491	--	16,949	--
Swap Transactions	73,437	--	23,708	--
Futures Transactions	--	--	--	--
Options	59,222	308	40,235	2,716
Other	--	--	--	--
Total	141,150	308	80,892	2,716

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

3. Information on banks and other financial institutions

3.1 Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	--	--	--	--
From Domestic Banks and Institutions	16,796	51,951	15,919	23,672
From Foreign Banks, Institutions and Funds	--	1,468,974	--	984,855
Total	16,796	1,520,925	15,919	1,008,527

3.2 Maturity analysis of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	16,796	159,763	15,919	245,191
Medium and Long Term	--	1,361,162	--	763,336
Total	16,796	1,520,925	15,919	1,008,527

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

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

4. Informations related with issued instruments

Current Period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	1,020,450	--	--	--
Carrying Amount	992,981	--	--	--

Prior Period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	517,570	--	--	--
Carrying Amount	503,741	--	--	--

5. Sundry Creditors and Other Liabilities

Balance sheet's sundry creditors and other liabilities do not exceed 10% of total of balance sheet.

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

6.1 Changes in agreements and further commitments arising

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

6.2 Obligations under financial leases

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	104	99	110	100
Between 1-4 Years	--	--	73	71
More than 4 Years	--	--	--	--
Total	104	99	183	171

6.3 Information on operational leases

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

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

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

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

7. Information on derivative financial liabilities for hedging purposes

In the current period, there is no derivative financial liabilities for hedging purposes.

8. Information on provisions

8.1 Information on general provisions

	Current Period	Prior Period
Loans and Receivables in Group 1	96,013	72,444
- Additional Provision for Loan and Receivables with Extended Maturities	--	2
Loans and Receivables in Group 2	18,336	14,573
- Additional Provision for Loan and Receivables with Extended Maturities	7,825	9,552
Non-Cash Loans	6,488	4,086
Others	--	--
Total	120,837	91,103

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

The foreign exchange losses on the foreign currency indexed loans as of 30 September 2016, amounting to TL 49 (31 December 2015: TL 134) are deducted from loans on the balance sheet.

8.3 The specific provisions provided for unindemnified non cash loans

As of 30 September 2016, the specific provision provided for unindemnified non-cash loans is TL 1,273 (31 December 2015: TL 1,271).

8.4 Explanation on other provisions

8.4.1 Free reserve for possible losses

	Current Period	Prior Period
Free Reserves for Possible Losses	13,500	--

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2016

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

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

None.

8.4.3 *Explanations on reserves for employee benefits*

As of 30 September 2016, the Group has reserves for employee benefits amounting to TL 14,297 (31 December 2015: TL 13,862) comprise TL 7,396 reserve for employee termination benefits (31 December 2015: TL 6,038), TL 2,414 unused vacation pay liability (31 December 2015: TL 2,974) and TL 4,487 personnel premium accrual (31 December 2015: TL 4,850).

9. Explanations on tax liabilities

9.1 *Explanations on current tax liability*

9.1.1 *Explanations on tax provision*

As of 30 September 2016, The Group's current tax liability is TL 37,778 (31 December 2015: TL 35,949). As of 30 September 2016 the Group's corporate taxes payable is TL 33,736 when TL 13,425 of corporate tax liability is net off with TL 20,311 prepaid taxes (31 December 2015: The Group's corporate taxes payable is TL 15,157 when TL 25,598 of corporate tax liability is net off with TL 10,441 prepaid taxes).

9.1.2 *Information on taxes payable*

	Current Period	Prior Period
Corporate taxes payable	13,425	15,157
Taxation on securities	9,514	8,310
Property tax	327	357
Banking and Insurance Transaction Tax (BITT)	8,916	7,202
Taxes on foreign exchange transactions	--	--
Value added taxes payable	83	228
Income tax ceased from wages	2,445	2,074
Other	213	463
Total	34,923	33,791

9.1.3 *Information on premiums*

	Current Period	Prior Period
Social Security Premiums- Employee	1,209	915
Social Security Premiums- Employer	1,397	1,051
Bank Social aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee	84	63
Unemployment Insurance- Employer	165	129
Other	--	--
Total	2,855	2,158

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

9.2 Explanations on deferred tax liabilities

As of balance sheet date, the Group has no deferred tax liability after netting deferred tax asset. (31 December 2015 : None)

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

None.

11. Explanations on subordinated loans

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Banks	--	--	--	--
Domestic Other Institutions	--	300,110	--	--
Foreign Banks	--	30,438	--	95,217
Foreign Other Institutions	--	--	--	116,696
Total	--	330,548	--	211,913

Instead of the subordinated loans those have lost their supplementary capital feature after the changes made in Equity Regulation by the BRSA, the Bank issued USD 100,000,000 (full amount) of subordinated bonds in March 2016 abroad which meets the conditions required by the new regulation.

12. Information on shareholders' equity**12.1 Paid-in capital**

	Current Period	Prior Period
Common Stock	941,161	847,515
Preferred Stock	--	--

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

Registered share capital system is not applied.

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

The Bank's TL paid-in capital was increased to TL 941,161 on 7 September 2016 with the capital contribution of TurkFinance B.V. by TL 93,646. In addition, share issuance premium of TL 55,299 was recognised in the shareholders' equity.

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.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

None.

12.7 Information on privileges given to stocks representing the capital

The Bank does not have any preferred shares.

12.8 Common stock issue premiums, shares and equity instruments

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

	Current Period	Prior Period
Number of Shares (Thousand)	26,230,098	16,865,550
Number of Privileged Shares	--	--
Share Premium	128,678	73,379
Share Cancellation Profits	--	--
Other Equity Instruments	--	--

12.9 Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	(1,546)	(4,330)	(3,920)	(5,807)
Exchange Difference	--	--	--	--
Total	(1,546)	(4,330)	(3,920)	(5,807)

12.10 Information on revaluation reserve

None.

12.11 Bonus shares of Subsidiaries, Associates and Joint Ventures

None.

12.12 Information on legal reserves

	Current Period	Prior Period
Primary Legal Reserves	7,790	3,711
Secondary Legal Reserve	--	--
Other Legal Reserves Per Special Legislation	--	--

12.13 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	120,579	43,075
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Difference	--	--

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

13. Information on minority shares

	Current Period	Prior Period
Balance at the beginning of the period	52	53
Minority interest of subsidiaries' net profit	--	(1)
Prior period dividend payment	--	--
Minority interest increase/(decrease) due to dales	--	--
Other	--	--
Balance at the end of the period	52	52

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	1,183,943	356,230
Credit Card Limit Commitments	88,001	47,363
Commitments for Credit Card and Banking Services Promotions	1	1
Commitments for Credit Allocation with the Guarantee of Usage	135,740	110,140
Export Commitments	3,647	3,553
Commitment for Cheques	156,603	145,123
Other Irrevocable Commitments	3,024	3,105
Total	1,570,959	665,515

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	418,240	379,738
Letters of Guarantee FC	162,454	175,756
Letters of Credit	279,563	383,272
Bills of Exchange and Acceptances	67,520	106,866
Total	927,777	1,045,632

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	32,429	32,418
Irrevocable Letters of Guarantee	479,681	431,355
Letters of Guarantee Given in Advance	40,373	57,415
Letters of Guarantee Given to Customs	17,541	12,023
Other Letters of Guarantee	10,670	22,283
Total	580,694	555,494

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	7,004	18,508
With Original Maturity of 1 Year or Less Than 1 Year	2,097	2,908
With Original Maturity of More Than 1 Year	4,907	15,600
Other Non-Cash Loans	920,773	1,027,124
Total	927,777	1,045,632

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

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

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

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

5. Information related to derivative financial instruments

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

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Explanations on contingent liabilities and assets

As of balance sheet date, the Group provided provision of TL 1,618 for the legal cases pending against the Group where the cash out flows are highly probable (31 December 2015: TL 1,316).

8. Custodian and intermediary services

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

IV. Explanations and disclosures related to the consolidated income statement

1. Interest income

1.1 Information on interest on loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans	756,845	137,925	494,522	104,082
Short Term Loans	480,630	17,229	296,634	19,426
Medium and Long Term Loans	276,215	120,696	197,888	84,656
Interest on Non-Performing Loans	2,663	--	780	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	759,508	137,925	495,302	104,082

*Includes fees and commissions obtained from cash loans.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	--	3	--	--
Domestic Banks	4,704	220	9,111	155
Foreign Banks	--	102	--	9
Branches and Head Office Abroad	--	--	--	--
Total	4,704	325	9,111	164

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	880	140	681	163
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Financial Assets Available-for-Sale	5,476	15,252	4,070	15,542
Investment Securities Held-to-Maturity	--	--	--	--
Total	6,356	15,392	4,751	15,705

1.4 Information on interest income received from associates and subsidiaries

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

2. Interest expense

2.1 Information on interest on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	759	17,971	1,017	16,189
The Central Bank of Turkey	--	--	--	--
Domestic Banks	759	2,354	1,017	468
Foreign Banks	--	15,617	--	15,721
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	25,706	--	17,350
Total	759	43,677	1,017	33,539

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

2.2 Information on interest expenses to associates and subsidiaries

None.

2.3 Information on interest expenses to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	61,335	--	40,081	--

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

Account Description	Demand Deposits	Time Deposits					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
Turkish Lira								
Bank Deposits	--	2,548	--	--	--	--	--	2,548
Saving Deposits	--	16,434	157,000	42,862	19,382	5,003	--	240,681
Public Sector Deposits	--	--	--	--	--	--	--	--
Commercial Deposits	--	13,755	75,596	21,081	13,902	9,633	--	133,967
Other	--	84	5,760	2,041	2,103	1	--	9,989
7 Day Call Accounts	--	--	--	--	--	--	--	--
Total	--	32,821	238,356	65,984	35,387	14,637	--	387,185
Foreign Currency								
Foreign Currency Deposits	--	1,349	44,067	5,846	1,609	2,131	--	55,002
Bank Deposits	--	821	--	--	--	--	--	821
7 Day Call Accounts	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
Total	--	2,170	44,067	5,846	1,609	2,131	--	55,823
Grand Total	--	34,991	282,423	71,830	36,996	16,768	--	443,008

3. Information on dividend income

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

4. Information on net trading income / loss

	Current Period	Prior Period
Income	785,862	644,647
Gains on Capital Market Operations	6,378	280
Gains on Derivative Financial Instruments	393,098	233,753
Foreign Exchange Gains	386,386	410,614
Loss (-)	759,091	649,283
Losses on Capital Market Operations	605	1,639
Losses on Derivative Financial Instruments	368,596	236,863
Foreign Exchange Losses	389,890	410,781
Net Trading Income / (Loss)	26,771	(4,636)

5. Information on other operating income

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

Visa Europe Ltd. a payment systems company; the Bank was a member of which; was acquired by Visa Inc. operating in the same industry. The Bank's share of EUR 674,027.71 (full amount) arising from this transaction was paid to the Bank in cash on 21 June 2016. Additionally, the Bank will receive 244 C class shares of Visa Inc. as part of the settlement of this transaction. TL 2,346 of gain on sale of equity shares has been recognised in "Other Operating Income".

In current period, gain on sale of loans amounting to TL 8,323 has been recognized in "Other Operating Income".

6. Impairment on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	78,680	48,589
<i>III. Group Loans and Receivables</i>	4,003	1,777
<i>IV. Group Loans and Receivables</i>	20,920	1,633
<i>V. Group Loans and Receivables</i>	53,757	45,179
General Loan Loss Provisions	29,734	14,517
Free Provision for Probable Risks	13,500	--
Impairment Losses on Securities:	--	--
<i>Financial Assets at Fair Value Through Profit or Loss</i>	--	--
<i>Financial Assets Available-for-Sale</i>	--	--
Impairment Losses on Associates, Subsidiaries, Joint Ventures and Investment Securities Held to Maturity:	--	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investments Held to Maturity</i>	--	--
Other	--	--
Total	121,914	63,106

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

	Current Period	Prior Period
Personnel Expenses	111,037	93,310
Provision for Employee Termination Benefits	1,364	830
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	9,158	9,868
Impairment Losses on Intangible Assets	--	--
Amortization Charges of Intangible Assets	2,847	2,829
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	18	2
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	60,228	43,098
<i>Operational Leases Expenses</i>	<i>21,814</i>	<i>22,803</i>
<i>Repair and Maintenance Expenses</i>	<i>1,169</i>	<i>703</i>
<i>Advertisement Expenses</i>	<i>7,128</i>	<i>1,228</i>
<i>Other Expenses(*)</i>	<i>30,117</i>	<i>18,364</i>
Losses on Sale of Assets	14	36
Other	36,762	30,426
Total	221,428	180,399

(*)The administrative fine imposed against and notified to the Bank in the amount of TL 5,341 as a result of the inspection report issued by the Ministry of Customs and Trade and with regards to the Law on Consumer Protection no. 6502 has been recognized in this line item as TL 4,006 which is the amount after taking into account 25% early payment discount in accordance with article 17/6 of the Law on Misdemeanors No. 5326.

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

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

9. Information on tax provision from continued and discontinued operations

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

For the period ended 30 September 2016, deferred tax benefit of the Group is TL 938 and current tax charge is TL 33,483. (1 January – 30 September 2015: TL 8,602 deferred tax charge, TL 11,238 current tax charge)

	Current Period	Prior Period
Deferred Tax Benefit/ (Charge)	938	(8,602)
Allowance for Deferred Tax	--	--
Net Deferred Tax Benefit/ (Charge)	938	(8,602)

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

<i>Deferred tax benefit / (charge) arising from origination or reversal of temporary differences</i>	Current Period	Prior Period
Arising from Origination of Deductible Temporary Differences (+)	1,784	1,744
Arising from Reversal of Deductible Temporary Differences (-)	(1,453)	(317)
Arising from Origination of Taxable Temporary Differences (-)	(1,629)	(10,627)
Arising from Reversal of Taxable Temporary Differences (+)	2,236	598
Arising from Origination of Financial Losses (+)	--	--
Arising from Reversal of Financial Losses (-)	--	--
Arising from Origination of Tax Deductions and Exemptions (+)	--	--
Arising from Reversal of Tax Deductions and Exemptions (-)	--	--
Total	938	(8,602)
Allowance	--	--
Net deferred tax benefit / (charge)	938	(8,602)

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

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	331	1,427
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	607	(10,029)
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	--
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	938	(8,602)
Allowance	--	--
Net deferred tax benefit / (charge)	938	(8,602)

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

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

11. Information on net profit/loss for the period

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

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

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

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

In the 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 fee.

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

V. Explanations and disclosures 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

Group’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	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables (**)								
Balance at the Beginning of the Period	--	--	--	20	5,720	17,242		
Balance at the End of the Period	--	--	--	22	26,226	30,116		
Interest and Commission Income Received	--	--	--	--	441	230		

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

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

Prior Period

Group’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	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables (**)								
Balance at the Beginning of the Period	--	--	--	20	770	15,000		
Balance at the End of the Period	--	--	--	20	5,720	17,242		
Interest and Commission Income Received	--	--	--	--	97	103		

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

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

1.2 Information on deposits of the Group’s risk group

Group’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	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits								
Balance at the Beginning of the Period	--	--	89,173	31,138	496,533	161,257		
Balance at the End of the Period	--	--	19,052	89,173	636,894	496,533		
Deposit Interest Expense	--	--	7,956	2,416	23,651	10,796		

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

As of 30 September 2016, the amount of funds obtained from Bank's risk group is TL 532,606 and that fund amount includes TL 153,059 from IFC and EBRD in the form of borrowings, TL 300,110 from Fiba Holding A.Ş. through the issuance of subordinated bonds, TL 45,072 from other borrowings and TL 34,365 funds provided from repurchase agreements (31 December 2015: TL 243,536; that fund amount includes TL 219,450 from IFC and EBRD in the form of borrowings and TL 24,086 funds provided from repurchase agreements).

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

Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Financial Assets at Fair Value Through Profit and Loss:					
Balance at the Beginning of the Period	--	--	--	--	344,668	76,728
Balance at the End of the Period	--	--	--	--	274,701	344,668
Total Income/Loss	--	--	--	--	(4,741)	2,256
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

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

2. Information on transactions with the Parent Bank's risk group**2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties**

Transactions with the risk group are made on arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law. 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 30 September 2016, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 0.25% (31 December 2015 : 0.07%) and the ratio of the deposits of entities of risk group to total deposits is 8.09% (31 December 2015 :7.86%). Ratio of funds obtained from entities of risk group to total funds borrowed is 22.5% (31 December 2015: 17.7%), 12.7% of which is due to Fiba Group, 6.4% to IFC and EBRD and 3.4% to other parties.

In current period benefits provided to the key management of the Group is TL 7,274 (1 January – 30 September 2015: TL 4,732).

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.

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

- 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.

VI. Explanations on the Parent Bank's domestic, foreign, off-shore branches or investments in associates and foreign representative offices**1. Information related to the Bank's domestic and foreign branch and representatives**

	Number	Number of Employees			
Domestic Branch	70	1,496			
			Country of Incorporations		
Foreign Representation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

Domestic Consolidated Subsidiaries

	Number of Employees	Assets	Legal Capital
Fiba Portföy Yönetimi A.Ş.	6	5,474	5,282

VII. Events after balance sheet date

None.

VIII. Other Disclosures on Activities**Summary information of Bank's risk ratings by international rating agencies**

Long term FC and TL	BB-
Short term FC and TL	B
Financial Capacity	BB-
Support	5
Long term National Scale Rating	A+ (tur)
Outlook	Stable

FİBANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

SECTION SIX

EXPLANATIONS AUDITORS' LIMITED REVIEW REPORT

I. Explanations on the auditors' limited review report

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

II. Other footnotes and explanations prepared by the independent auditors

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2016

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

SECTION SEVEN

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

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

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

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

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

Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97.6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2.4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012.

In 2013, capital was increased in the total amount of TL 123,350, of which TL 17,415 is provided from inflation adjustment difference, TL 9,502 is provided from the profit on disposal of immovable and TL 96,432 is paid by Fiba Holding in cash.

On 31 March 2015 share capital was increased from TL 550,000 to TL 678,860. 127,045 of the increase was provided by the subordinated loan granted by Fiba Holding A.Ş. which had been approved to be converted to capital and TL 1,815 of total capital was paid in cash by the other shareholders, capital increase was recognised in financial statements following the completion of the legal procedures on 7 May 2015.

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

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 total. In addition, share issuance premium of TL 55,299 was recognised in the shareholders' equity.

As of 30 September 2016, the Bank's paid-in capital is TL 941,161.

As of 30 September 2016, The Bank's Shareholder Structure:

Commercial Title	Share Amount (Full basis TL)	Share Ratios (%)
Fiba Holding A.Ş.	670,055,489.25	%71.19
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	8,804,088.39	%0.94
TOTAL	941,160,553.25	%100.00

FİBABANKA A.Ş. AND ITS SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

Name	Duty	Responsibility Area	Date of Appointment	Educational Status	Professional Experience
Hüsnü Mustafa Özyeğin	Chairman of the Board of Directors		27.12.2010	Graduate	41 years
Fevzi Bozer	Vice Chairman of the Board of Directors		27.12.2010	Graduate	33 years
İsmet Kaya Erdem	Member of the Board of Directors		11.02.2013	Undergraduate	65 years
Mehmet Güleşçi	Member of the Board of Directors		27.12.2010	Graduate	32 years
Mevlüt Hamdi Aydın	Member of the Board of Directors		24.01.2013	Undergraduate	33 years
Memduh Aslan Akçay	Member of the Board of Directors		13.04.2016	Graduate	25 years
Selçuk Yorgancıoğlu	Member of the Board of Directors		22.09.2016	Graduate	24 years
Bekir Dildar	Member of the Board of Directors and General Manager		27.12.2010	Undergraduate	28 years
Elif Alev Utku Özbey	Assistant General Manager	Financial Control and Financial Reporting	07.01.2011	Graduate	22 years
Adem Aykın	Assistant General Manager	Information Technologies, Organisation and Project Management	01.07.2011	Undergraduate	28 years
Esra Osmanağaoğlu	Assistant General Manager	Banking Operations	29.02.2012	Undergraduate	28 years
Emre Ergun	Assistant General Manager	Retail Banking	02.05.2013	Graduate	19 years
Ahu Dolu	Assistant General Manager	Financial Institutions and Project Finance	01.12.2015	Undergraduate	19 years
Turgay Hasdikler	Assistant General Manager	Corporate and Commercial Credits	01.12.2015	Undergraduate	25 years
Kerim Lokman Kuriş	Assistant General Manager	Corporate and Commercial Banking	01.12.2015	Undergraduate	18 years
Cengiz Sinanoğlu	Coordinator	Retail Credits	07.02.2013	Graduate	22 years
Ömer Rifat Gencal	Coordinator	Treasury	02.02.2015	Undergraduate	24 years
Gerçek Önal	Coordinator	Legal Affairs	01.02.2016	Graduate	16 years
Ahmet Cemil Borucu	Department Head	Board of Inspection	07.02.2011	Graduate	18 years
Ayşe Tulgar	Department Head	Risk Management	15.03.2011	Undergraduate	17 years
Serdal Yıldırım	Department Head	Legislation and Compliance	06.04.2011	Graduate	19 years
Erman Eltut	Department Head	Internal Control	06.02.2012	Undergraduate	15 years

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

Unconsolidated Summary Balance Sheet			
(TL Thousand)	<u>30/09/16</u>	<u>31/12/15</u>	<u>Increase/ Decrease %</u>
Cash and Balances with the Central Bank	1,848,156	1,474,109	25%
Financial Assets at Fair Value Through Profit or Loss (Net)	208,193	114,531	82%
Due from Banks	70,986	69,744	2%
Receivables from Money Market	20,972	--	100%
Financial Assets Available for Sale (Net)	709,955	613,771	16%
Loans to Customers (Net)	10,232,302	8,614,777	19%
Total Assets	13,467,510	11,191,373	20%
Deposits	8,115,834	7,460,485	9%
Derivative Financial Liabilities Held for Trading	141,458	83,608	69%
Funds Borrowed	1,537,721	1,024,446	50%
Money Market Funds	499,356	504,822	(1%)
Securities Issued (Net)	992,981	503,741	97%
Subordinated Debts	330,548	211,913	56%
Shareholder's Equity	1,272,187	1,037,100	23%
Total Liabilities	13,467,510	11,191,373	20%

Consolidated Summary Balance Sheet			
(TL Thousand)	<u>30/09/16</u>	<u>31/12/15</u>	<u>Increase/ Decrease %</u>
Cash and Balances with The Central Bank	1,848,156	1,474,109	25%
Financial Assets at Fair Value Through Profit or Loss (Net)	208,525	114,531	82%
Due from Banks	71,293	70,046	2%
Receivables from Money Market	20,972	--	100%
Financial Assets Available for Sale (Net)	709,955	613,771	16%
Loans to Customers (Net)	10,232,302	8,614,777	19%
Total Assets	13,463,180	11,186,584	20%
Deposits	8,111,475	7,455,724	9%
Derivative Financial Liabilities Held for Trading	141,458	83,608	69%
Funds Borrowed	1,537,721	1,024,446	50%
Money Market Funds	499,356	504,822	(1%)
Securities Issued (Net)	992,981	503,741	97%
Subordinated Debts	330,548	211,913	56%
Shareholder's Equity	1,272,023	1,036,913	23%
Total Liabilities	13,463,180	11,186,584	20%

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

Unconsolidated Summary Income Statement

(TL Thousand)	<u>01/01/2016- 30/09/2016</u>	<u>01/01/2015- 30/09/2015</u>	<u>Increase/ Decrease %</u>
Net Interest Income	372,145	282,208	32%
Net Fees and Commission Income	19,343	22,377	(14%)
Trading Income/ Loss (Net)	26,756	(4,636)	>300%
Other Operating Revenues	38,762	29,776	30%
Total Operating Income	457,006	329,725	39%
Provision for Losses and Other Receivables (-)	121,914	63,106	93%
Other Operating Expenses (-)	220,262	179,359	23%
Net Operating Income / Loss	114,830	87,260	32%
Profit/Loss on Continuing Operations Before Tax	114,830	87,260	32%
Tax Provision for Continuing Operations	(32,539)	(19,843)	64%
Net Period Profit / Loss	82,291	67,417	22%

Consolidated Summary Income Statement

(TL Thousand)	<u>01/01/2016- 30/09/2016</u>	<u>01/01/2015- 30/09/2015</u>	<u>Increase/ Decrease %</u>
Net Interest Income	372,588	282,632	32%
Net Fees and Commission Income	20,219	23,088	(12%)
Trading Income/ Loss (Net)	26,771	(4,636)	>300%
Other Operating Income	38,623	29,665	30%
Total Operating Income	458,201	330,749	39%
Provision for Losses and Other Receivables (-)	121,914	63,106	93%
Other Operating Expenses (-)	221,428	180,399	23%
Net Operating Income / Loss	114,859	87,244	32%
Profit/Loss on Continuing Operations Before Tax	114,859	87,244	32%
Tax Provision for Continuing Operations	(32,545)	(19,840)	64%
Net Period Profit / Loss	82,314	67,404	22%

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

As of first nine months of 2016, Fibabanka has increased its loan portfolio by 45% compared to the same period of year 2015 and by 19% compared to the end of 2015, reaching TL 10.2 billion. Growth was achieved especially in corporate, commercial and SME loans. Corporate, commercial and SME loan portfolio has reached TL 9.6 billion by an increase of 18%. In the same period, share of corporate, commercial and SME loans in total loan portfolio is approximately 95%.

Despite the increase in the loan portfolio, the share of non-performing loans in total loans, realized as 2.1% level, below the sector.

The Bank, has funded its growing loan portfolio mostly with customer deposits also in 2016. In this period, customer deposits constituted 58% of total liabilities. In 2016, for the purpose of diversifying the funding resources, securities have been issued with nominal value of TL 1.6 billion during the first nine months of the year.

In 2016, with the changes on regulation on equity by Banking Regulation and Supervision Agency, decision was made for subordinated loans have to meet the new terms and conditions specified in the regulations to be taken into consideration as a supplementary capital so that loans that do not meet these conditions will not be taken into consideration as a supplementary capital effective from 31 March 2016. In this context, loan amount of USD 10,000,000 provided from Eco Trade and Development Bank (ETDB) in 2013 was accommodated to these conditions; subordinated loan amount of USD 40,000,000 provided from the International Finance Corporation ("IFC") in the same year was converted to a loan which has no supplementary capital feature in agreement with IFC in March 2016; and loan amount of EUR 20,000,000 provided from the European Bank for Reconstruction and Development ("EBRD") was early closed before its maturity in agreement with EBRD in April 2016.

After all these changes on regulation, Fibabanka issued amount of USD 100,000,000 subordinated bond abroad in March 2016 having the characteristics to be considered as supplementary capital account.

In addition, the Bank has had its first risk rating from Fitch in 2016. Fitch affirmed the Bank's long term credit ratings at BB-, short term credit rating at B and long term National Scale Rating at A+.

After the partnerships with IFC and EBRD in the last quarter of 2015, the Bank signed capital participation agreement with TurkFinance B.V. (The Abraaj Group) to be a shareholder with 9.95% share in capital by way of capital increase in June 2016. Legal procedures have been completed as of September 2016. The Bank will continue its growth in a more powerful way with the new partnerships.

In line with these developments, in the first nine months of 2016, while loan volume has been increased, loans are diversified both in terms of maturity and sectors, portfolios with higher return and increasing number of customers were targeted for higher non interest income. In addition, the Bank achieved a steady growth with sustainable profit by keeping operating expenses under control. As a result, the Bank increased its profit before tax by 32% compared to the same period of the prior year which amounted to TL 114.8 million. Net profit after tax amounted to TL 82.3 million. As of 30 September 2016, capital adequacy ratio of our Bank is 14.5%.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF
1 JANUARY – 30 SEPTEMBER 2016**

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

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

The bank, continues performing its structural and organizational goals within its plans as well as its financial goals and offers services with 70 branches and 1,496 employees as of 30 September 2016.

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

Best regards,

Hüsnü Mustafa Özyeğin
Chairman of the Board of Directors

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

5. Evaluations Relating to the Bank's Financial Situation

As of 30 September 2016, the Bank serves with 70 domestic branches and 1,496 employees.

As of first nine months of 2016, total assets of Fibabanka have increased by 42% when compared to the same period of year 2015 and by 20% when compared to the end of year 2015 and realised as TL 13,463,180 on consolidated basis and as TL 13,467,510 on unconsolidated basis.

According to consolidated and unconsolidated financial statements, the loan volume, which used to be TL 8,614,777 at the end of 2015, increased by 19% and reached to TL 10,232,302 as of third quarter of the year. Share of the loans in total assets has been realised as 76%.

Credit worthiness of loans and other receivables are monitored systematically in accordance with related laws and regulations. While disbursing loans the Bank complies with the limits determined under the Banking Laws and Regulations. Collaterals are taken for the loans disbursed in order to reduce risk. According to consolidated and unconsolidated financial statements, as of first nine months of 2016, NPLs have been realised as TL 213,893 and provisions in the amount of TL 98,288 have been set aside relating to these loans. Non performing loan ratio is 2.1% for the period.

According to consolidated and unconsolidated financial statements, securities portfolio held for trading increased by 217% and 215% respectively when compared to the end of year 2015 and realised as TL 65,070 in consolidated and TL 64,738 in unconsolidated financial statements. Securities portfolio available for sale increased to TL 709,955 as of first nine months of 2016. Ratio of securities portfolio to total assets has been realised as 5.8%.

As of first nine months of 2016, consolidated deposit volume has been realised as TL 8,111,475; and the unconsolidated deposit volume has been realised as TL 8,115,834.

According to consolidated financial statements, while the third quarter of 2015 closed with TL 67,404 net profit, in the third quarter of 2016 net profit of TL 82,314 has been realised, indicating an increase by 22%.

According to consolidated financial statements, net interest income of the Bank in nine months of 2016 increased by 32% compared to the previous year and realised as TL 372,588. Net commission income for the nine months of 2016 was realised as TL 20,219. Total operating income of the Bank increased by 39% compared to the previous year and realised as TL 458,201 as parallel to the growth of the Bank, and other operating expenses has been realised as TL 221,428 by increasing 23%.

As of 30 September 2016, the Bank's unconsolidated and consolidated capital adequacy ratio is 14.5%.