

# **Fibabanka Anonim Őirketi**

Unconsolidated Financial Statements  
as of and for the Year Ended  
31 December 2020

With Independent Auditors'  
Report Thereon

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



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

**Convenience Translation of the Independent Auditors' Report Originally Prepared  
and Issued in Turkish to English**

To the Shareholders of Fibabanka Anonim Şirketi

**A) Report on the Audit of the Unconsolidated Financial Statements**

*Qualified Opinion*

We have audited the unconsolidated financial statements of Fibabanka Anonim Şirketi ("the Bank") which comprise the unconsolidated balance sheet as at 31 December 2020 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matter described in the *Basis For Qualified Opinion* section of our report, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of Fibabanka Anonim Şirketi as at 31 December 2020, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Agency ("BRS") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by BRS and circulars and interpretations published by BRS and requirements of Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by the aforementioned legislations.

*Basis for Qualified Opinion*

As stated in Note 2.8.3.1 of Section Five, the accompanying unconsolidated financial statements as at 31 December 2020 include a general provision of total of TL 151.000 thousands, of which TL 106.500 thousands was recognized as expense within the current period and TL 44.500 thousands had been recognized as expense in prior periods; with a deferred tax asset amounting to TL 30.200 thousands of which TL 20.410 thousands was recognized within the current period and TL 9.790 thousands had been recognized in prior periods; for the possible effects of the negative circumstances which may arise in the economy or market conditions which is not in line with the requirements of BRS Accounting and Financial Reporting Legislation.



We conducted our audit in accordance with the “Regulation on Independent Audit of the Banks” (“BRSA Auditing Regulation”) published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We declare that we are independent of the Bank in accordance with the Ethics for Auditors issued by POA (“POA’s Code of Ethics”) and the ethical requirements in the regulations issued by POA that are relevant to audit of unconsolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the POA’s Code of Ethics and other regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

*Impairment of loans measured at amortised cost*

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented in Section III, No: VIII of the unconsolidated financial statements.

<b>Key audit matter</b>	<b>How the matter is addressed in our audit</b>
<p>As of 31 December 2020, loans measured at amortised cost comprise 72% of the Bank’s total assets.</p> <p>The Bank recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the “Regulation”) published on the Official Gazette No. 29750 dated 22 June 2016 and TFRS 9 Financial Instruments standard (“Standard”).</p> <p>The Bank applies the “expected credit loss model” in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Bank management annually.</p> <p>The significant assumptions and estimates of the Bank’s management are as follows:</p> <ul style="list-style-type: none"> <li>- significant increase in credit risk;</li> <li>- incorporating the forward looking macroeconomic information in calculation of credit risk; and</li> <li>- design and implementation of expected credit loss model.</li> </ul>	<p>Our procedures for testing the impairment of loans included below:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists.</li> <li>• We evaluated the adequacy of the subjective and objective criteria that is defined in the Bank’s impairment accounting policy compared with the Regulation and Standard.</li> <li>• We evaluated the Bank’s business model and methodology and the evaluation of the calculations were carried out with the control testing and detailed analysis by the involvement of specialist.</li> <li>• We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and testing their classification. In this context, the current status of the loan customer has been evaluated by including the impact of COVID-19 on prospective information and macroeconomic variables.</li> </ul>



The determination of the impairment of loans measured at amortised cost depends on the (i) credit default status, (ii) the model based on the change in the credit risk at the first recognition date and (iii) the classification of the loans measured at amortised cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets.

The Bank calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the fair value of the collateral provided for credit transactions.

The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward looking expectations are reflected by macroeconomic models.

Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, assumptions including the impact of COVID-19, the level of judgements and its complex structure as explained above.

- We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis and discussed the assumptions and estimates with the Bank management.
- We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated.
- We assessed the macroeconomic models which are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method.
- We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk.
- We also evaluated the adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.



## *Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements*

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2020 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

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

The accounting principles summarized in Note I Section Three, differ from the accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the unconsolidated financial statements and IFRS.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM  
Partner

15 February 2021  
İstanbul, Türkiye

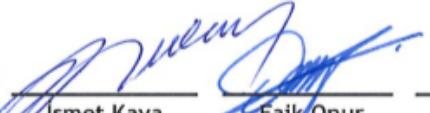

**THE UNCONSOLIDATED FINANCIAL REPORT OF  
FİBABANKA A.Ş.  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The unconsolidated year-end financial report prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

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

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

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

Information related to personnel to whom questions related to this financial report may be directed:  
Name-Surname/Title : **Ayşe Akdaş** / Financial Control and Reporting Director  
Telephone Number : (212) 381 84 88  
Fax Number : (212) 258 37 78

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

I.	History of the 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 Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Bank's Risk Group	1
III.	Explanations Regarding the Shares of the 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 Bank	3
V.	Summary Information on the Bank's Services and Activity Areas	3
VI.	Other Information	3
VII.	Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between the Bank and Its Subsidiaries	3

**SECTION TWO**  
**Unconsolidated Financial Statements**

I.	Balance Sheet	4
II.	Statement of Off-Balance Sheet Items	6
III.	Statement of Profit or Loss	7
IV.	Statement of Profit or Loss and Other Comprehensive Income	8
V.	Statement of Changes in Shareholders Equity	9
VI.	Statement of Cash Flows	10
VII.	Profit Distribution Table	11

**SECTION THREE**  
**Accounting Principles**

I.	Explanations on the basis of presentation	12
II.	Explanations on the usage strategy of financial instruments and on foreign currency transactions	12
III.	Explanations on equity investments	13
IV.	Explanations on forward transactions, options and derivative instruments	13
V.	Explanations on interest income and expenses	14
VI.	Explanations on fees and commission income and expenses	14
VII.	Explanations on financial assets	14
VIII.	Explanations on expected credit loss	15
IX.	Explanations on offsetting financial instruments	17
X.	Explanations on sale and repurchase agreements and securities lending transactions	17
XI.	Explanations on noncurrent assets held for sale and discontinued operations and the related liabilities	17
XII.	Explanations on goodwill and other intangible assets	17
XIII.	Explanations on tangible assets	18
XIV.	Explanations on leasing transactions	19
XV.	Explanations on provisions and contingent liabilities	19
XVI.	Explanations on contingent assets	19
XVII.	Explanations on liabilities for employee benefits	20
XVIII.	Explanations on taxation	20
XIX.	Additional explanations on borrowings	21
XX.	Explanations on share certificates issued	22
XXI.	Explanations on bank acceptances and bills of guarantee	22
XXII.	Explanation on government incentives	22
XXIII.	Explanations on segment reporting	22
XXIV.	Profit reserves and distribution of the profit	23
XXV.	Earnings per share	23
XXVI.	Cash and cash equivalent assets	23
XXVII.	Other Disclosures	23

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

I.	Information related to the components of shareholders' equity	25
II.	Explanations on credit risk	38
III.	Explanations on currency risk	47
IV.	Explanations on interest rate risk	49
V.	Explanations on position risk of equity securities resulted from banking book	52
VI.	Explanations on liquidity risk and liquidity coverage ratio	53
VII.	Explanations on leverage level	58
VIII.	Explanation on presentation of assets and liabilities at their fair values	59
IX.	Explanation on transactions carried out on behalf of customers and fiduciary activities	59
X.	Explanations on securitisations positions	59
XI.	Explanations on risk management objectives and policies	60

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

I.	Explanations and disclosure related to the assets	79
II.	Explanations and disclosures related to liabilities	95
III.	Explanations and disclosures related to off-balance sheet contingencies and commitments	102
IV.	Explanations and disclosures related to the statement of profit or loss	105
V.	Explanations and disclosures related to statements of changes in consolidated shareholders' equity	110
VI.	Explanations and disclosures related to the consolidated statement of cash flows	111
VII.	Explanations and disclosures on the risk group of the Bank	112
VIII.	Explanations on the Bank's domestic, foreign, off-shore branches or investments in associates and foreign representative offices	114
IX.	Events after balance sheet date	114

**SECTION SIX**  
**Other Disclosures**

I.	Other disclosures on activities of the Bank	114
----	---	-----

**SECTION SEVEN**  
**Disclosures on Auditors' Report**

I.	Disclosures on independent auditor's report	115
II.	Disclosures and footnotes prepared by independent auditors	115

# **FİBABANKA A.Ş.**

## **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

### **SECTION ONE**

#### **GENERAL INFORMATION**

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

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

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

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

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

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

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

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

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

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

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

As of 31 December 2020, paid-in capital of the Bank is TL 941.161 and all paid in.

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

<u>Name Surname</u>	<u>Title</u>	<u>Assignment Date</u>
<i>Board of Directors (*)</i>		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
Mehmet Güleşci	Member	27-Dec-10
İsmet Kaya Erdem	Member	11-Feb-13
Memduh Aslan Akçay	Member	13-Apr-16
Hülya Kefeli	Member	15-May-17
Faik Onur Umut	Member	23-Jan-19
Seyfettin Ata Köseoğlu	Member	23-Jan-20
Ömer Mert	General Manager - Member	18-Jan-17

(\*) Bank's Board Member Mr. Mevlüt Hamdi Aydın has resigned as of 31 January 2020. Mr.Seyfettin Ata Köseoğlu has been assigned as Bank's Board Member as of 23 January 2020.

<i>Audit Committee(*)</i>		
İsmet Kaya Erdem	Member	27-Dec-19
Faik Onur Umut	Member	14-Jan-20

(\*) Bank's Audit Committee Member Mr. Mevlüt Hamdi Aydın has resigned as of 31 January 2020. Mr.Faik Onur Umut has been assigned as Audit Committee Member as of 14 January 2020.

***Assistant General Managers***

Elif Alev Utku Özbey	Deputy GM - Financial Control & Reporting	07-Jan-11
Sezin Erken	AGM - Consumer Banking & Funding Resource Management	10-Aug-17
Kerim Lokman Kuriş	AGM - Corporate & Commercial Banking	01-Dec-15
Turgay Hasdikler	AGM - Credits	01-Dec-15
Ahu Dolu	AGM - Financial Institutions and Project Finance	01-Dec-15
Gerçek Önal	AGM - Chief Legal Officer	01-Feb-16
İbrahim Toprak	AGM - Treasury	01-Apr-20
Serdar Yılmaz	AGM - Information Technologies and Banking Operations	01-Sep-20

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

**FİBABANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

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

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

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

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 December 2020, the Bank serves with 50 domestic branches and 1.550 employees.

**VI. Other Information**

The Bank's Commercial Title	: Fibabanka Anonim Şirketi
The Bank's General Directorate Address	: Esentepe Mah. Büyükdere Caddesi No:129 Şişli 34394 İstanbul
The Bank's Phone and Fax Numbers	: Telephone : (0212) 381 82 82 Fax : (0212) 258 37 78
The Bank's Web Site Address	: <a href="http://www.fibabanka.com.tr">www.fibabanka.com.tr</a>
The Bank's E-Mail Address	: <a href="mailto:malikontrol@fibabanka.com.tr">malikontrol@fibabanka.com.tr</a>
Reporting Period	: 1 January 2020 - 31 December 2020

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

**VII. 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**  
**UNCONSOLIDATED FINANCIAL STATEMENTS**

**FİBANKKA A.Ş.**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

**AS AT 31 DECEMBER 2020**

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

ASSETS	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2020)			(31/12/2019)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		2.109.314	3.970.228	6.079.542	3.399.454	3.418.554	6.818.008
1.1 Cash and Cash Equivalents	(5.1.1)	1.269.815	2.950.698	4.220.513	633.116	2.595.084	3.228.200
1.1.1 Cash and Balances at Central Bank		466.024	2.455.668	2.921.692	200.986	2.506.889	2.707.875
1.1.2 Banks	(5.1.3)	465.564	422.967	888.531	402.621	88.195	490.816
1.1.3 Money Market Placements		340.168	72.063	412.231	30.010	-	30.010
1.1.4 Expected Credit Loss (-)		1.941	-	1.941	501	-	501
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	124.135	3	124.138	2.037.723	718	2.038.441
1.2.1 Government Debt Securities		27.480	3	27.483	24.835	706	25.541
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		96.655	-	96.655	2.012.888	12	2.012.900
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	18.405	1.009.121	1.027.526	16.849	795.616	812.465
1.3.1 Government Debt Securities		13.508	381.334	394.842	11.952	177.546	189.498
1.3.2 Equity Securities		4.897	5.466	10.363	4.897	3.800	8.697
1.3.3 Other Financial Assets		-	622.321	622.321	-	614.270	614.270
1.4 Derivative Financial Assets	(5.1.2)	696.959	10.406	707.365	711.766	27.136	738.902
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		696.959	10.406	707.365	711.766	27.136	738.902
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(5.1.6)	11.759.762	8.243.953	20.003.715	6.656.778	7.594.623	14.251.401
2.1 Loans	(5.1.5)	12.302.304	7.218.181	19.520.485	7.270.746	7.206.662	14.477.408
2.2 Lease Receivables	(5.1.10)	-	-	-	-	-	-
2.3 Factoring Receivables	(5.1.5)	100.322	5.529	105.851	1.723	1.369	3.092
2.4 Financial Assets Measured at Amortised Cost	(5.1.6)	187.659	1.020.243	1.207.902	188.506	386.592	575.098
2.4.1 Government Debt Securities		187.659	1.006.930	1.194.589	188.506	386.592	575.098
2.4.2 Other Financial Assets		-	13.313	13.313	-	-	-
2.5 Expected Credit Losses (-)		830.523	-	830.523	804.197	-	804.197
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	102.748	-	102.748	63.247	-	63.247
3.1 Assets Held for Sale		102.748	-	102.748	63.247	-	63.247
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		117.945	-	117.945	36.945	-	36.945
4.1 Investments in Associates (Net)	(5.1.7)	-	-	-	-	-	-
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Investments in Subsidiaries (Net)	(5.1.8)	117.945	-	117.945	36.945	-	36.945
4.2.1 Unconsolidated Financial Subsidiaries		5.445	-	5.445	5.445	-	5.445
4.2.2 Unconsolidated Non-financial Subsidiaries		112.500	-	112.500	31.500	-	31.500
4.3 Joint Ventures (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(5.1.12)	359.768	-	359.768	323.651	-	323.651
VI. INTANGIBLE ASSETS (Net)	(5.1.13)	90.977	-	90.977	69.877	-	69.877
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		90.977	-	90.977	69.877	-	69.877
VII. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		1.264	-	1.264	3.509	-	3.509
IX. DEFERRED TAX ASSET	(5.1.15)	191.700	-	191.700	54.427	-	54.427
X. OTHER ASSETS	(5.1.17)	252.281	25.055	277.336	236.034	28.661	264.695
<b>TOTAL ASSETS</b>		<b>14.985.759</b>	<b>12.239.236</b>	<b>27.224.995</b>	<b>10.843.922</b>	<b>11.041.838</b>	<b>21.885.760</b>

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

**FİBANKA A.Ş.**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

**AS AT 31 DECEMBER 2020**

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

LIABILITIES	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2020)			(31/12/2019)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.11.1)	9.286.215	8.381.210	17.667.425	6.658.925	6.907.773	13.566.698
II. FUNDS BORROWED	(5.11.3)	20.370	1.134.772	1.155.142	16.773	842.608	859.381
III. MONEY MARKET FUNDS		-	610.160	610.160	-	733.257	733.257
IV. SECURITIES ISSUED (Net)	(5.11.4)	-	1.480.900	1.480.900	383.937	1.334.395	1.718.332
4.1 Bills		-	-	-	383.937	-	383.937
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	1.480.900	1.480.900	-	1.334.395	1.334.395
V. FUNDS		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(5.11.2)	1.097.100	10.392	1.107.492	761.112	27.093	788.205
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		1.097.100	10.392	1.107.492	761.112	27.093	788.205
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5.11.6)	52.635	767	53.402	63.465	4.929	68.394
X. PROVISIONS	(5.11.8)	205.252	-	205.252	96.772	-	96.772
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		36.894	-	36.894	29.588	-	29.588
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		168.358	-	168.358	67.184	-	67.184
XI. CURRENT TAX LIABILITIES	(5.11.9)	186.711	-	186.711	40.580	-	40.580
XII. DEFERRED TAX LIABILITIES	(5.11.9)	-	-	-	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.11.10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	(5.11.11)	-	2.127.599	2.127.599	-	1.789.018	1.789.018
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	2.127.599	2.127.599	-	1.789.018	1.789.018
XV. OTHER LIABILITIES	(5.11.5)	579.002	178.006	757.008	382.924	186.395	569.319
XVI. SHAREHOLDERS' EQUITY	(5.11.12)	1.855.491	18.413	1.873.904	1.643.063	12.741	1.655.804
16.1 Paid-in Capital		941.161	-	941.161	941.161	-	941.161
16.2 Capital Reserves		213.775	-	213.775	210.253	-	210.253
16.2.1 Equity Share Premium		128.678	-	128.678	128.678	-	128.678
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		85.097	-	85.097	81.575	-	81.575
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(10.787)	-	(10.787)	(7.777)	-	(7.777)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		3.850	18.413	22.263	3.033	12.741	15.774
16.5 Profit Reserves		496.393	-	496.393	284.349	-	284.349
16.5.1 Legal Reserves		42.321	-	42.321	31.719	-	31.719
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		454.072	-	454.072	252.630	-	252.630
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or Loss		211.099	-	211.099	212.044	-	212.044
16.6.1 Prior Periods' Profit or Loss		(18.736)	-	(18.736)	-	-	-
16.6.2 Current Period Net Profit or Loss		229.835	-	229.835	212.044	-	212.044
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>13.282.776</b>	<b>13.942.219</b>	<b>27.224.995</b>	<b>10.047.551</b>	<b>11.838.209</b>	<b>21.885.760</b>

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

**FİBANKKA A.Ş.**  
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS**

**AS AT 31 DECEMBER 2020**

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

	Footnotes	CURRENT PERIOD (31/12/2020)			PRIOR PERIOD (31/12/2019)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>12.056.855</b>	<b>28.621.078</b>	<b>40.677.933</b>	<b>8.357.010</b>	<b>31.229.346</b>	<b>39.586.356</b>
<b>I. GUARANTIES AND WARRANTIES</b>	(5.III.1)	<b>606.591</b>	<b>659.971</b>	<b>1.266.562</b>	<b>432.859</b>	<b>591.809</b>	<b>1.024.668</b>
1.1. Letters of guarantee		584.041	277.530	861.571	432.859	317.754	750.613
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		584.041	277.530	861.571	432.859	317.754	750.613
1.2. Bank Acceptances		22.550	134.217	156.767	-	105.847	105.847
1.2.1. Import Letter of Acceptances		22.550	134.217	156.767	-	105.847	105.847
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	248.224	248.224	-	168.208	168.208
1.3.1. Documentary Letters of Credit		-	248.224	248.224	-	168.208	168.208
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>1.952.794</b>	<b>611.413</b>	<b>2.564.207</b>	<b>1.400.659</b>	<b>4.244.481</b>	<b>5.645.140</b>
2.1. Irrevocable Commitments	(5.III.1)	1.952.794	611.413	2.564.207	1.400.659	4.244.481	5.645.140
2.1.1. Asset Purchase Commitments		385.008	611.413	996.421	282.771	4.244.481	4.527.252
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		1.332.248	-	1.332.248	876.316	-	876.316
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		184.090	-	184.090	187.578	-	187.578
2.1.8. Tax and Fund Liabilities from Export Commitments		8.878	-	8.878	5.940	-	5.940
2.1.9. Commitments for Credit Card Limits		27.643	-	27.643	32.901	-	32.901
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	1	-	1
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		14.927	-	14.927	15.152	-	15.152
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5.III.5)	<b>9.497.470</b>	<b>27.349.694</b>	<b>36.847.164</b>	<b>6.523.492</b>	<b>26.393.056</b>	<b>32.916.548</b>
3.1. Hedging Derivative Financial Instruments		-	-	-	1.009.479	1.188.040	2.197.519
3.1.1. Fair Value Hedges		-	-	-	1.009.479	1.188.040	2.197.519
3.1.2. Cash Flow Hedges		-	-	-	-	-	-
3.1.3. Foreign Net Investment Hedges		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		9.497.470	27.349.694	36.847.164	5.514.013	25.205.016	30.719.029
3.2.1. Forward Foreign Currency Buy/Sell Transactions		1.217.875	2.804.384	4.022.259	789.133	3.670.515	4.459.648
3.2.1.1. Forward Foreign Currency Transactions - Buy		681.994	1.321.999	2.003.993	300.839	1.919.936	2.220.775
3.2.1.2. Forward Foreign Currency Transactions - Sell		535.881	1.482.385	2.018.266	488.294	1.750.579	2.238.873
3.2.2. Swap Transactions Related to Foreign Currency and Interest		6.150.641	20.122.986	26.273.627	2.351.909	17.281.148	19.633.057
3.2.2.1. Foreign Currency Swap- Buy		869.791	10.611.464	11.481.255	1.305.805	8.192.207	9.498.012
3.2.2.2. Foreign Currency Swap- Sell		2.905.626	8.987.200	11.892.826	996.104	8.494.921	9.491.025
3.2.2.3. Interest Rate Swap- Buy		1.187.612	262.161	1.449.773	25.000	297.010	322.010
3.2.2.4. Interest Rate Swap- Sell		1.187.612	262.161	1.449.773	25.000	297.010	322.010
3.2.3. Foreign Currency, Interest Rate and Securities Options		2.128.954	4.001.488	6.130.442	2.372.971	3.096.321	5.469.292
3.2.3.1. Foreign Currency Options- Buy		846.789	2.191.355	3.038.144	1.186.485	1.568.157	2.754.642
3.2.3.2. Foreign Currency Options- Sell		1.282.165	1.810.133	3.092.298	1.186.486	1.528.164	2.714.650
3.2.3.3. Interest Rate Options- Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options- Sell		-	-	-	-	-	-
3.2.3.5. Securities Options- Buy		-	-	-	-	-	-
3.2.3.6. Securities Options- Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1. Foreign Currency Futures- Buy		-	-	-	-	-	-
3.2.4.2. Foreign Currency Futures- Sell		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures- Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures- Sell		-	-	-	-	-	-
3.2.6. Other		-	420.836	420.836	-	1.157.032	1.157.032
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>158.917.049</b>	<b>92.617.634</b>	<b>251.534.683</b>	<b>139.427.639</b>	<b>69.316.021</b>	<b>208.743.660</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>1.137.729</b>	<b>1.562.121</b>	<b>2.699.850</b>	<b>2.589.824</b>	<b>486.973</b>	<b>3.076.797</b>
4.1. Customer Fund and Portfolio Balances		258.104	-	258.104	1.464.433	-	1.464.433
4.2. Investment Securities Held in Custody		122.153	1.212.528	1.334.681	295.983	320.411	616.394
4.3. Cheques Received for Collection		543.222	297.648	840.870	374.930	150.636	525.566
4.4. Commercial Notes Received for Collection		100.955	51.945	152.900	119.792	15.926	135.718
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		113.295	-	113.295	334.686	-	334.686
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>157.779.320</b>	<b>91.055.513</b>	<b>248.834.833</b>	<b>136.837.815</b>	<b>68.829.048</b>	<b>205.666.863</b>
5.1. Marketable Securities		231.872	76.641	308.513	299.004	90.954	389.958
5.2. Guarantee Notes		157.024	252.321	409.345	277.294	231.955	509.249
5.3. Commodity		-	72.414	72.414	-	46.554	46.554
5.4. Warranty		-	-	-	-	-	-
5.5. Immovables		7.510.940	17.144.696	24.655.636	9.517.452	12.306.034	21.823.486
5.6. Other Pledged Items		149.879.484	73.509.441	223.388.925	126.744.065	56.153.551	182.897.616
5.7. Pledged Items - Depository		-	-	-	-	-	-
<b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTEES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>170.973.904</b>	<b>121.238.712</b>	<b>292.212.616</b>	<b>147.784.649</b>	<b>100.545.367</b>	<b>248.330.016</b>

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

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN  
1 JANUARY 2020-31 DECEMBER 2020**

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

INCOME AND EXPENSE ITEMS		Footnotes	CURRENT PERIOD ( 01/01/2020 - 31/12/2020)	PRIOR PERIOD ( 01/01/2019 - 31/12/2019)
<b>I.</b>	<b>INTEREST INCOME</b>		<b>2.179.521</b>	<b>2.496.581</b>
1.1	Interest on Loans	(5. IV.1)	2.018.195	2.232.296
1.2	Interest on Reserve Requirements		3.496	24.574
1.3	Interest on Banks	(5. IV.1)	25.153	117.175
1.4	Interest on Money Market Placements		15.180	28.968
1.5	Interest on Marketable Securities Portfolio	(5. IV.1)	112.395	89.228
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		8.520	17.803
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		46.300	42.829
1.5.3	Financial Assets Measured at Amortized Cost		57.575	28.596
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		5.102	4.340
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>		<b>1.223.461</b>	<b>1.680.551</b>
2.1	Interest on Deposits	(5. IV.2)	810.441	1.276.701
2.2	Interest on Funds Borrowed	(5. IV.2)	208.688	184.436
2.3	Interest on Money Market Borrowings		19.477	21.760
2.4	Interest on Securities Issued	(5. IV.2)	138.708	179.864
2.5	Lease Interest Expense		17.886	16.975
2.6	Other Interest Expenses		28.261	815
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>956.060</b>	<b>816.030</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>150.342</b>	<b>199.787</b>
4.1	Fees and Commissions Received		184.654	234.079
4.1.1	Non-cash Loans		16.504	12.697
4.1.2	Other	(5. IV.12)	168.150	221.382
4.2	Fees and Commissions Paid (-)		34.312	34.292
4.2.1	Non-cash Loans		77	226
4.2.2	Other	(5. IV.12)	34.235	34.066
<b>V.</b>	<b>DIVIDEND INCOME</b>	(5. IV.3)	-	-
<b>VI.</b>	<b>TRADING INCOME / LOSS (Net)</b>	(5. IV.4)	<b>146.735</b>	<b>71.978</b>
6.1	Trading Gain / Loss on Securities		42.649	61.235
6.2	Gain / Loss on Derivative Financial Transactions		72.351	(441)
6.3	Foreign Exchange Gain / Loss		31.735	11.184
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5. IV.5)	<b>83.997</b>	<b>171.685</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>1.337.134</b>	<b>1.259.480</b>
<b>IX.</b>	<b>EXPECTED CREDIT LOSS (-)</b>	(5. IV.6)	<b>285.864</b>	<b>489.872</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	(5. IV.6)	<b>110.595</b>	<b>98</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>299.730</b>	<b>258.683</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(5. IV.7)	<b>324.776</b>	<b>260.697</b>
<b>XIII.</b>	<b>NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)</b>		<b>316.169</b>	<b>250.130</b>
<b>XIV.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XV.</b>	<b>INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING</b>		-	-
<b>XVI.</b>	<b>GAIN / LOSS ON NET MONETARY POSITION</b>		-	-
<b>XVII.</b>	<b>P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	(5. IV.8)	<b>316.169</b>	<b>250.130</b>
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(5. IV.9)	<b>(86.334)</b>	<b>(38.086)</b>
18.1	Current Tax Provision		(224.323)	(22.747)
18.2	Deferred Tax Expense Effect (+)		(101.288)	(15.339)
18.3	Deferred Tax Income Effect (-)		239.277	-
<b>XIX.</b>	<b>NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	(5. IV.10)	<b>229.835</b>	<b>212.044</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
20.1	Income From Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income From Other Discontinued Operations		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
21.1	Expenses on Non-current Assets Held for Sale		-	-
21.2	Losses from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses From Other Discontinued Operations		-	-
<b>XXII.</b>	<b>PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		-	-
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
<b>XXIV.</b>	<b>NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXII-XXIII)</b>		-	-
<b>XXV.</b>	<b>NET PROFIT / LOSS (XIX+XXIV)</b>	(5. IV.11)	<b>229.835</b>	<b>212.044</b>
	Earnings per share		0,00244	0,00225

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

**FİBABANKA A.Ş.****UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020**

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

	CURRENT PERIOD ( 01/01/2020 - 31/12/2020)	PRIOR PERIOD ( 01/01/2019 - 31/12/2019)
I. CURRENT PERIOD PROFIT / LOSS	229.835	212.044
II. OTHER COMPREHENSIVE INCOME	3.479	40.312
2.1 Not Reclassified Through Profit or Loss	(3.010)	(2.034)
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurements Gain/Loss	(3.763)	(2.542)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	753	508
2.2 Reclassified Through Profit or Loss	6.489	42.346
2.2.1 Foreign Currency Conversion Differences	-	-
2.2.2 Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other Comprehensive Income	7.958	52.393
2.2.3 Cash Flow Hedge Income/Loss	-	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(1.469)	(10.047)
III. TOTAL COMPREHENSIVE INCOME (I+II)	233.314	252.356

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

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE PERIOD BETWEEN  
1 JANUARY 2020-31 DECEMBER 2020

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss			Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity
	Paid-in Capital	Share Premium	Share Certificate	Other Capital Reserves	1	2	3	4	5	6				
<b>PRIOR PERIOD (31/12/2019)</b>														
I. Balances at beginning of the period	941.161	128.678	-	-	-	(5.743)	-	-	(26.572)	-	410.286	(322.597)	196.659	1.321.872
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)	941.161	128.678	-	-	-	(5.743)	-	-	(26.572)	-	410.286	(322.597)	196.659	1.321.872
IV. Total Comprehensive Income	-	-	-	-	-	(2.034)	-	-	42.346	-	-	-	212.044	252.356
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	81.575	-	-	-	-	-	-	-	-	-	81.575
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	(125.938)	322.597	(196.659)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	(125.938)	322.597	(196.659)	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	81.575	-	(7.777)	-	-	15.774	-	284.349	-	212.044	1.655.804
<b>CURRENT PERIOD (31/12/2020)</b>														
I. Prior period ending balance	941.161	128.678	-	81.575	-	(7.777)	-	-	15.774	-	284.349	-	212.044	1.655.804
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balance (I+II)	941.161	128.678	-	81.575	-	(7.777)	-	-	15.774	-	284.349	-	212.044	1.655.804
IV. Total Comprehensive Income	-	-	-	-	-	(3.010)	-	-	6.489	-	-	-	229.835	233.314
V. Capital Increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt (*)	-	-	-	(15.214)	-	-	-	-	-	-	-	-	-	(15.214)
X. Increase / decrease due to other changes	-	-	-	18.736	-	-	-	-	-	-	-	(18.736)	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	212.044	-	(212.044)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	212.044	-	(212.044)	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	85.097	-	(10.787)	-	-	22.263	-	496.393	(18.736)	229.835	1.873.904

(\*) The Bank has recognised the issued Tier 1 securities of TL 100.000 nominal and related interest expense, as "other capital reserves" under equity within the scope of "TAS 32 Financial Instruments: Presentation"

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

1. Tangible and intangible asset revaluation reserve
2. Accumulated gains/losses on remeasurement of defined benefit plans
3. Other (other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss and other comprehensive income that will not be reclassified to profit or loss.
4. Exchange differences on transition.
5. Accumulated gains (losses) due to revolution and/ or reclassification of financial assets measured at fair value through other comprehensive income.
6. Other (accumulated gains or losses on cash flow hedge, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will be reclassified to profit or loss)

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

**UNCONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020**

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

	Dipnot	CURRENT PERIOD (01/01/2020 - 31/12/2020)	PRIOR PERIOD (01/01/2019 - 31/12/2019)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>1.156.772</b>	<b>539.236</b>
1.1.1 Interest received (+)		2.080.456	2.278.792
1.1.2 Interest paid (-)		(1.180.251)	(1.640.347)
1.1.3 Dividend received (+)		-	-
1.1.4 Fees and commission received (+)		187.921	233.865
1.1.5 Other income (+)		222.844	245.044
1.1.6 Collections from previously written off loans and other receivables (+)		386.881	170.638
1.1.7 Cash payments to personnel and service suppliers (-)		(548.629)	(457.523)
1.1.8 Taxes paid (-)		(80.452)	(30.243)
1.1.9 Other (+/-)	(5.VI.3)	88.002	(260.990)
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>2.012.948</b>	<b>(146.131)</b>
1.2.1 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		1.914.300	(450.384)
1.2.2 Net (increase) / decrease in due from banks (+/-)		129.128	(165.633)
1.2.3 Net (increase) / decrease in loans (+/-)		(2.581.383)	(1.229.672)
1.2.4 Net (increase) / decrease in other assets (+/-)	(5.VI.3)	(7.458)	(118.315)
1.2.5 Net (increase) / decrease in bank deposits (+/-)		951.422	(601.599)
1.2.6 Net (increase) / decrease in other deposits (+/-)		1.321.151	2.923.305
1.2.7 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8 Net (increase) / decrease in funds borrowed (+/-)		289.648	(477.854)
1.2.9 Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-)	(5.VI.3)	(3.860)	(25.979)
<b>I. Net Cash Provided from Banking Operations (+/-)</b>		<b>3.169.720</b>	<b>393.105</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
<b>II. Net Cash Flow Provided from Investment Activities (+/-)</b>		<b>(1.039.176)</b>	<b>(318.407)</b>
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		(81.000)	(10.000)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		-	-
2.3 Cash paid for the purchase of tangible and intangible assets (-)		(290.415)	(109.011)
2.4 Cash obtained from the sale of tangible and intangible assets (+)		82.906	6.101
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(205.382)	(203.590)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		-	257.817
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		(493.935)	(275.476)
2.8 Cash obtained from the sale of financial assets at amortised cost (+)		-	63.410
2.9 Other (+/-)	(5.VI.3)	(51.350)	(47.658)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from Financing Activities (+/-)</b>		<b>(668.477)</b>	<b>35.502</b>
3.1 Cash obtained from funds borrowed and securities issued (+)		-	191.995
3.2 Cash outflow from funds borrowed and securities issued (-)		(654.317)	(233.788)
3.3 Equity instruments issued (+)		-	77.295
3.4 Dividends paid (-)		-	-
3.5 Payments for financial leases liabilities (-)		(17.886)	-
3.6 Other (+/-)		3.726	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>		<b>(754.560)</b>	<b>(75.064)</b>
<b>V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>707.507</b>	<b>35.136</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period (+)</b>	(5.VI.1)	<b>2.122.993</b>	<b>2.087.857</b>
<b>VII. Cash and Cash Equivalents at the End of the Period (V+VI)</b>	(5.VI.1)	<b>2.830.500</b>	<b>2.122.993</b>

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

**UNCONSOLIDATED PROFIT DISTRIBUTION TABLE  
FOR THE PERIODS ENDED 31 DECEMBER 2020 AND 2019**

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

	CURRENT PERIOD (*) (01/01/2020-31/12/2020)	PRIOR PERIOD (01/01/2019-31/12/2019)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	316.169	250.130
1.2 TAXES AND DUTIES PAYABLE (-)	86.334	38.086
1.2.1 Corporate Tax (Income Tax)	224.323	22.747
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(137.989)	15.339
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>229.835</b>	<b>212.044</b>
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	10.602
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>229.835</b>	<b>201.442</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of privileged shares	-	-
1.6.3 To owners of preferred shares	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of privileged shares	-	-
1.9.3 To owners of preferred shares	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 STATUTORY RESERVES (-)	-	-
1.11 EXTRAORDINARY RESERVES	-	201.442
1.12 OTHER RESERVES	-	-
1.13 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1 To owners of ordinary shares	-	-
2.2.2 To owners of privileged shares	-	-
2.2.3 To owners of preferred shares	-	-
2.2.4 To profit sharing bonds	-	-
2.2.5 To holders of profit and loss sharing certificates	-	-
2.3 DIVIDENDS TO PERSONNEL (-)	-	-
2.4 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,00244	0,00225
3.2 TO OWNERS OF ORDINARY SHARES (%)	0,24%	0,23%
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(\*) The decision on profit distribution of 2020 will be given at the General Assembly.

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### SECTION THREE

#### ACCOUNTING PRINCIPLES

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

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

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

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

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

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

The Bank showed the amount of TL 4.897 under the "Financial Assets at Fair Value Through Other Comprehensive Income" in the current period which was presented under the item of "Subsidiaries" in the balance sheet in the prior period, and the comparative information has been reclassified accordingly.

##### 3. Other

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

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

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

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

The major factor in managing interest rate and liquidity risk at the balance sheet is parallel movement of 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 predetermined risk limits that are allowed for the purpose of increasing risk-free return on capital.

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

##### 2. Foreign currency transactions

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

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

**FİBANKKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

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

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

	31 December 2020	31 December 2019
US Dollar	7,3405	5,9402
Euro	9,0079	6,6506

**III. Explanations on Equity Investments**

In the unconsolidated financial statements; subsidiaries and affiliates are accounted for in accordance with "TAS 27 - Separate Financial Statements" and recognized at acquisition cost in financial statements.

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

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

The Bank's derivative instruments held for trading are classified as "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income" in accordance with "IFRS 9". In choosing accounting policy, IFRS 9 gives the option to postpone the acceptance of IFRS 9 financial hedging accounting and continue using TAS 39 financial hedging accounting. In accordance with this, Bank is continuing to use TAS 39 for financial hedging accounts.

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

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

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

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

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

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

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

## **FİBANKKA A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

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

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

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

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

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

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

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

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

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

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

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

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

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

## **FİBANKKA A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

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

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

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

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

##### **4. Loans**

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

#### **VIII. Explanations on expected credit loss**

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

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

##### **Calculation of expected credit loss**

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Expected credit loss is calculated by using following components: "Exposure at Default", "Probability of Default" and "Loss Given Default".

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

##### **Stage 1**

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

##### **Stage 2**

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

##### **Stage 3**

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

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

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

## FİBANKKA A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **FİBANKKA A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

#### **IX. Explanations on offsetting financial instruments**

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

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

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

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

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

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

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

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

The Bank does not have any discontinued operations.

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

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

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

Estimated useful lives of the intangible assets 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.

## FİBANKKA A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

#### XIII. Explanations on tangible assets

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

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

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

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

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

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

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

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

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

#### Explanations about Leases Standard TFRS 16

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

##### TFRS 16 "Lease" Standard

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

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

Right to use asset:

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

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

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

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

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

**FİBANKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

**Explanations about Leases Standard TFRS 16 (continued)**

Lease liabilities:

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

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

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

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

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

**XIV. Explanations on leasing transactions**

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

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

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

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

**XVI. Explanations on contingent assets**

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

## **FİBANKKA A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

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

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

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

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

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

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

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

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

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

## **FİBANKKA A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

#### **2. Deferred Tax**

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

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

Deferred tax liabilities are generally recognized for all taxable temporary and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

As of 31 December 2020, the deferred tax asset is TL 191.700 (31 December 2019: TL 54.427 deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within "Deferred Tax Income Effect" and "Deferred Tax Expense Effect" in the statement of profit or loss; deferred tax income is TL 239.277 and deferred tax expense is TL 101.288 for the current period (1 January - 31 December 2019: TL 15.339 expense). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 716 of expense (1 January - 31 December 2019: TL 9.539 expense).

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

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

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

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

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

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

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

##### **Additional Tier I Capital**

The Bank has recognised the issued Tier 1 securities of TL 100.000 nominal and related interest expenses for 2020, as "other capital reserves" under equity within the scope of "TAS 32 Financial Instruments: Presentation". Interest expenses before 2020 are recognized under "prior years profit or loss" in the balance sheet. It has recognised the issued Tier 1 of USD 30.000 nominal and related interest accrual as "subordinated debt".

Information on debt instruments to be included in the equity calculation is explained under the on equity items in the fourth section, information on financial structure and risk management.

**FİBANKKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

**XX. Explanations on share certificates issued**

None.

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

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

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

**XXII. Explanation on government incentives**

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

**XXIII. Explanations on segment reporting**

The Bank operates in consumer banking services, current accounts, deposit accounts, long term investment products, clearing and custody services, credit and atm services, retail loans, long term mortgage loans, and all other kinds of consumer banking services and commercial services.

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
<b>Current Period -1 January - 31 December 2020</b>				
Operating Income	326.870	813.087	197.177	1.337.134
Operating Profit	50.677	280.339	(14.846)	316.169
Taxation				(86.334)
<b>Net Profit/(Loss) for the Period</b>				<b>229.835</b>
<b>Current Period -31 December 2020</b>				
Segment Assets	3.777.473	15.229.438	8.218.084	27.224.995
<b>Total Assets</b>				<b>27.224.995</b>
Segment Liabilities	12.673.602	3.993.327	8.684.162	25.351.091
Shareholders' Equity				1.873.904
<b>Total Liabilities</b>				<b>27.224.995</b>

	Retail Banking(*)	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
<b>Prior Period -1 January - 31 December 2019</b>				
Operating Income	231.332	879.290	148.859	1.259.481
Operating Profit	(176.072)	259.912	166.290	250.130
Taxation				(38.086)
<b>Net Profit/(Loss) for the Period</b>				<b>212.044</b>
<b>Prior Period -31 Aralık 2019</b>				
Segment Assets	2.066.449	13.441.734	6.377.577	21.885.760
<b>Total Assets</b>				<b>21.885.760</b>
Segment Liabilities	11.018.021	2.499.553	6.712.382	20.229.956
Shareholders' Equity				1.655.804
<b>Total Liabilities</b>				<b>21.885.760</b>

(\*) SME segment which is transferred to commercial segment as of March due to the new segmentation study has been reported under retail banking for first two months.

## FİBANKA A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

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

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

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

In the Ordinary General Assembly Meeting of the Bank, which was held on 27 March 2020, it was decided to allocate the 2019 net profit amounting TL 212.044 as legal reserve of TL 10.602 and as extraordinary reserves of TL 201.442.

#### XXV. Earnings Per Share

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

	31 December 2020	31 December 2019
Net Profit / (Loss) distributable to Common Shares	229.835	212.044
Average Number of Issued Common Shares (Thousand)	94.116.055	94.116.055
Earnings Per Share (Amounts presented as full TL)	0,00244	0,00225

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

There are no bonus shares issued by the Bank in 2020 (31 December 2019: None).

#### XXVI. Cash and Cash Equivalent Assets

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

#### XXVII. Other Disclosures

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

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

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

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

## **FİBANKA A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

#### **XXVII. Other Disclosures (continued)**

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

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

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

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**SECTION FOUR****INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT**

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

As of 31 December 2020, the Bank's total capital has been calculated as TL 4.163.418 and the capital adequacy ratio is 19,39% (As of 31 December 2019, the Bank's total capital amounted to TL 3.664.995 and the capital adequacy ratio was 19,55%).

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

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
<b>TIER I CAPITAL</b>		
Paid-in capital to be entitled for compensation after all creditors	941.161	
Share Premium	128.678	
Reserves (**)	652.414	
Other comprehensive income according to TAS	22.263	
Profit	229.835	
Current period profit	229.835	
Prior period profit	--	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
<b>Tier I Capital Before Deductions</b>	<b>1.974.351</b>	
<b>Deductions From Tier I Capital</b>		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (***)	44.426	--
Improvement costs for operational leasing	9.422	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	153.888	--
Excess amount arising from deferred tax assets from temporary differences	30.200	--
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains	--	--
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

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

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

**FİBABANKA A.Ş.**
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	--	--
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Other items to be defined by the BRSA	--	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>237.936</b>	--
<b>Total Common Equity Tier I Capital</b>	<b>1.736.415</b>	--
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred stock not included in Tier I capital and the related share premiums	--	--
Debt instruments and the related issuance premiums defined by the BRSA	320.215	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
<b>Additional Core Capital before Deductions</b>	<b>320.215</b>	--
<b>Deductions from Additional Core Capital</b>	--	--
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	--	--

Current Period	Amount as per the regulation
-------------------	------------------------------------

**FİBANKKA A.Ş.**
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

	(31/12/2020) Amount	before 1/1/2014 *
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--
Other items to be defined by the BRSA	--	--
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--	--
Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	--	--
<b>Total Deductions from Additional Tier I Capital</b>	--	--
<b>Total Additional Tier I Capital</b>	320.215	--
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	2.056.630	--
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.868.480	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	238.308	--
<b>Tier II Capital before Deductions</b>	2.106.788	--
<b>Deductions from Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	--	--
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	--	--
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)	--	--
Other items to be defined by the BRSA (-)	--	--
<b>Total Deductions from Tier II Capital</b>	--	--
<b>Total Tier II Capital</b>	2.106.788	--
<b>Total Equity (Total Tier I and Tier II Capital)</b>	4.163.418	--
	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
<b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>	4.163.418	--

**FİBANKKA A.Ş.**
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

Loans granted against the Articles 50 and 51 of the Banking Law	--	--
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years	--	--
Other items to be defined by the BRSA	--	--
<b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	--	--
<b>EQUITY</b>	<b>4.163.418</b>	
<b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>	<b>4.163.418</b>	--
<b>Total Risk Weighted Assets (****)</b>	<b>21.472.702</b>	--
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	8,09	--
Tier I Capital Adequacy Ratio (%)	9,58	--
Capital Adequacy Ratio (%)	19,39	--
<b>BUFFERS</b>		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,58	
a)Capital Conservation Buffer Requirement (%)	2,50	--
b)Bank-specific Counter-Cyclical Buffer Requirement(%)	0,08	--
c)Systemically Important Banks Buffer Requirement Ratio (%)	--	--
<small>(****)It is use simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.</small>		
	<b>Current Period (31/12/2020) Amount</b>	<b>Amount as per the regulation before 1/1/2014 *</b>
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets (%)	3,58	--
<b>Amounts lower than Excesses as per Deduction Rules</b>	--	--

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020***(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)*

Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	--	--
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	--	--
Remaining mortgage servicing rights	--	--
Net deferred tax assets arising from temporary differences	--	--
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	--	--
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	451.871	--
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	238.308	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets	--	--
<b>Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)</b>	--	--
Upper limit for Additional Tier I Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	--	--
Upper limit for Additional Tier II Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	--	--

\* The amounts to be considered under the transitional provisions

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
<b>TIER I CAPITAL</b>		
Paid-in capital to be entitled for compensation after all creditors	941.161	--
Share premium	128.678	
Reserves	518.380	

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020***(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)*

Other comprehensive income according to TAS	15.774	
Profit	212.044	
Current period profit	212.044	
Prior period profit	--	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
<b>Tier I Capital Before Deductions</b>	<b>1.816.037</b>	
<b>Deductions From Tier I Capital</b>		
Valuation adjustments calculated as per the Article 9 (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (**)	26.202	--
Improvement costs for operational leasing	11.199	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	100.046	--
Excess amount arising from deferred tax assets from temporary differences	9.790	--
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains	--	--
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

(\*\*)The difference between the expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated with the method before TFRS 9 has been recorded in the "Retained Earnings" account; in accordance with Provisional Article 5 of the Regulation on Equity of Banks, related amount is shown net by adding back 60% of the provision difference, net of tax.

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	--	--
Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Other items to be defined by the BRSA	--	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>147.237</b>	--
<b>Total Common Equity Tier I Capital</b>	<b>1.668.800</b>	--
<b>ADDITIONAL TIER I CAPITAL</b>		--
Preferred stock not included in Tier I capital and the related share premiums	--	--
Debt instruments and the related issuance premiums defined by the BRSA	278.206	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
<b>Additional Core Capital before Deductions</b>	<b>278.206</b>	--
<b>Deductions from Additional Core Capital</b>	--	--
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--
Other items to be defined by the BRSA	--	--
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--	--
Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	--	--
<b>Total Deductions from Additional Tier I Capital</b>	--	--
<b>Total Additional Tier I Capital</b>	<b>278.206</b>	--
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>1.947.006</b>	--
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.577.984	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	140.016	--
<b>Tier II Capital before Deductions</b>	<b>1.718.000</b>	--
<b>Deductions from Tier II Capital</b>		
Direct and indirect investments of the Bank on its own Tier II Capital	--	--
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	11	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital	--	--
Other items to be defined by the BRSA	--	--
<b>Total Deductions from Tier II Capital</b>	<b>11</b>	--
<b>Total Tier II Capital</b>	<b>1.717.989</b>	--
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>3.664.995</b>	--

**FİBABANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
<b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>	<b>3.664.995</b>	
Loans granted against the Articles 50 and 51 of the Banking Law	--	--
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years	--	--
Other items to be defined by the BRSA	--	--
<b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>	<b>--</b>	<b>--</b>
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank Owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	--	--
<b>EQUITY</b>	<b>3.664.995</b>	
<b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>	<b>3.664.995</b>	<b>--</b>
<b>Total Risk Weighted Assets</b>	<b>18.749.737</b>	<b>--</b>
<b>CAPITAL ADEQUACY RATIOS</b>		
Core Capital Adequacy Ratio (%)	8,90	--
Tier I Capital Adequacy Ratio (%)	10,38	--
Capital Adequacy Ratio (%)	19,55	--
<b>BUFFERS</b>		
<b>Total Additional Core Capital Requirement Ratio (a+b+c)</b>	<b>2,61</b>	
a) Capital Conservation Buffer Requirement (%)	2,50	--
b) Bank-specific Counter-Cyclical Buffer Requirement(%)	0,11	--
c) Systemically Important Banks Buffer Requirement Ratio (%)	--	--

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to risk weighted assets (%)	4,38	--
<b>Amounts lower than Excesses as per Deduction Rules</b>	--	--
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	--	--
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	--	--
Remaining mortgage servicing rights	--	--
Net deferred tax assets arising from temporary differences	--	--
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	--	--
General reserves for standard based receivables (before tenthousandtwentyfive limitation)	298.165	--
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	140.016	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0,6% Risk Weighted Assets	--	--
<b>Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)</b>	--	--
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	--	--
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	--	--
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	--	--
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	--	--

\* The amounts to be considered under the transitional provisions

**FİBABANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

(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 bonds, general provisions and TFRS 9 transition effect. In the calculation of Total Capital, general reserve up to 1,25% of credit risk is taken into consideration as Tier II Capital.

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

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

Issuer	Fibabanka A.Ş.	Fibabanka A.Ş.	Fibabanka A.Ş.
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	TRSFIBA10016	XS2096028571
Regulation of debt instrument	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English Law	BRSA's "Regulation on Equities of Banks" dated 1 November 2006"	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English law
<b>Consideration Status in Shareholders' Equity Calculation</b>			
Situation of being subject to practice of being taken into consideration with 10% deduction after 1/1/2015	No	No	No
Eligible at unconsolidated / consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Security	Subordinated Security	Subordinated Security
Recognized amount in shareholders' equity calculation (As of the most recent reporting date - Thousand TL)	1.868.480	100.000	220.215
Nominal value of debt instrument (Thousand TL)	2.202.150	100.000	220.215
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity	Subordinated Debt Instruments
Issuing date of debt instrument	24/03/16-10/05/17	20/03/19	31/12/19
Maturity structure of debt instrument (Demand/Time)	Time	Demand	Demand
Initial term of debt instrument	11 years	--	--
Issuer call subject to prior BRSA approval	Has pre-payment right	Has pre-payment right	Has pre-payment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million	31/12/2024; USD 30 million
Subsequent call date, if any	None	At the end of every 5th year following	On each interest payments date after first 5 years

**FİBANKKA A.Ş.**
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**Explanations on TFRS 9 Transition Process**

	2020	2021	2022
<b>EQUITY ITEMS</b>			
Common Equity	1.736.415	1.658.407	1.580.397
Common Equity if transition process not implemented <sup>a</sup>	1.580.397	1.580.397	1.580.397
Tier 1 Capital	2.056.630	1.978.622	1.900.612
Tier 1 Capital if transition process not implemented <sup>b</sup>	1.900.612	1.900.612	1.900.612
Total Capital	4.163.418	4.085.410	4.007.400
Equity if transition process not implemented <sup>c</sup>	4.007.400	4.007.400	4.007.400
<b>TOTAL RISK WEIGHTED AMOUNTS</b>			
Total Risk Weighted Amounts	21.472.702	21.472.702	21.472.702
<b>CAPITAL ADEQUACY RATIO</b>			
Common Equity Adequacy Ratio (%)	8,09	7,72	7,36
Common Equity Ratio if transition process not implemented <sup>d</sup> (%)	7,36	7,36	7,36
Tier 1 Capital Adequacy Ratio (%)	9,58	9,21	8,85
Tier 1 Capital Adequacy Ratio if transition process not implemented <sup>d</sup> (%)	8,85	8,85	8,85
Capital Adequacy Ratio (%)	19,39	19,03	18,66
Capital Adequacy Ratio if transition process not implemented <sup>d</sup> (%)	18,66	18,66	18,66
<b>LEVERAGE</b>			
Leverage Ratio Total Risk Amount <sup>(1)</sup>	29.791.264	29.791.264	29.791.264
Leverage (%)	6,90	6,64	6,38
Leverage Ratio if transition process not implemented <sup>e</sup> (%)	6,38	6,38	6,38

<sup>a</sup> Common Equity if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented<sup>b</sup> Tier 1 Capital if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented<sup>c</sup> Equity if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented<sup>d</sup> Capital Adequacy Ratio calculated with Equity Items if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented<sup>e</sup> Leverage Ratio calculated with Equity Items if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented<sup>(1)</sup> It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

## FİBANKKA A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

#### II. Explanations on Credit Risk

Credit risk is defined as risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set.

The debtors or group of debtors are subject to credit risk limits. The debtors' or group of debtors' and industrial risk limitations are monitored weekly. Industry concentration is followed monthly.

Credit risk limits and breakdowns for daily transactions are followed daily. Risk concentrations of off-balance sheet risks are followed by remote and on-site control activities.

Credit worthiness of both commercial loans' and all other debtors are being regularly monitored in accordance with the regulations. By utilizing risk rating models which were developed for these purposes, in case the debtors' risk level increases, credit lines are readjusted and additional collaterals are received if needed. The necessary documentation for utilized loans is taken in compliance with the related legislation.

In accordance with the Bank's lending policies, the debtor's creditworthiness is analysed and the adequate collateral is obtained based on the financial position of the company and the type of loan; such as cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

There are control limits based on VaR over the positions of the Bank which are held as futures, option contracts and other similar contracts. The credit risks carried for such instruments are managed together with the risks arising from market fluctuations.

Indemnified non-cash loans are subject to the same risk weight with overdue loans.

The Bank performs foreign trade finance and other interbank credit transactions through widespread correspondent network. Accordingly, the Bank assigns limits periodically to domestic banks, foreign banks and other financial institutions based on review of their credit worthiness.

Within the Bank's risk appetite policy, the following concentrations are measured. They are presented to the Asset and Liability Committee weekly and to the Risk Committee monthly.

As per Customer Group Concentration, Top 20 corporate debtor's / risk group's credit risk sum shall not exceed 30% of the Bank's total credit risk.

Within the industry concentration, the Bank has set its risk appetite as "reasonable", not to exceed 10% of total loans per sector except the industries listed below.

<u>Industry</u>	<u>Proportional Limit</u>
Construction	20%
Tourism	20%
Factoring	15%
Wholesale and Retail Business	15%

Within the framework of risk appetite policy, the sum of long-term loans which have a maturity more than 1 year, shall not exceed 45% of the bank's total loans. This ratio is monitored on a weekly basis at the Asset and Liability Committee and on a monthly basis at the Risk Committee.

The Bank's largest 100 and 200 cash loan customers compose 59% and 69% of the total cash loan portfolio, respectively (31 December 2019: 65% and 74%, respectively).

The Bank's largest 100 and 200 non-cash loan customers compose 87% and 96% of the total non-cash loan portfolio, respectively (31 December 2019: 85% and 95%, respectively).

The Bank's largest 100 and 200 cash and non-cash loan customers represent 57% and 67% of the total "on and off balance sheet" assets, respectively (31 December 2019: 61% and 72%, respectively).

Expected credit loss for total credit risk (Stage 1 and Stage 2) amounts to TL 447.960 (31 December 2019: TL 296.663).

**FİBABANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

	Current Period Risk Amount *	Average Risk Amount **
<b>Exposure Categories</b>		
Conditional and Unconditional Exposures to Central Governments or Central Banks	4.116.994	3.767.653
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	199.815	53.845
Conditional and Unconditional Exposures to Banks and Brokerage Houses	3.087.089	2.589.079
Conditional and Unconditional Exposures to Corporates	12.215.782	11.343.045
Conditional and Unconditional Retail Exposures	5.415.227	3.861.471
Conditional and Unconditional Exposures Secured by Real Estate Property	1.577.214	1.551.653
Past Due Receivables	247.397	318.170
Receivables Defined in High Risk Category by BRSA	28.001	23.745
Exposures in the Form of Collective Investment Undertakings	89.461	77.060
Equity share investments	9.764	4.853
Other Receivables	1.172.068	1.057.611
<b>Total</b>	<b>28.158.812</b>	<b>24.648.185</b>

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

(\*\*) Represents the arithmetical average of quarterly reports.

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

	Prior Period Risk Amount *	Average Risk Amount **
<b>Exposure Categories</b>		
Conditional and Unconditional Exposures to Central Governments or Central Banks	3.273.949	3.171.676
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	2.508.203	3.031.935
Conditional and Unconditional Exposures to Corporates	11.309.687	9.844.832
Conditional and Unconditional Retail Exposures	3.551.221	3.705.244
Conditional and Unconditional Exposures Secured by Real Estate Property	1.563.502	1.638.160
Past Due Receivables	356.201	300.081
Receivables Defined in High Risk Category by BRSA	54.222	24.055
Exposures in the Form of Collective Investment Undertakings	83.713	65.647
Other Receivables	988.747	962.545
<b>Total</b>	<b>23.689.445</b>	<b>22.744.175</b>

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

(\*\*) Represents the arithmetical average of quarterly reports.

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### 1. Profile of significant exposures in major regions:

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Collective investment undertakings	Other receivables	Equity share investments	Total
<b>Current Period *</b>												
Domestic	4.184.030	199.815	1.508.432	11.356.031	5.378.422	1.568.434	241.745	6.308	89.461	1.172.068	4.896	25.709.642
EU Countries	--	--	1.516.245	243.957	14	274	--	21.693	--	--	4.868	1.787.051
OECD Countries **	--	--	37.502	--	61	--	--	--	--	--	--	37.563
Off-Shore Banking Region	--	--	--	419.099	--	--	--	--	--	--	--	419.099
USA, Canada	--	--	13.280	28.297	--	--	--	--	--	--	--	41.577
Other Countries	--	--	11.630	152.159	56	35	--	--	--	--	--	163.880
Associates, Subsidiaries and Joint -Ventures	--	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>4.184.030</b>	<b>199.815</b>	<b>3.087.089</b>	<b>12.199.543</b>	<b>5.378.553</b>	<b>1.568.743</b>	<b>241.745</b>	<b>28.001</b>	<b>89.461</b>	<b>1.172.068</b>	<b>9.764</b>	<b>28.158.812</b>

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

(\*\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Collective investment undertakings	Other receivables	Total	
<b>Prior Period*</b>												
Domestic	3.589.913	--	1.040.245	10.493.460	3.344.639	1.513.509	356.201	53.735	83.713	988.747	--	21.464.162
EU Countries	--	--	1.116.960	192.220	36	307	--	--	--	--	--	1.309.523
OECD Countries **	--	--	308.236	--	105	--	--	--	--	--	--	308.341
Off-Shore Banking Region	--	--	--	402.193	--	--	--	--	--	--	--	402.193
USA, Canada	--	--	29.818	23.987	--	--	--	--	--	--	--	53.805
Other Countries	--	--	12.944	137.694	20	276	--	487	--	--	--	151.421
Associates, Subsidiaries and Joint -Ventures	--	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>3.589.913</b>	<b>--</b>	<b>2.508.203</b>	<b>11.249.554</b>	<b>3.344.800</b>	<b>1.514.092</b>	<b>356.201</b>	<b>54.222</b>	<b>83.713</b>	<b>988.747</b>	<b>--</b>	<b>23.689.445</b>

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

(\*\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*\*) Includes assets and liability items that cannot be allocated on a consistent basis.

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### 2. Risk profile by sectors or counterparties

Current Period	1	2	3	4	5	6	7	8	9	10	11	TL	FC	Total
<b>Agricultural</b>	13.012	--	--	99.472	124.653	16.310	22.217	688	--	--	--	255.955	20.397	276.352
Farming and Stockbreeding	11.215	--	--	94.864	112.507	15.767	20.862	685	--	--	--	237.184	18.716	255.900
Forestry	1.468	--	--	4.608	9.852	543	1.237	3	--	--	--	17.506	205	17.711
Fishing	329	--	--	--	2.294	--	118	--	--	--	--	1.265	1.476	2.741
<b>Manufacturing</b>	16.917	--	--	3.375.608	883.486	179.212	51.302	986	--	--	--	2.707.826	1.799.685	4.507.511
Mining and Quarrying	1.070	--	--	206.222	27.439	--	850	--	--	--	--	53.565	182.016	235.581
Production	15.847	--	--	2.209.409	851.345	178.777	49.866	818	--	--	--	2.199.184	1.106.878	3.306.062
Electricity, Gas and Water	--	--	--	959.977	4.702	435	586	168	--	--	--	455.077	510.791	965.868
<b>Construction</b>	4.183	--	--	1.637.925	2.889.302	183.231	61.184	2.104	--	--	--	3.924.527	853.402	4.777.929
<b>Services</b>	4.145.648	--	3.087.089	5.296.907	976.758	1.164.262	68.988	24.051	--	1.172.068	9.764	6.193.796	9.751.739	15.945.535
Wholesale and Retail Trade	7.152	--	--	1.167.209	723.757	70.996	34.976	1.546	--	--	--	1.624.262	381.374	2.005.636
Accommodation and Dining	6.238	--	--	1.863.605	47.262	697.508	5.262	681	--	--	--	494.837	2.125.719	2.620.556
Transportation and Telecom.	12.644	--	--	825.422	104.184	217.521	6.628	21.693	--	--	--	294.459	893.633	1.188.092
Financial Institutions	4.117.052	--	3.087.089	478.833	12.384	--	242	--	--	1.172.068	9.764	2.860.929	6.016.503	8.877.432
Real Estate and Rental Services	310	--	--	340.508	16.843	17.098	6.063	--	--	--	--	210.000	170.822	380.822
Self-Employment Services	15	--	--	718	5.033	3	597	--	--	--	--	6.366	--	6.366
Educational Services	1.176	--	--	271.994	4.999	160.721	3.663	4	--	--	--	281.694	160.863	442.557
Health and Social Services	1.061	--	--	348.618	62.296	415	11.557	127	--	--	--	421.249	2.825	424.074
Other*	4.270	199.815	--	1.789.631	504.354	25.728	38.054	172	89.461	--	--	2.300.147	351.338	2.651.485
<b>Total*</b>	<b>4.184.030</b>	<b>199.815</b>	<b>3.087.089</b>	<b>12.199.543</b>	<b>5.378.553</b>	<b>1.568.743</b>	<b>241.745</b>	<b>28.001</b>	<b>89.461</b>	<b>1.172.068</b>	<b>9.764</b>	<b>15.382.251</b>	<b>12.776.561</b>	<b>28.158.812</b>

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

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

- 1: Conditional and unconditional exposures to central governments or central banks
- 2: Conditional and unconditional exposures to regional or local governments
- 3: Conditional and unconditional exposures to banks and brokerage houses
- 4: Conditional and unconditional exposures to corporates
- 5: Conditional and unconditional retail exposures
- 6: Conditional and unconditional exposures secured by real estate property
- 7: Past due receivables
- 8: Receivables defined in high risk category by BRSA
- 9: Exposures in the form of collective investment undertakings
- 10: Other receivables
- 11: Equity Share Investments

Prior Period	1	2	3	4	5	6	7	8	9	10	TL	FC	Total
<b>Agricultural</b>	51.883	--	--	50.003	110.059	49.428	18.948	5.121	--	--	247.004	38.438	285.442
Farming and Stockbreeding	48.451	--	--	34.471	101.617	47.784	17.708	5.093	--	--	232.394	22.730	255.124
Forestry	2.858	--	--	--	5.330	1.644	1.134	28	--	--	10.818	176	10.994
Fishing	574	--	--	15.532	3.112	--	106	--	--	--	3.792	15.532	19.324
<b>Manufacturing</b>	92.533	--	--	2.758.909	549.664	225.823	78.061	20.226	--	--	1.898.833	1.826.383	3.725.216
Mining and Quarrying	4.887	--	--	239.278	30.203	714	6.286	59	--	--	110.790	170.637	281.427
Production	87.238	--	--	1.690.266	512.319	224.589	70.982	20.063	--	--	1.457.815	1.147.642	2.605.457
Electricity, Gas and Water	408	--	--	829.365	7.142	520	793	104	--	--	330.228	508.104	838.332
<b>Construction</b>	28.630	--	--	2.295.539	1.696.156	510.869	56.258	10.690	--	--	2.955.670	1.642.472	4.598.142
<b>Services</b>	3.395.313	--	2.481.870	4.690.432	636.993	687.227	163.234	12.188	--	988.747	4.341.020	8.714.984	13.056.004
Wholesale and Retail Trade	53.738	--	--	673.857	362.643	64.951	53.713	3.821	--	--	807.063	405.660	1.212.723
Accommodation and Dining	28.423	--	--	1.735.039	58.739	419.795	79.571	3.662	--	--	428.542	1.896.687	2.325.229
Transportation and Telecom.	15.661	--	--	824.610	68.987	70.103	10.135	339	--	--	196.782	793.053	989.835
Financial Institutions	3.274.397	--	2.481.870	452.622	42.866	--	57	509	--	988.747	1.960.206	5.280.862	7.241.068
Real Estate and Rental Services	3.422	--	--	485.654	15.777	2.191	8.533	6	--	--	313.039	202.544	515.583
Self-Employment Services	585	--	--	--	5.570	2.600	740	2	--	--	9.157	340	9.497
Educational Services	6.649	--	--	167.120	27.411	126.647	3.693	12	--	--	203.946	127.586	331.532
Health and Social Services	12.438	--	--	351.530	55.000	940	6.792	3.837	--	--	422.285	8.252	430.537
Other*	21.554	--	26.333	1.454.671	351.928	40.745	39.700	5.997	83.713	--	1.412.581	612.060	2.024.641
<b>Total*</b>	<b>3.589.913</b>	<b>--</b>	<b>2.508.203</b>	<b>11.249.554</b>	<b>3.344.800</b>	<b>1.514.092</b>	<b>356.201</b>	<b>54.222</b>	<b>83.713</b>	<b>988.747</b>	<b>10.855.108</b>	<b>12.834.337</b>	<b>23.689.445</b>

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

- 1: Conditional and unconditional exposures to central governments or central banks
- 2: Conditional and unconditional exposures to administrative units and non-commercial enterprises
- 3: Conditional and unconditional exposures to banks and brokerage houses
- 4: Conditional and unconditional exposures to corporates
- 5: Conditional and unconditional retail exposures
- 6: Conditional and unconditional exposures secured by real estate property
- 7: Past due receivables
- 8: Receivables defined in high risk category by BRSA
- 9: Exposures in the form of collective investment undertakings
- 10: Other receivables

**FİBANKKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

**3. Analysis of maturity-bearing exposures according to remaining maturities**

Exposure Categories / Current Period*	Term to Maturity				
	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Conditional and Unconditional Exposures to Central Governments or Central Banks	2.620.130	78.861	224.971	86.658	975.142
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--	14.447	4.104	181.264
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.842.867	51.840	115.806	178.806	897.751
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to SME Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to Corporates	824.956	1.543.326	1.543.149	1.993.313	6.270.891
Conditional and Unconditional Retail Exposures	361.184	993.356	1.080.329	1.133.283	1.563.996
Conditional and Unconditional Exposures Secured by Real Estate Property	92.664	95.589	42.679	30.076	1.306.927
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	23.109	736	247	782	3.127
Exposures in the Form of Bonds Secured by Mortgages	--	--	--	--	--
Short term Exposures to Banks, Brokerage Houses and Corporates	--	--	--	--	--
Exposures in the Form of Collective Investment Undertakings	--	--	--	--	--
Other Receivables	--	--	--	--	--
<b>Total**</b>	<b>5.764.910</b>	<b>2.763.708</b>	<b>3.021.628</b>	<b>3.427.022</b>	<b>11.199.098</b>

\*Items with determined maturities are classified according to remaining maturities

\*\* Items without determined maturities are not included. TL 198,268 central bank receivables, TL 313,017 cash and equivalents, TL 5,528 credit card limits, TL 301,541 non-cash loan limits ve payment commitments, TL 822,233 other receivables, TL 241,745 overdue receivables, TL 89,761 investment funds, TL 9,764 stock investment and TL 889 sundry receivables.

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

Exposure Categories / Prior Period*	Term to Maturity				
	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Conditional and Unconditional Exposures to Central Governments or Central Banks	2.441.738	6.195	102.282	23.467	938.172
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--	--	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.585.010	54.894	29.674	76.704	761.914
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to SME Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to Corporates	1.011.186	1.037.506	1.136.771	1.667.593	6.383.099
Conditional and Unconditional Retail Exposures	299.620	450.232	832.010	728.814	870.809
Conditional and Unconditional Exposures Secured by Real Estate Property	44.488	81.430	59.187	96.503	1.231.802
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	24.665	3.488	1.335	3.569	21.165
Exposures in the Form of Bonds Secured by Mortgages	--	--	--	--	--
Short term Exposures to Banks, Brokerage Houses and Corporates	--	--	--	--	--
Exposures in the Form of Collective Investment Undertakings	--	--	--	--	--
Other Receivables	--	--	--	--	--
<b>Total**</b>	<b>5.406.707</b>	<b>1.633.745</b>	<b>2.161.259</b>	<b>2.596.650</b>	<b>10.206.961</b>

\*Items with determined maturities are classified according to remaining maturities

\*\* Items without determined maturities are not included. TL 78,059 central bank receivables, TL 259,795 cash and equivalents, TL 6,581 credit card limits, TL 207,339 non-cash loan limits ve payment commitments, TL 691,436 other receivables, TL 356,201 overdue receivables, TL 83,713 investment funds and TL 999 sundry receivables.

The Bank uses long-term credit ratings announced by an international rating firm, The Islamic International Ratings Agency (IIRA). Such ratings are used in compliance with regulation on "The Licencing and Operations of the Rating Firms". For the Bank's capital adequacy calculation, only the latest credit ratings are used that are currently accepted as valid by the issuing Credit Rating Agency.

Credit ratings are used for the receivables from banks and brokerage houses. The securities in the trading book have credit ratings. Therefore, no credit ratings is used for issuer or issue.

Based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" Appendix 1, The Islamic International Ratings Agency (IIRA)'s credit ratings corresponds to credit grades below:

	BRSA Credit Quality Grades	IIRA Risk Rating
Long Term Credit Quality Grades	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### 4. Exposures by risk weights

Risk Weights / Current Period	0%	10%	20%	35%	50%	75%	100%	150%	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	4.551.998	--	2.033.110	--	1.387.605	5.520.841	14.596.251	69.007	--	28.158.812
Exposures After Credit Risk Mitigation	5.598.772	--	1.401.051	51.251	2.204.927	5.376.870	13.462.586	63.355	--	28.158.812

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

Risk Weights /Prior Period	0%	10%	20%	35%	50%	75%	100%	150%	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	2.552.016	--	971.944	--	2.835.437	3.825.703	13.422.671	81.674	--	23.689.445
Exposures After Credit Risk Mitigation	3.998.933	--	634.032	136.021	3.344.610	3.341.825	12.152.350	81.674	--	23.689.445

### 5. Information by major sectors and type of counterparties

As per TFRS;

*Significant Increase in Credit Risk (Stage 2)*; when the loan is not under default yet, but there is a significant increase in the credit risk since origination date, the life time expected credit losses are calculated for these loans.

*Credit Impaired (Stage3)*; includes financial assets whose probability of default is considered to be 100%. The life time expected credit losses are recognized for impaired loans.

Current Period	Loans		Provisions
Impaired (TFRS 9)	Impaired (TFRS 9)		Expected
	Significant	Impaired	Credit
Major Sector / Counterparties	Increase in Credit Risk (Stage 2)	(Stage 3)	Losses (TFRS 9)
<b>Agriculture</b>	<b>22.058</b>	<b>53.394</b>	<b>32.469</b>
Farming and Stockbreeding	21.739	46.668	28.236
Forestry	319	6.726	4.233
Fishery	--	--	--
<b>Manufacturing</b>	<b>441.805</b>	<b>114.951</b>	<b>84.228</b>
Mining and Quarrying	28.064	33.264	26.454
Production	95.781	76.758	54.405
Electricity, Gas and Water	317.960	4.929	3.369
<b>Construction</b>	<b>611.825</b>	<b>130.322</b>	<b>188.880</b>
<b>Services</b>	<b>1.749.996</b>	<b>264.969</b>	<b>251.585</b>
Wholesale and Retail Trade	419.581	131.745	111.071
Accommodation and Dining	586.114	11.438	33.815
Transportation and Telecommunication	398.674	72.496	71.669
Financial Institutions	2.322	438	285
Real Estate and Rental Services	100.694	15.763	11.300
Self-Employment Services	228.891	3.040	6.263
Educational Services	2.954	8.991	5.817
Health and Social Services	10.766	21.058	11.365
<b>Other</b>	<b>259.695</b>	<b>55.789</b>	<b>117.211</b>
<b>Total</b>	<b>3.085.379</b>	<b>619.425</b>	<b>674.373</b>

Prior Period	Loans		Provisions
Impaired (TFRS 9)	Impaired (TFRS 9)		Expected
	Significant	Impaired	Credit
Major Sector / Counterparties	Increase in Credit Risk (Stage 2)	(Stage 3)	Losses (TFRS 9)
<b>Agriculture</b>	<b>84.994</b>	<b>60.781</b>	<b>35.955</b>
Farming and Stockbreeding	81.802	48.260	27.445
Forestry	3.192	12.521	8.510
Fishery	--	--	--
<b>Manufacturing</b>	<b>106.834</b>	<b>201.682</b>	<b>123.367</b>
Mining and Quarrying	31.444	62.585	40.076
Production	74.804	133.484	79.332
Electricity, Gas and Water	586	5.613	3.959
<b>Construction</b>	<b>630.492</b>	<b>144.241</b>	<b>178.827</b>
<b>Services</b>	<b>883.661</b>	<b>417.420</b>	<b>275.825</b>
Wholesale and Retail Trade	295.624	220.831	155.203
Accommodation and Dining	125.524	112.285	38.749
Transportation and Telecommunication	154.102	27.748	41.551
Financial Institutions	4.177	98	261
Real Estate and Rental Services	240.931	20.616	15.917
Self-Employment Services	1.389	4.712	3.624
Educational Services	7.580	8.018	4.450
Health and Social Services	54.334	23.112	16.070
<b>Other</b>	<b>117.753</b>	<b>96.214</b>	<b>72.762</b>
<b>Total</b>	<b>1.823.734</b>	<b>920.338</b>	<b>686.736</b>

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**6. Information on movements in value adjustments and provisions**

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions(Stage 3)	515.118	117.829	(1.784)	(242.413)	388.750
General Provisions (Stage 1 and 2)	288.992	164.426	(12.052)	--	441.366

(\*)Write-off items and the sales from the NPL portfolio are disclosed here.

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions(Stage 3)	295.835	468.497	--	(249.214)	515.118
General Provisions (Stage 1 and 2)	273.944	18.355	(3.308)	--	288.992

(\*)Write-off items and the sales from the NPL portfolio are disclosed here.

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**7. Exposures subject to countercyclical capital buffer**

<b>Current Period</b>			
<b>Country</b>	<b>RWAs of Banking Book for Private Sector Credit Exposures</b>	<b>RWAs of Trading Book</b>	<b>Total</b>
Turkey	17.753.514	160.569	17.914.083
Russia	160.918	62	160.980
Malta	186.571	--	186.571
Marshall Islands	419.099	--	419.099
England	52.267	189.227	241.494
Germany	2.928	40	2.968
France	3.016	1.525	4.541
Others	54.067	7.079	61.146
<b>Total</b>	<b>18.632.380</b>	<b>358.502</b>	<b>18.990.882</b>

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

<b>Prior Period</b>			
<b>Country</b>	<b>RWAs of Banking Book for Private Sector Credit Exposures</b>	<b>RWAs of Trading Book</b>	<b>Total</b>
Turkey	15.457.788	133.555	15.591.343
Russia	143.178	67	143.245
Malta	175.121	--	175.121
Marshall Islands	402.193	--	402.193
England	8.904	213.440	222.344
Germany	2.466	13.556	16.022
France	931	4.091	5.022
Others	25.899	46.760	72.659
<b>Total</b>	<b>16.216.480</b>	<b>411.469</b>	<b>16.627.949</b>

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**8. Information on collaterals, impairment, rating and maturity related to loans granted to individuals and corporates**

Details of collaterals of standard and close monitoring loans granted to individuals and corporates are as follows:

Cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	15.729.548	13.300.077	3.084.348	1.810.865
Secured by Cash Collateral	234.132	411.093	--	--
Secured by Mortgages	2.613.302	2.870.874	1.210.727	938.407
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	12.882.114	10.018.110	1.873.622	872.458
Non-Secured Loans	191.983	384.371	1.031	12.869
<b>Total</b>	<b>15.921.532</b>	<b>13.684.448</b>	<b>3.085.379</b>	<b>1.823.734</b>

Non-cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	1.205.145	941.317	61.417	31.350
Secured by Cash Collateral	--	--	--	--
Secured by Mortgages	36.616	58.046	20.203	778
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	1.168.529	883.271	41.214	30.572
Non-Secured Loans	--	52.001	--	--
<b>Total</b>	<b>1.205.145</b>	<b>993.318</b>	<b>61.417</b>	<b>31.350</b>

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

**III. Explanations on Currency Risk**

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

As of 31 December 2020, the Bank's net long position is TL 260.389 (31 December 2019: TL 33.387 net long position) resulting from short position on the balance sheet amounting to TL 1.652.981 (31 December 2019: TL 690.786 short position) and long position on the off-balance amounting to TL 1.913.370 (31 December 2019: TL 724.173 long position). The Bank uses "Standard Method" in legal reporting to measure the foreign exchange risk.

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

US Dollar purchase rate as at the balance sheet date	TL 7,3405
Euro purchase rate as at the balance sheet date	TL 9,0079

Date	USD	EURO
25 December 2020	7,6190	9,2948
28 December 2020	7,5517	9,2037
29 December 2020	7,4738	9,1370
30 December 2020	7,4062	9,0697
31 December 2020	7,3405	9,0079

The US Dollar and EUR buying rates are TL 7,7211 and TL 9,3842 (in full TL amounts) respectively, according to simple arithmetic average on December 2020.

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### III. Explanations on currency risk (continued)

Current Period	EUR	USD	Other	Total
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT	748.122	1.564.671	142.875	2.455.668
Due From Banks	163.968	233.598	25.401	422.967
Financial Assets at Fair Value through Profit/Loss (*)	--	3	--	3
Money Market Placements	72.063	--	--	72.063
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	261.966	747.155	--	1.009.121
Loans and Receivables(**)	6.154.515	1.112.897	9.870	7.277.282
Investments in Assoc., Subsidiaries and Entities under Common Control (Assets Measured at Amortized Cost)	704.701	315.542	--	1.020.243
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	1.429	1.276	380	3.085
<b>Total Assets</b>	<b>8.106.764</b>	<b>3.975.142</b>	<b>178.526</b>	<b>12.260.432</b>
<b>Liabilities</b>				
Bank Deposits	36.092	518.782	20.669	575.543
Foreign Currency Deposits	996.741	5.871.621	937.305	7.805.667
Money Market Borrowings	20.841	589.319	--	610.160
Funds Provided from Other Financial Institutions	353.750	781.022	--	1.134.772
Securities Issued(****)	--	3.608.499	--	3.608.499
Sundry Creditors	4.841	124.048	--	128.889
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(*****)	24.701	25.183	--	49.884
<b>Total Liabilities</b>	<b>1.436.966</b>	<b>11.518.474</b>	<b>957.974</b>	<b>13.913.414</b>
<b>Net Balance Sheet Position</b>	<b>6.669.798</b>	<b>(7.543.332)</b>	<b>(779.448)</b>	<b>(1.652.982)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(6.521.053)</b>	<b>7.601.889</b>	<b>832.534</b>	<b>1.913.370</b>
Financial Derivative Assets (*****)	2.804.595	10.922.254	1.209.021	14.935.870
Financial Derivative Liabilities (*****)	9.325.648	3.320.365	376.487	13.022.500
Non-Cash Loans (*****)	298.514	358.375	3.082	659.971
<b>Prior Period</b>				
Total Assets	7.201.478	3.653.616	252.495	11.107.589
Total Liabilities	1.479.068	10.217.863	101.444	11.798.375
<b>Net Balance Sheet Position</b>	<b>5.722.410</b>	<b>(6.564.247)</b>	<b>151.051</b>	<b>(690.786)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(5.718.363)</b>	<b>6.593.739</b>	<b>(151.203)</b>	<b>724.173</b>
Financial Derivative Assets (*****)	3.783.231	11.210.249	683.591	15.677.071
Financial Derivative Liabilities (*****)	9.501.594	4.616.510	834.794	14.952.898
Non-Cash Loans (*****)	269.674	322.135	--	591.809

(\*) Accruals of trading derivative financial assets amounting to TL 10.406 are not included.

(\*\*) Includes foreign currency indexed loans and accruals amounting to TL 53.572.

(\*\*\*) TL 21.970 of prepaid expenses are not included.

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

(\*\*\*\*\*) TL 10.392 of accruals of derivative financial liabilities are not included.

(\*\*\*\*\*) In the current period, foreign currency purchase commitments within the financial derivative assets amounted to TL 316.665 (31 December 2019: TL 2.115.194), foreign currency sale commitments within the derivative financial liabilities amounted to TL 294.748 (31 December 2019: TL 2.129.285).

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

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2020 and 2019 (excluding tax effect) in case of a 10% decrease of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, are constant.

	Current Period		Prior Period	
	Profit/Loss	Equity	Profit/Loss	Equity
USD	5.856	7.085	2.949	3.660
Euro	14.875	15.486	405	969
Other FC	5.309	5.309	(15)	(15)
<b>Total (Net)</b>	<b>26.039</b>	<b>27.880</b>	<b>3.339</b>	<b>4.613</b>

**FİBANKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

**IV. Explanations on interest rate risk**

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

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

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

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

Current Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.866.495	--	--	--	--	1.055.197	2.921.692
Banks	436.226	--	--	--	--	452.305	888.531
Financial Assets at Fair Value Through Profit or Loss(*)	287.554	24.185	102.834	416.930	--	--	831.503
Interbank Money Market Placements	412.231	--	--	--	--	--	412.231
Financial Assets Measured at Fair Value through Other Comprehensive Income	192.033	22.533	356.369	411.077	35.151	10.363	1.027.526
Loans(**)	2.561.382	4.601.714	4.968.879	5.456.936	1.417.999	(210.691)	18.796.219
Financial Assets Measured at Amortized Cost	21.376	52.051	231.707	406.955	495.407	--	1.207.496
Other Assets(***)	--	--	--	--	--	1.139.797	1.139.797
<b>Total Assets</b>	<b>5.777.297</b>	<b>4.700.483</b>	<b>5.659.789</b>	<b>6.691.898</b>	<b>1.948.557</b>	<b>2.446.971</b>	<b>27.224.995</b>
<b>Liabilities</b>							
Bank Deposits	576.032	373.840	--	--	--	50.624	1.000.496
Other Deposits	11.963.450	2.574.787	90.603	3.136	86.968	1.947.985	16.666.929
Interbank Money Market Received	362.845	247.315	--	--	--	--	610.160
Sundry Creditors	--	--	--	--	--	454.351	454.351
Marketable Securities Issued(****)	37.310	38.843	61	3.312.070	220.215	--	3.608.499
Funds Borrowed From Other Institutions	519	591.837	560.968	1.818	--	--	1.155.142
Other Liabilities(*****)	384.731	263.522	129.222	383.419	--	2.568.524	3.729.418
<b>Total Liabilities</b>	<b>13.324.887</b>	<b>4.090.144</b>	<b>780.854</b>	<b>3.700.443</b>	<b>307.183</b>	<b>5.021.484</b>	<b>27.224.995</b>
Balance Sheet Long Position	--	610.339	4.878.935	2.991.455	1.641.374	--	10.122.103
Balance Sheet Short Position	(7.547.590)	--	--	--	--	(2.574.513)	(10.122.103)
Off-Balance Sheet Long Position	10.000	215.000	524.130	700.641	--	17.256.366	18.706.137
Off-Balance Sheet Short Position	(10.000)	(215.000)	(524.130)	(700.641)	--	(17.687.677)	(19.137.448)
<b>Total Position</b>	<b>(7.547.590)</b>	<b>610.339</b>	<b>4.878.935</b>	<b>2.991.455</b>	<b>1.641.374</b>	<b>(3.005.824)</b>	<b>(431.311)</b>

(\*) Includes derivative financial assets.

(\*\*) Non-performing loans TL 619.425, net-off related stage 3 loans expected credit losses TL 388.750 and expected losses for stage 1 TL 155.743 and for stage 2 TL 285.623 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 105.851).

(\*\*\*) Non-interest bearing column includes TL 117.945 investments in subsidiaries, TL 359.768 tangible assets, TL 90.977 intangible assets, TL 192.964 tax asset, TL 102.748 assets held for sale, 277.336 other assets and TL 1.941 of expected credit losses on financial assets.

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

(\*\*\*\*\*) Non-interest bearing column includes TL 1.873.904 shareholders' equity, TL 757.008 other liabilities, TL 205.252 provisions and TL 186.711 tax liabilities.

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

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

Prior Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.793.051	--	--	--	--	914.824	2.707.875
Banks	379.617	--	--	--	--	111.199	490.816
Financial Assets at Fair Value Through Profit or Loss(*)	133.111	64.695	158.441	472.922	154	--	829.323
Interbank Money Market Placements	30.010	--	--	--	--	--	30.010
Financial Assets Measured at Fair Value through Other Comprehensive Income	98.944	1.027	23.741	664.919	15.137	8.697	812.465
Loans(**)	2.418.490	3.444.489	3.760.128	4.436.418	1.448.658	116.228	15.624.411
Financial Assets Measured at Amortized Cost	20.983	--	--	144.239	409.788	--	575.010
Other Assets(***)	--	--	--	--	--	815.850	815.850
<b>Total Assets</b>	<b>4.874.206</b>	<b>3.510.211</b>	<b>3.942.310</b>	<b>5.718.498</b>	<b>1.873.737</b>	<b>1.966.798</b>	<b>21.885.760</b>
<b>Liabilities</b>							
Bank Deposits	12.262	14.705	--	--	--	22.159	49.126
Other Deposits	9.766.155	2.214.981	277.179	619	--	1.258.638	13.517.572
Interbank Money Market Received	267.655	465.602	--	--	--	--	733.257
Sundry Creditors	--	--	--	--	--	358.628	358.628
Marketable Securities Issued(****)	363.510	86.980	57	2.878.597	178.206	--	3.507.350
Funds Borrowed From Other Institutions	3.032	337.501	208.036	310.812	--	--	859.381
Other Liabilities(*****)	138.489	61.742	150.741	505.627	--	2.003.847	2.860.446
<b>Total Liabilities</b>	<b>10.551.103</b>	<b>3.181.511</b>	<b>636.013</b>	<b>3.695.655</b>	<b>178.206</b>	<b>3.643.272</b>	<b>21.885.760</b>
Balance Sheet Long Position	--	328.700	3.306.297	2.022.843	1.695.531	--	7.353.371
Balance Sheet Short Position	(5.676.897)	--	--	--	--	(1.676.474)	(7.353.371)
Off-Balance Sheet Long Position	--	--	--	322.010	--	18.462.430	18.784.440
Off-Balance Sheet Short Position	--	--	--	(322.010)	--	(18.337.350)	(18.659.360)
<b>Total Position</b>	<b>(5.676.897)</b>	<b>328.700</b>	<b>3.306.297</b>	<b>2.022.843</b>	<b>1.695.531</b>	<b>(1.551.394)</b>	<b>125.080</b>

(\*) Includes derivative financial assets.

(\*\*) Non-performing loans TL 920.338, net-off related stage 3 loans expected credit losses TL 515.118 and expected losses for stage 1 TL 117.374 and for stage 2 TL 171.618 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 3.092 and loans at fair value through profit or loss amounting to TL 1.948.020).

(\*\*\*) Non-interest bearing column includes TL 36.945 investments in subsidiaries, TL 323.651 tangible assets, TL 69.877 intangible assets, TL 57,936 tax assets, TL 63.247 assets held for sale, TL 264.695 other assets and TL 501 of expected credit losses on financial assets.

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

(\*\*\*\*\*) Non-interest bearing column includes TL 1.655.804 shareholders' equity, TL 210.691 other liabilities, TL 96.772 provisions and TL 40.580 tax liabilities.

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**IV. Explanations on interest rate risk (continued)****Average interest rates applied to financial instruments**

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

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

Prior Period	EUR %	USD %	JPY %	TL %
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	--	--	--	11,00
Financial Assets at Fair Value Through Profit/ Loss	2,43	6,68	--	31,29
Interbank Money Market Placements	--	--	--	12,21
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,28	5,55	--	8,79
Loans	6,03	6,14	--	18,47
Financial Assets Measured at Amortized Cost	5,22	--	--	9,10
<b>Liabilities</b>				
Bank Deposits	--	1,75	--	10,09
Other Deposits	0,36	2,66	--	12,10
Interbank Money Market Received	0,47	3,45	--	--
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	7,25	--	14,59
Funds Borrowed from Other Financial Institutions	2,62	4,44	--	11,84

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

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**Interest rate on banking book**

As per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published by the BRSA on 23 August 2011, the Bank analyses and reports to the Bank's senior management the interest rate sensitivity of equity on a monthly basis by applying positive and negative shocks to the interest sensitive on balance sheet and off-balance sheet positions which are distributed into groups based on their cash flows.

Interest rate sensitivity of equity as of 31 December 2020:

Current Period	Shocked Applied (+/- x bps)	Gains/ Losses	Gains/ Equity - Losses /Equity
TRY	500	(258.372)	-6,21%
TRY	-400	234.459	5,63%
USD Dollar	200	11.716	0,28%
USD Dollar	-200	(8.815)	-0,21%
Euro	200	(155.789)	-3,74%
Euro	-200	171.514	4,12%
<b>Total (For Positive Shocks)</b>		<b>(402.445)</b>	<b>-9,67%</b>
<b>Total (For Negative Shocks)</b>		<b>397.158</b>	<b>9,54%</b>

Prior Period	Shocked Applied (+/- x bps)	Gains/ Losses	Gains/ Equity - Losses /Equity
TRY	500	(107.159)	-2,92%
TRY	-400	94.296	2,57%
USD Dollar	200	96.116	2,62%
USD Dollar	-200	(102.254)	-2,79%
Euro	200	(193.924)	-5,29%
Euro	-200	215.017	5,87%
<b>Total (For Positive Shocks)</b>		<b>(204.967)</b>	<b>-5,59%</b>
<b>Total (For Negative Shocks)</b>		<b>207.059</b>	<b>5,65%</b>

**V. Explanations on position risk of equity securities resulted from banking book**

The Bank has position of equity shares amounting to TL 9.764 as of 31 December 2020 (31 December 2019: None).

## **FİBANKKA A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

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

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

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

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

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

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

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

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

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks"; published in the Official Gazette numbered 28948, dated 21 March 2014; liquidity ratio is required to be 80% for foreign currency assets/liabilities and 100% for total assets/liabilities in the calculation of the banks' weekly and monthly reporting effective from 1 January 2019. In accordance with the BRSA Decision No. E.3520 dated 26 March 2020, due to the COVID-19 pandemic process, Until 31 December 2020, in order to provide flexibility for banks to meet the minimum rates for liquidity levels, it was decided that deposit and participation banks would be exempted from the mentioned ratios regarding there liabilities to meet that liquidity coverage ratios.

**FİBANKKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

Current Period	Total Unweighted Value *		Total Weighted Value *	
	TL+FC	FC	TL+FC	FC
<b>HIGH-QUALITY LIQUID ASSETS</b>				
1	Total high-quality liquid assets (HQLA)		3.871.763	3.454.865
<b>CASH OUTFLOWS</b>				
2	Deposits from natural persons and retail deposits		13.443.587	7.787.753
3	Stable deposits		1.878.584	--
4	Less stable deposits		11.565.003	7.787.753
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:		3.698.768	1.781.162
6	Operational deposits		--	--
7	Non-Operational deposits		2.615.663	1.136.152
8	Other unsecured funding		1.083.105	645.010
9	Secured funding		--	--
10	Other cash outflows		3.143.418	1.033.621
11	Outflows related to derivative exposures and other collateral requirements		488.506	467.146
12	Outflows related to restructured financial instruments		--	--
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments		2.654.912	566.475
14	Other revocable off-balance sheet commitments and other contractual obligations		--	--
15	Other irrevocable or conditionally revocable off-balance sheet obligations		9.329	56
16	<b>TOTAL CASH OUTFLOWS</b>		<b>4.423.918</b>	<b>2.692.603</b>
<b>CASH INFLOWS</b>				
17	Secured receivables		30.623	25.205
18	Unsecured receivables		2.242.825	868.534
19	Other cash inflows		246.404	230.374
20	<b>TOTAL CASH INFLOWS</b>		<b>2.519.852</b>	<b>1.124.114</b>
21	<b>TOTAL HQLA</b>		<b>3.871.763</b>	<b>3.454.865</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>2.520.244</b>	<b>1.675.171</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>153,63</b>	<b>206,24</b>

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

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

Prior Period	Total Unweighted Value *		Total Weighted Value *	
	TL+FC	FC	TL+FC	FC
<b>HIGH-QUALITY LIQUID ASSETS</b>				
1	Total high-quality liquid assets (HQLA)		3.133.402	2.368.071
<b>CASH OUTFLOWS</b>				
2	Deposits from natural persons and retail deposits		10.935.097	5.035.241
3	Stable deposits		1.729.909	-
4	Less stable deposits		9.205.188	5.035.241
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:			
6	Operational deposits		3.326.774	2.055.377
7	Non-Operational deposits		-	-
8	Other unsecured funding		1.438.703	786.008
9	Secured funding		1.888.071	1.269.368
10	Other cash outflows		-	-
11	Outflows related to derivative exposures and other collateral requirements		2.257.072	768.783
12	Outflows related to restructured financial instruments		275.511	237.497
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments		-	-
14	Other revocable off-balance sheet commitments and other contractual obligations		1.981.562	531.286
15	Other irrevocable or conditionally revocable off-balance sheet obligations		40.684	31
16	<b>TOTAL CASH OUTFLOWS</b>		<b>3.930.617</b>	<b>2.488.116</b>
<b>CASH INFLOWS</b>				
17	Secured receivables		27.580	27.580
18	Unsecured receivables		2.036.936	847.627
19	Other cash inflows		45.611	31.923
20	<b>TOTAL CASH INFLOWS</b>		<b>2.110.127</b>	<b>907.130</b>
21	<b>TOTAL HQLA</b>		<b>3.133.402</b>	<b>2.368.071</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>2.313.616</b>	<b>1.735.264</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>135,43</b>	<b>136,47</b>

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

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

The table below shows the lowest, highest and average Liquidity Coverage Ratio in the last three months of the 1 October - 31 December 2020 period.

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	205,85%	06/10/2020	108,85%	30/11/2020	155,08%
FC	517,79%	14/12/2020	163,22%	23/10/2020	222,74%

Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	220,20%	23/12/2019	108,91%	02/12/2019	140,28%
FC	229,35%	25/12/2019	107,14%	26/11/2019	141,26%

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

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

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

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

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated*	Total
<b>Assets</b>								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.526.247	1.395.445	--	--	--	--	--	2.921.692
Banks	452.305	436.226	--	--	--	--	--	888.531
Financial Assets at Fair Value Through Profit or Loss(*)	--	287.557	24.139	102.990	416.814	3	--	831.503
Interbank Money Market Placements	--	412.231	--	--	--	--	--	412.231
Financial Assets Available-for-Sale	10.363	192.033	22.533	353.440	414.006	35.151	--	1.027.526
Loans (**)	--	2.122.271	3.731.833	6.664.467	5.713.625	774.714	(210.691)	18.796.219
Financial Assets Measured at Amortized Cost	--	--	52.051	231.707	406.955	516.783	--	1.207.496
Other Assets(***)	--	--	--	--	--	--	1.139.797	1.139.797
<b>Total Assets</b>	<b>1.988.915</b>	<b>4.845.763</b>	<b>3.830.556</b>	<b>7.352.604</b>	<b>6.951.400</b>	<b>1.326.651</b>	<b>929.106</b>	<b>27.224.995</b>
<b>Liabilities</b>								
Bank Deposits	50.626	576.030	373.840	--	--	--	--	1.000.496
Other Deposits	1.947.985	11.963.450	2.574.787	90.603	3.136	86.968	--	16.666.929
Funds Borrowed from Other Financial Institutions	--	1.505	178.776	723.339	251.522	--	--	1.155.142
Interbank Money Market Received	--	362.845	247.315	--	--	--	--	610.160
Marketable Securities Issued(****)	--	37.310	38.843	61	1.443.590	2.088.695	--	3.608.499
Sundry Creditors	--	454.351	--	--	--	--	--	454.351
Other Liabilities(*****)	--	472.826	429.176	145.409	404.089	2.602	2.275.316	3.729.418
<b>Total Liabilities</b>	<b>1.998.611</b>	<b>13.868.317</b>	<b>3.842.737</b>	<b>959.412</b>	<b>2.102.337</b>	<b>2.178.265</b>	<b>2.275.316</b>	<b>27.224.995</b>
<b>Net Liquidity Surplus / (Gap)</b>	<b>(9.696)</b>	<b>(9.022.554)</b>	<b>(12.181)</b>	<b>6.393.192</b>	<b>4.849.063</b>	<b>(851.614)</b>	<b>(1.346.210)</b>	<b>--</b>
<b>Net Off-Balance Sheet Position</b>	<b>--</b>	<b>(132.550)</b>	<b>(248.246)</b>	<b>(87.296)</b>	<b>37.180</b>	<b>--</b>	<b>--</b>	<b>(430.912)</b>
Derivative Financial Assets	--	6.895.549	5.241.626	3.619.924	2.056.419	--	--	17.813.518
Derivative Financial Liabilities	--	7.028.099	5.489.872	3.707.220	2.019.239	--	--	18.244.430
<b>Non-Cash Loans</b>	<b>--</b>	<b>70.868</b>	<b>169.508</b>	<b>520.054</b>	<b>96.829</b>	<b>409.303</b>	<b>--</b>	<b>1.266.562</b>
<b>Prior Period</b>								
<b>Total Assets</b>	<b>1.186.323</b>	<b>4.158.192</b>	<b>2.423.536</b>	<b>5.790.719</b>	<b>6.020.781</b>	<b>1.369.234</b>	<b>936.975</b>	<b>21.885.760</b>
<b>Total Liabilities</b>	<b>1.280.797</b>	<b>10.805.993</b>	<b>3.110.813</b>	<b>840.399</b>	<b>2.289.668</b>	<b>1.756.925</b>	<b>1.801.165</b>	<b>21.885.760</b>
<b>Net Liquidity Gap</b>	<b>(94.474)</b>	<b>(6.647.801)</b>	<b>(687.277)</b>	<b>4.950.320</b>	<b>3.731.113</b>	<b>(387.691)</b>	<b>(864.190)</b>	<b>--</b>
<b>Net Off-Balance Sheet Position</b>	<b>--</b>	<b>15.048</b>	<b>10.035</b>	<b>5.928</b>	<b>94.533</b>	<b>--</b>	<b>--</b>	<b>125.544</b>
Derivative Financial Assets	--	4.174.644	5.037.678	3.140.414	4.168.309	--	--	16.521.045
Derivative Financial Liabilities	--	4.159.596	5.027.643	3.134.486	4.073.776	--	--	16.395.501
<b>Non-Cash Loans</b>	<b>--</b>	<b>60.914</b>	<b>193.352</b>	<b>337.775</b>	<b>125.390</b>	<b>307.237</b>	<b>--</b>	<b>1.024.668</b>

(\*) Includes derivatives financial assets.

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

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

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

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

### Contractual maturity analysis of liabilities according to remaining maturities

Current Period	Carrying Values	Gross Nominal Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposit	1.000.496	1.002.033	50.626	576.744	374.663	--	--	--
Other Deposit	16.666.929	16.758.718	1.947.983	11.992.441	2.615.113	95.128	3.585	104.468
Money Market Funds	610.160	611.843	--	363.104	248.739	--	--	--
Securities Issued	1.480.900	1.660.129	--	43.308	--	43.308	1.573.513	--
Funds Borrowed	1.155.142	1.197.536	--	521	168.932	768.225	259.858	--
Subordinated Debts	2.127.599	2.906.266	--	72.404	72.404	72.404	579.229	2.182.229
<b>Total</b>	<b>23.041.226</b>	<b>24.136.525</b>	<b>1.998.609</b>	<b>12.976.118</b>	<b>3.479.851</b>	<b>979.065</b>	<b>2.416.185</b>	<b>2.286.697</b>
<b>Prior Period</b>								
Bank Deposit	49.126	49.282	22.159	12.263	14.860	--	--	--
Other Deposit	13.517.572	13.562.692	1.258.638	9.780.215	2.232.550	290.484	805	--
Money Market Funds	733.257	735.252	--	267.977	467.275	--	--	--
Securities Issued	1.718.332	1.957.608	--	139.018	283.867	39.018	1.495.705	--
Funds Borrowed	859.381	955.232	--	3.038	30.678	428.540	492.976	--
Subordinated Debts	1.789.018	2.576.717	--	61.147	61.147	61.147	489.175	1.965.248
<b>Total</b>	<b>18.666.686</b>	<b>19.836.783</b>	<b>1.280.797</b>	<b>10.202.511</b>	<b>3.090.377</b>	<b>819.189</b>	<b>2.478.661</b>	<b>1.965.248</b>

**FİBANKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

**VII. Explanations on leverage level**

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

Bank's unconsolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 6,90%. Minimum leverage ratio has to be 3% according to the regulation.

	Balance sheet assets	Current Period(*)	Prior Period(*)
1	Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	23.568.598	22.018.765
2	(Assets deducted in determining Tier 1 capital)	(242.440)	(147.849)
3	Total balance sheet risks (sum of lines 1 and 2)	23.326.158	21.870.916
<b>Derivative financial instruments and credit derivatives</b>			
4	Replacement cost associated with all derivative financial instruments and credit derivatives	343.256	156.336
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	188.771	285.715
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	532.027	442.051
<b>Securities or commodity financing transactions (SCFT)</b>			
7	Risks from SCFT assets (except for on-balance sheet)	363.552	1.217.268
8	Risks from brokerage activities related exposures	--	--
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	363.552	1.217.268
<b>Off-balance sheet transactions</b>			
10	Gross notional amounts of off-balance sheet transactions	3.556.402	5.028.249
11	(Adjustments for conversion to credit equivalent amounts)	--	--
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	3.556.402	5.028.249
<b>Capital and total risks</b>			
13	Tier 1 capital	2.043.970	1.806.880
14	Total risks (sum of lines 3, 6, 9 and 12)	27.778.139	28.558.484
<b>Leverage ratio</b>			
15	Leverage ratio	7,37	6,32

(\*)Represents three-month average amounts.

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

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**VII. Explanation on presentation of assets and liabilities at their fair values**

Valuation methods of the financial instruments valued with their fair value are shown below.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Current Period</b>				
<b>Financial assets</b>	<b>22.332.409</b>	<b>17.532.800</b>	<b>22.291.301</b>	<b>17.715.250</b>
Money market placements	412.231	30.010	412.231	30.010
Due from banks	888.531	490.816	888.531	490.816
Financial assets at fair value through other comprehensive income	1.027.526	812.465	1.027.526	812.465
Financial assets measured at amortized cost	1.207.902	575.098	1.278.001	605.709
Loans	18.796.219	15.624.411	18.685.012	15.776.250
<b>Financial liabilities</b>	<b>22.885.417</b>	<b>18.292.057</b>	<b>22.885.417</b>	<b>18.292.057</b>
Interbank deposits	1.000.496	49.126	1.000.496	49.126
Other deposits	16.666.929	13.517.572	16.666.929	13.517.572
Funds provided from other financial institutions	1.155.142	859.381	1.155.142	859.381
Marketable securities issued (*)	3.608.499	3.507.350	3.608.499	3.507.350
Miscellaneous payables	454.351	358.628	454.351	358.628

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

Fair values of "Financial Assets at Fair Value Through Other Comprehensive Income" and "Financial Assets Measured at Amortised Cost" are identified either by their market prices or, when the market price is not available, market prices of similar securities in the respect of interest rate, maturity and similar other conditions.

Fair value of fixed rate loans is calculated by discounting the future cash flows with current market prices. Book value of floating rate loans refer to their fair value.

Fair value of other asset and liabilities is measured as amortised cost of the financial asset or liability calculated by effective interest rate method.

Current Period	Level 1 TL		Level 2 TL		Level 3 TL	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>						
Financial Assets Measured at Fair Value through Profit and Loss	124.138	90.421	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	1.027.526	812.465	--	--	--	--
Derivative Financial Assets	--	--	707.365	738.902	--	--
Loans Measured at Fair Value through Profit and Loss	--	--	--	1.948.020	--	--
<b>Total</b>	<b>1.151.664</b>	<b>902.886</b>	<b>707.365</b>	<b>2.686.922</b>	<b>--</b>	<b>--</b>
<b>Financial Liabilities</b>						
Derivative Financial Liabilities	--	--	1.107.492	788.205	--	--
<b>Total</b>	<b>--</b>	<b>--</b>	<b>1.107.492</b>	<b>1.516.253</b>	<b>--</b>	<b>--</b>

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**IX. Explanation on transactions carried out on behalf of customers and fiduciary activities**

None.

**X. Explanations on securitisations positions**

The Bank does not have any securitization positions as of balance sheet date.

## **FİBANKA A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

#### **XI. Explanations on risk management objectives and policies The Bank's risk management approach:**

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation techniques; but only financial collaterals consisting of cash blockages are used.

Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, the Asset-Liability Committee and the Risk Management Department which have been composed in order to manage systemic risks that the Bank is exposed to. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows, the level and the quality of related activities.

As part of the Risk Management System, the Asset and Liability Committee presentation is prepared on a weekly basis and the Risk Committee and the Board of Directors presentations are prepared on a monthly basis. The presentations mainly consist of the Bank's financial statements, profit and loss analysis, credit risk, market risk, liquidity risk, concentration risk, interest rate risk due to banking book, and operational risk as well as the risk that the Bank is currently exposed to or possible risks.

The Board of Directors of the Bank delegated the authorization related to the hedge accounting to the Asset and Liability Committee with the condition of providing regular information. At the same time the Bank has organized credit policies and risk mitigation policies due to credit risk. All processes of the Bank are controlled by the Bank's Internal Control Department's control matrices regularly and are subject to supervision by the Internal Audit Department at the same time.

The Bank uses credit rating models and/or decision trees and rating systems using financial and non-financial data for loan customers as a risk measurement system. Market risk measures are calculated within the scope of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks and using only internal model and market data for intra-bank use. In addition to these, risks are measured and reported with regular stress tests. Three stress tests (base, negative, extremely negative) are performed on a yearly basis, stress tests are performed on a monthly basis for market risk and counter party credit risk, stress tests are performed on a weekly basis for interest rate risk and liquidity risk by Risk Management Department of Bank and then they are shared with senior management in the ALCO and the Risk Committee meetings.

Periodic reports about liquidity risk, interest risk, securities portfolio, credit risk, customer concentration, sectorial concentration, collateral structure and capital adequacy are reported to the Board of Directors and senior management.

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### XI. Explanations on risk management objectives and policies (continued)

Notes and explanations in this section have been prepared in accordance with the "Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks" that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. As the Bank uses the standard approach for the calculation of capital adequacy, the following tables those have to be disclosed in accordance with the Communiqué on an annual basis were not presented by the Bank as of 31 December 2020:

- RWA flow statements of credit risk exposures under IRB (Internal Ratings Based)
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an Internal Model Approach (IMA)
- Qualitative disclosures related to IRB models
- IRB - Credit risk exposures by portfolio and PD range
- IRB - Effect on RWA of credit derivatives used as CRM techniques
- IRB - Backtesting of probability of default (PD) per portfolio
- IRB (specialised lending and equities under the simple risk weight method)
- CCR exposures by portfolio and PD scale
- Quantitative disclosures related to IRB models
- Internal model approach for trade account

#### a) - Overview of Risk Weighted Assets:

	Risk Weighted Amounts		Minumum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	18.542.919	16.132.769	1.483.434
2 Of which standardised approach (SA)	18.542.919	16.132.769	1.483.434
3 Of which internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	432.266	499.911	34.581
5 Of which standardised approach for counterparty credit risk (SA-CCR)	432.266	499.911	34.581
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	89.461	83.713	7.157
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	596.750	552.463	47.740
17 Of which standardised approach (SA)	596.750	552.463	47.740
18 Of which internal model approaches (IMM)	--	--	--
19 Operational risk	1.811.306	1.480.881	144.904
20 Of which basic indicator approach	1.811.306	1.480.881	144.904
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)	21.472.702	18.749.737	1.717.816

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

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### XI. Explanations on risk management objectives and policies (continued)

#### b) Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

	Carrying values of items in accordance with Turkish Accounting Standards					
	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	Not subject to capital requirements or subject to deduction from capital
<b>Current Period</b>						
<b>Assets</b>						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	2.921.692	2.921.692	--	--	--	--
Banks	888.531	888.531	--	--	--	--
Money Markets Placements	412.231	242.147	170.084	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	124.138	96.655	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	1.027.526	1.027.526	668.431	--	--	--
Financial Assets Measured at amortized cost	1.207.902	1.207.902	290.103	--	--	--
Derivative financial assets	707.365	--	205.281	--	707.365	--
Expected Credit Losses (-)	(2.347)	(2.347)	--	--	--	--
Loans (net)	18.796.219	18.796.219	--	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	102.748	102.748	--	--	--	--
Investment in Associates (net)	--	--	--	--	--	--
Investment in Subsidiaries (net)	117.945	117.945	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	359.768	359.768	--	--	--	--
Intangible Assets (net)	90.977	--	--	--	--	90.977
Investment Property (net)	--	--	--	--	--	--
Tax Asset	192.964	192.964	--	--	--	--
Other Assets	277.336	277.336	--	--	--	--
<b>Total Assets</b>	<b>27.224.995</b>	<b>26.229.086</b>	<b>1.333.899</b>	<b>--</b>	<b>707.365</b>	<b>90.977</b>
<b>Liabilities</b>						
Deposits	17.667.425	--	--	--	--	17.667.425
Funds Borrowed	1.155.142	--	--	--	--	1.155.142
Money Market Funds	610.160	--	610.160	--	--	610.160
Securities Issued	1.480.900	--	--	--	--	1.480.900
Funds	--	--	--	--	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	1.107.492	--	--	--	1.107.492	1.107.492
Factoring Payables	--	--	--	--	--	--
Lease Payables	53.402	--	--	--	--	53.402
Provisions	205.252	--	--	--	--	--
Tax Liability	186.711	--	--	--	--	42.840
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subordinated Debts	2.127.599	--	--	--	--	--
Other liabilities	757.008	--	--	--	--	757.008
Shareholders' Equity	1.873.904	--	--	--	--	1.873.904
<b>Total Liabilities</b>	<b>27.224.995</b>	<b>--</b>	<b>610.160</b>	<b>--</b>	<b>1.107.492</b>	<b>24.748.273</b>

(\*) Disclosed based on gross amounts of the securities.

(\*\*) Disclosed based on gross position amounts subject to general market risk and specific risk.

**FİBANKKA A.Ş.**
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**XI. Explanations on risk management objectives and policies (continued)**
**b) Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation**

	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
		Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	Not subject to capital requirements or subject to deduction from capital
<b>Prior Period</b>						
<b>Assets</b>						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	2.707.875	2.707.875	--	--	--	--
Banks	490.816	490.816	--	--	--	--
Money Markets Placements	30.010	--	30.010	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	90.421	64.868	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	807.568	807.568	632.282	--	--	--
Financial Assets Measured at amortized cost	575.098	575.098	419.376	--	--	--
Derivative financial assets	738.902	--	160.284	--	738.902	--
Non-performing Financial Assets	(589)	(589)	--	--	--	--
Loans (net)	15.624.411	15.624.411	--	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	63.247	63.247	--	--	--	--
Investment in Associates (net)	4.897	4.897	--	--	--	--
Investment in Subsidiaries (net)	36.945	36.945	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	323.651	323.651	--	--	--	--
Intangible Assets (net)	69.877	--	--	--	--	69.877
Investment Property (net)	--	--	--	--	--	--
Tax Asset	57.936	57.936	--	--	--	--
Other Assets	264.695	264.695	--	--	--	--
<b>Total Assets</b>	<b>21.885.760</b>	<b>21.021.418</b>	<b>1.241.952</b>	--	<b>738.902</b>	<b>69.877</b>
<b>Liabilities</b>						
Deposits	13.566.698	--	--	--	--	13.566.698
Funds Borrowed	859.381	--	--	--	--	859.381
Money Market Funds	733.257	--	733.257	--	--	733.257
Securities Issued	1.718.332	--	--	--	--	1.718.332
Funds	--	--	--	--	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	788.205	--	--	--	788.205	788.205
Factoring Payables	--	--	--	--	--	--
Lease Payables	68.394	--	--	--	--	68.394
Provisions	96.772	--	--	--	--	--
Tax Liability	40.580	--	--	--	--	40.580
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subordinated Debts	1.789.018	--	--	--	--	--
Other liabilities	569.319	--	--	--	--	569.319
Shareholders' Equity	1.655.804	--	--	--	--	1.655.962
<b>Total Liabilities</b>	<b>21.885.760</b>	--	<b>733.257</b>	--	<b>788.205</b>	<b>20.000.128</b>

(\*) Disclosed based on gross amounts of the securities.

(\*\*) Disclosed based on gross position amounts subject to general market risk and specific risk.

**FİBANKKA A.Ş.**
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**XI. Explanations on risk management objectives and policies (continued)**
**c) The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements**

	Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
<b>Current Period</b>					
1					
1	27.224.995	26.229.085	--	1.333.899	707.365
2	--	--	--	610.160	1.107.492
3	27.224.995	26.229.085	--	723.739	(400.127)
4	21.172.856	3.736.469	--	17.436.387	17.436.387
5	--	--	--	--	--
6	--	--	--	--	(16.439.510)
7	--	--	--	--	--
8	--	--	--	(17.235.065)	--
9	--	--	--	610.160	--
10	<b>48.397.851</b>	<b>29.965.554</b>	<b>-</b>	<b>1.535.221</b>	<b>596.750</b>

(\*)Risk amounts include financial instruments in trading accounts as per to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and market risk due to calculated capital requirement for currency risk.

(\*\*)Off-balance sheet amounts subject to capital adequacy ratio calculation.

	Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
<b>Prior Period</b>					
1					
1	21.815.883	21.021.418	-	1.241.952	738.902
2	--	--	-	733.257	788.205
3	21.815.883	21.021.418	-	508.695	(49.303)
4	23.806.134	6.671.862	-	17.134.271	17.134.271
5	--	--	-	-	--
6	--	--	-	-	(16.532.505)
7	--	--	-	-	--
8	--	--	-	(16.843.709)	--
9	--	--	-	733.257	--
10	<b>45.622.017</b>	<b>27.693.280</b>	<b>-</b>	<b>1.532.514</b>	<b>552.463</b>

(\*)Risk amounts include financial instruments in trading accounts as per to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and market risk due to calculated capital requirement for currency risk.

(\*\*)Off-balance sheet amounts subject to capital adequacy ratio calculation.

**Explanation on the differences between the risk amounts and the amounts assessed in accordance****With TAS in the financial statements:****Disclosures regarding differences between amounts valued according to TAS and risk exposures**

The differences between the amounts assessed under TAS and the amounts after risk reduction in transactions subject to counterparty credit risk stem from the addition of potential risk amounts to the renewal costs of derivative transactions subject to the CPR and the volatility adjustments for repo / reverse repo transactions. Funds provided to differences arising from risk reduction are also included by opening separate line for them.

Valuations of securities subject to market risk in accordance with TAS represent the fair value of held for trading financial instruments. On the other hand, the values in the risk amount line represents the amount subject to market risk based on the capital requirements calculated for the losses arising due factors such as interest rate risk of the market risk, equity price risk, currency risk in accordance with the "Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio".

If financial instruments that are accounted for at their fair value are traded in an active market, the valuation is based on that market price. The TL borrowing instruments in the held for trading securities portfolio comprise of government securities. These securities are evaluated at the weighted average trading price in the Istanbul Stock Exchange. For TL securities that are not traded, the market price is calculated based on the CBRT prices. For the FX securities in the same portfolio, the average of purchase and sale quotations in the market are considered as the market price. Derivative financial instruments are evaluated using the discounted cash flow model using market data. Input data used in evaluations using market value and/or valuation methods are periodically checked for validity and independence.

**Information on Credit Risk****General Qualitative Information on Credit Risk:**

The Bank's credit risk management policies are established in line with the strategy approved by the Board of Directors in accordance with the related regulations and are based on prudence, sustainability and the customers' credit worthiness principles.

The limits are set in accordance with the Risk Policies by the Board of Directors based on the Bank's risk appetite. In accordance with the determined risk limits, the authorizations and sub-authorizations are done by the Credit Policies which is in line with the determined limits. Special attention is given to ensure that the limits are in line with market expectations and the Bank's strategies.

Credit rating models and decision trees are used in the credit underwriting processes in accordance with the risk appetite, credit policies set by the Bank and the targets of the Bank. The grading of all customers except for individual credit customers by the Bank is essential. The individual loan portfolio is managed via an automated decision trees.

Customer selection is carried out in accordance with policies and strategies of the Bank and is based on the ability to pay on time and the cash flows expected to be received from its operations independent from guarantees, sureties and pledged assets. When needed; it is mandatory for the Bank to obtain appropriate collateral in line with the source of the payment for the repayment of the credit from the customers to ensure that their obligations arising from the credit are met on time and in full. The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risks. In this context, a minimum collateral margin is determined by taking into account the collateral quality and the collection expectations given default and it is ensured that the appropriate collateral is obtained based on the credit type. Before a credit relationship is established with a customer, an analysis and intelligence collection are carried out in order to measure the creditworthiness of the customers. Before the credit decisions; the customer is examined and evaluated with an analysis for factors that have affected its past, present and future performances and any other factors (financial and non-financial data) that may affect its past, present and future performances.

Credit risk is encountered when the counterparty is unable to fulfill its obligations defined with the agreement. All credit risk bearing banking products are managed with prudent credit policies and procedures in the Bank. The credit quality of the counterparty is evaluated with an internal rating score in all corporate, commercial and SME credit transactions. In order to monitor the credit risk, internal limits are determined on the basis of sector, maturity, customer and internal rating to avoid the risk of concentration.

**General Qualitative Information on Credit Risk (continued):**

Credit risk management is a process in which credit risks are assessed and monitored in a consistent manner, besides all credit portfolios are included on a consolidated basis. Credit risk is managed on the basis of portfolios, risk / return balance and asset quality of the Bank, and the credit risk is governed by the principles contained in the policy documents. In addition, credit-based evaluation, underwriting and follow-up are carried out by the units in the Loans group within the framework of the relevant processes. Loans proposals are evaluated by the credit units of the Headquarters, if necessary, within the framework of the level of authority based on the determined amount and finalized the loan proposal by the Credit Committee and the Board of Directors.

The units carry out their risk management activities in accordance with the risk appetite and capacity of the Bank through the use of risk measurement and management tools within the policies established by the Board of Directors. In this context, the organizational structure for credit risk management and control functions is detailed as follows the units included in the scope of Credit Risk Management are Corporate Loans, Commercial Loans Allocation, Credit Monitoring and Collection Department and Risk Analysis Department. Decisions on credit policies are taken by the Credit Committee.

Allocated credit limits and usages, exceeded limits, assessments of large risks and overdue loans are regularly reported to the senior management.

In the course of credit risk management, the Risk Management Department conducts monitoring and reporting of internal concentration limits. It is ensured that the policies related to the concentration risk management are prepared and processed within the policies of allocation, monitoring, limit monitoring and management. Regular reporting on the cost of the loan and the development of the following loans is made. In addition, stress test and scenario analysis studies related to the loan portfolio are carried out within the scope of ICAAP.

The evaluation of the internal systems established to cover all branches and units and the maintenance of the continuity of functioning, competence and efficiency are among the highest priorities of the Bank's Board of Directors. Within the scope of internal systems, the duties and responsibilities of the Board of Directors, Internal Audit, Internal Control and Operational Risk and Risk Management activities are carried out by the Audit Committee.

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**General Qualitative Information on Credit Risk (continued):****Credit Quality of Assets**

Current Period	Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation		Allowances/ amortisation and impairments	Net value
	Defaulted	Non-defaulted		
1 Loans	619.425	19.006.911	830.116	18.796.220
2 Debt securities	--	2.349.203	3.369	2.345.834
3 Off-balance sheet exposures	8.591	3.822.178	11.077	3.819.692
<b>4 Total</b>	<b>628.016</b>	<b>25.178.292</b>	<b>844.562</b>	<b>24.961.746</b>

Prior Period	Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation		Allowances/ amortisation and impairments	Net value
	Defaulted	Non-defaulted		
1 Loans	920.338	15.508.182	804.110	15.624.410
2 Debt securities	--	1.469.287	2.528	1.466.759
3 Off-balance sheet exposures	19.003	6.650.805	19.121	6.650.687
<b>4 Total</b>	<b>939.341</b>	<b>23.628.274</b>	<b>825.759</b>	<b>23.741.856</b>

**Changes in stock of default loans and debt securities**

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	920.338	621.863
2 Loans and debt securities defaulted since the last reporting period	328.380	718.328
3 Receivables back to non-defaulted status	--	--
4 Amounts written off(*)	242.412	249.214
5 Other changes (**)	(386.881)	(170.639)
<b>6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>619.425</b>	<b>920.338</b>

(\*) Sales of non-performing loan portfolios are disclosed.

(\*\*) Other changes include collections during the period.

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**Breakdown of receivables by geographical area, sectors and outstanding maturity:****Breakdown by geographical area**

<b>Loans and Other Receivables</b>	<b>Current Period</b>	<b>Prior Period</b>	
Domestic	18.080.629	14.737.586	:
European Union (EU) Countries	269.060	175.043	
OECD Countries	60	105	
Off-Shore Banking Regions	458.198	402.193	
USA, Canada	29.644	23.987	
Other Countries	169.320	169.268	
<b>Total</b>	<b>19.006.911</b>	<b>15.508.182</b>	

**Sectoral Breakdown:**

<b>Loans and Other Receivables</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Agriculture</b>	<b>281.562</b>	<b>292.098</b>
Farming and Stockbreeding	236.486	249.587
Forestry	45.076	42.511
Fishery	--	--
<b>Manufacturing</b>	<b>4.071.734</b>	<b>3.052.932</b>
Mining and Quarrying	559.653	507.039
Production	2.288.954	1.656.486
Electricity, Gas and Water	1.223.127	889.407
<b>Construction</b>	<b>2.312.369</b>	<b>2.957.739</b>
<b>Services</b>	<b>8.818.018</b>	<b>6.763.379</b>
Wholesale and Retail Trade	2.108.454	1.359.296
Accommodation and Dining	2.859.089	2.318.262
Transportation and Telecommunication	1.744.724	975.185
Financial Institutions	166.516	240.621
Real Estate and Rental Services	386.059	479.302
Self-Employment Services	961.846	761.672
Educational Services	227.415	198.509
Health and Social Services	363.915	430.532
<b>Others</b>	<b>3.523.228</b>	<b>2.442.034</b>
<b>Total</b>	<b>19.006.911</b>	<b>15.508.182</b>

**Breakdown by outstanding maturity:****Breakdown by outstanding maturity:**

	<b>Up to 1 month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 years and over</b>	<b>Total</b>
Current Period	2.122.272	3.731.833	6.664.467	5.713.625	774.714	19.006.911
Prior Period	1.904.238	2.357.855	5.611.010	4.714.373	920.706	15.508.182

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**Exposures provisioned against by major regions and sectors and write-offs:**

Current Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	619.425	388.750	242.412
European Union (EU) Countries	--	--	--
OECD Countries	--	--	--
Off-Shore Banking Regions	--	--	--
USA, Canada	--	--	--
Other Countries	--	--	--
<b>Total</b>	<b>619.425</b>	<b>388.750</b>	<b>242.412</b>

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	920.338	515.118	249.214
European Union (EU) Countries	--	--	--
OECD Countries	--	--	--
Off-Shore Banking Regions	--	--	--
USA, Canada	--	--	--
Other Countries	--	--	--
<b>Total</b>	<b>920.338</b>	<b>515.118</b>	<b>249.214</b>

Current Period	Non-performing loans	Specific Provisions	Write-offs
<b>Agriculture</b>	<b>53.394</b>	<b>31.684</b>	<b>16.517</b>
Farming and Stockbreeding	46.668	27.467	11.558
Forestry	6.726	4.217	4.959
Fishery	--	--	--
<b>Manufacturing</b>	<b>114.951</b>	<b>79.779</b>	<b>74.238</b>
Mining and Quarrying	33.264	24.606	18.376
Production	76.758	52.668	55.752
Electricity, Gas and Water	4.929	2.505	110
<b>Construction</b>	<b>130.322</b>	<b>81.292</b>	<b>20.188</b>
<b>Services</b>	<b>264.969</b>	<b>162.429</b>	<b>91.902</b>
Wholesale and Retail Trade	131.745	83.442	79.088
Accommodation and Dining	11.438	6.981	2.697
Transportation and Telecommunication	72.496	43.622	6.507
Financial Institutions	438	258	--
Real Estate and Rental Services	15.763	9.737	305
Self-Employment Services	3.040	1.690	354
Educational Services	8.991	5.724	295
Health and Social Services	21.058	10.975	2.656
<b>Others</b>	<b>55.789</b>	<b>33.566</b>	<b>39.567</b>
<b>Total</b>	<b>619.425</b>	<b>388.750</b>	<b>242.412</b>

Prior Period	Non-performing loans	Specific Provisions	Write-offs
<b>Agriculture</b>	<b>60.781</b>	<b>33.729</b>	<b>5.515</b>
Farming and Stockbreeding	48.260	25.352	3.295
Forestry	12.521	8.377	2.143
Fishery	0	0	77
<b>Manufacturing</b>	<b>201.682</b>	<b>120.638</b>	<b>70.888</b>
Mining and Quarrying	62.585	39.068	17.127
Production	133.484	77.645	53.523
Electricity, Gas and Water	5613	3925	238
<b>Construction</b>	<b>144.241</b>	<b>78.496</b>	<b>32.460</b>
<b>Services</b>	<b>417.420</b>	<b>220.459</b>	<b>110.907</b>
Wholesale and Retail Trade	220.831	139.919	76.912
Accommodation and Dining	112.285	29.436	19.712
Transportation and Telecommunication	27.748	16.355	6.078
Financial Institutions	98	74	36
Real Estate and Rental Services	20.616	12.077	307
Self-Employment Services	4.712	3.567	3667
Educational Services	8.018	4348	677
Health and Social Services	23.112	14.683	3.518
<b>Others</b>	<b>96.214</b>	<b>61.796</b>	<b>29.444</b>
<b>Total</b>	<b>920.338</b>	<b>515.118</b>	<b>249.214</b>

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### Aging analysis:

Aging analysis:

Days past due	Current	Prior
	Period	Period
0-30	18.802.229	15.307.058
31-60	42.201	82.355
61-90	120.917	118.770
90+	660.989	920.338
<b>Total</b>	<b>19.626.336</b>	<b>16.428.520</b>

### Breakdown of restructured receivables based on whether or not provisions are allocated:

Breakdown of restructured receivables based on whether or not provisions are allocated:

Current Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	4.305
Not provisioned (*)	2.059.527	2.761.574	--
<b>Total</b>	<b>2.059.527</b>	<b>2.761.574</b>	<b>4.305</b>

(\*) The Bank calculates Stage 1 provisions for performing loans and Stage 2 provisions for loans under follow-up.

Prior Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	24.322
Not provisioned (*)	56.505	1.100.594	--
<b>Total</b>	<b>56.505</b>	<b>1.100.594</b>	<b>24.322</b>

(\*) The Bank calculates Stage 1 provisions for performing loans and Stage 2 provisions for loans under follow-up.

### Credit risk mitigation techniques-Overview

Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1 Loans	17.293.854	1.219.130	1.152.094	67.036	67.036	--	--
2 Debt Securities	2.345.834	--	--	--	--	--	--
<b>3 Total</b>	<b>19.639.688</b>	<b>1.219.130</b>	<b>1.152.094</b>	<b>67.036</b>	<b>67.036</b>	--	--
4 Of which defaulted	160.395	70.280	70.280	--	--	--	--

\*Exchange rates as at 31 December 2019 were used in the reporting as at 30 June 2020.

Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1 Loans	14.405.387	1.508.015	1.192.051	315.964	315.964	--	--
2 Debt Securities	1.466.759	--	--	--	--	--	--
<b>3 Total</b>	<b>15.872.146</b>	<b>1.508.015</b>	<b>1.192.051</b>	<b>315.964</b>	<b>315.964</b>	--	--
4 Of which defaulted	301.507	103.713	103.713	--	--	--	--

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### Credit risk exposure and credit risk mitigation techniques

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	4.116.994	--	4.184.030	--	--	%0,0
2 Exposures to regional and local governments	199.815	--	199.815	--	99.908	%50,0
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	%0,0
4 Exposures to multilateral development banks	--	--	--	--	--	%0,0
5 Exposures to international organizations	--	--	--	--	--	%0,0
6 Exposures to banks and brokerage houses	3.039.599	84.034	3.039.599	47.490	746.851	%24,2
7 Exposures to corporates	11.636.049	987.347	11.619.810	579.733	11.984.494	%98,2
8 Retail exposures	5.050.336	1.440.118	5.013.662	364.891	4.032.652	%75,0
9 Exposures secured by residential property	152.068	1.815	151.639	528	118.854	%78,1
10 Exposures secured by commercial property	1.385.231	46.874	1.377.189	39.387	942.441	%66,5
11 Past-due items	246.057	1.340	240.405	1.340	203.080	%84,0
12 Exposures in high-risk categories	26.256	3.489	26.256	1.745	26.313	%94,0
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	%0,0
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	%0,0
15 Exposures in the form of coll. investment undertakings(*)	89.461	--	89.461	--	89.461	%100,0
16 Other exposures	1.107.128	1.171.451	1.107.128	64.940	737.064	%62,9
17 Equity share investments	9.764	--	9.764	--	9.764	%100,0
<b>18 Total</b>	<b>27.058.758</b>	<b>3.736.468</b>	<b>27.058.758</b>	<b>1.100.054</b>	<b>18.990.882</b>	<b>%67,4</b>

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

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

Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	3.273.949	--	3.589.913	--	554.500	%15,4
2 Exposures to regional and local governments	--	--	--	--	--	%0,0
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	%0,0
4 Exposures to multilateral development banks	--	--	--	--	--	%0,0
5 Exposures to international organizations	--	--	--	--	--	%0,0
6 Exposures to banks and brokerage houses	2.473.858	57.992	2.473.858	34.345	687.579	%27,4
7 Exposures to corporates	10.875.808	772.631	10.815.675	433.879	10.838.666	%96,3
8 Retail exposures	3.272.470	1.020.155	3.066.049	278.751	2.506.369	%74,9
9 Exposures secured by residential property	271.085	1.851	267.589	777	179.952	%67,1
10 Exposures secured by commercial property	1.255.880	44.625	1.209.966	35.760	801.550	%64,3
11 Past-due items	356.201	--	356.201	--	294.493	%82,7
12 Exposures in high-risk categories	49.506	9.432	49.506	4.716	33.380	%61,6
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	%0,0
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	%0,0
15 Exposures in the form of coll. investment undertakings(*)	83.713	--	83.713	--	83.713	%100,0
16 Other exposures	912.762	4.765.176	912.762	75.985	647.747	%65,5
17 Equity share investments	--	--	--	--	--	%0,0
<b>18 Total</b>	<b>22.825.232</b>	<b>6.671.862</b>	<b>22.825.232</b>	<b>864.213</b>	<b>16.627.949</b>	<b>%70,1</b>

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

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### Exposures by asset classes and risk weights

Current Period											
Risk classes/ Risk weight	0%	10%	20%	%35(*)	50%	%50(*)	75%	100%	150%	200%	Total Risk Amount (**)
1 Exposures to sovereigns and their central banks	4.184.030	--	--	--	--	--	--	--	--	--	4.184.030
2 Exposures to regional and local governments	--	--	--	--	199.815	--	--	--	--	--	199.815
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organizations	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to banks and brokerage houses	763.006	--	1.401.051	--	912.782	--	--	10.250	--	--	3.087.089
7 Exposures to corporates	215.049	--	--	--	--	--	--	11.984.494	--	--	12.199.543
8 Retail exposures	1.683	--	--	--	--	--	5.376.870	--	--	--	5.378.553
9 Exposures secured by residential property	--	--	--	51.251	--	--	--	100.916	--	--	152.167
10 Exposures secured by commercial property	--	--	--	--	--	948.269	--	468.307	--	--	1.416.576
11 Past-due items	--	--	--	--	140.449	--	--	38.177	63.119	--	241.745
12 Exposures in high-risk categories	--	--	--	--	3.612	--	--	24.153	236	--	28.001
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--	--
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--	--
15 Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	89.461	--	--	89.461
16 Equity share investments	--	--	--	--	--	--	--	9.764	--	--	9.764
17 Other Exposures	435.004	--	--	--	--	--	--	737.064	--	--	1.172.068
<b>18 Total</b>	<b>5.598.772</b>	<b>--</b>	<b>1.401.051</b>	<b>51.251</b>	<b>1.256.658</b>	<b>948.269</b>	<b>5.376.870</b>	<b>13.462.586</b>	<b>63.355</b>	<b>--</b>	<b>28.158.812</b>

(\*) Collateralized by real estate mortgages

(\*\*) After CCF and CRM

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

(\*\*\*\*) It was used simple arithmetic mean of Central Bank's foreign currency buying rates

belonging to the last 252 business days from the calculation date.

Prior Period

Risk classes/ Risk weight	0%	10%	20%	%35(*)	50%	%50(*)	75%	100%	150%	200%	Total Risk Amount (**)
1 Exposures to sovereigns and their central banks	2.480.913	--	--	--	1.109.000	--	--	--	--	--	3.589.913
2 Exposures to regional and local governments	--	--	--	--	--	--	--	--	--	--	--
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organizations	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to banks and brokerage houses	763.157	--	634.032	--	1.100.483	--	--	10.531	--	--	2.508.203
7 Exposures to corporates	410.888	--	--	--	--	--	--	10.838.666	--	--	11.249.554
8 Retail exposures	2.975	--	--	--	--	--	3.341.825	--	--	--	3.344.800
9 Exposures secured by residential property	--	--	--	136.021	--	--	--	132.345	--	--	268.366
10 Exposures secured by commercial property	--	--	--	--	--	888.351	--	357.375	--	--	1.245.726
11 Past-due items	--	--	--	--	199.622	--	--	80.374	76.205	--	356.201
12 Exposures in high-risk categories	--	--	--	--	47.154	--	--	1.599	5.469	--	54.222
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--	--
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--	--
15 Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	83.713	--	--	83.713
16 Equity share investments	--	--	--	--	--	--	--	--	--	--	--
17 Other Exposures	341.000	--	--	--	--	--	--	647.747	--	--	988.747
<b>18 Total</b>	<b>3.998.933</b>	<b>--</b>	<b>634.032</b>	<b>136.021</b>	<b>2.456.259</b>	<b>888.351</b>	<b>3.341.825</b>	<b>12.152.350</b>	<b>81.674</b>	<b>--</b>	<b>23.689.445</b>

(\*) Collateralized by real estate mortgages

(\*\*) After CCF and CRM

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

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**Information on credit risk mitigation techniques**

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation technique; only financial collaterals consisting of cash blockages are used.

Applications related to the valuation and management of collaterals are defined as follows: Appraisals for the mortgages that are received as collaterals are only performed by the firms that have been approved by the BRSA and licensed by the Capital Markets Board ("CMB"). Appraisal reports for the real estates that are received as collaterals for commercial loans, are renewed each year as long as the risk continues. As a rule, each year a different appraisal firm is preferred. Management of the appraisal process is carried out by the Appraisal & Real Estate Project Finance Unit. Vehicle pledges are followed through their insurance values. Regular investigations are performed for the cheques and bills that are received as collaterals and in case of any negative finding the Bank seeks to replace the collateral.

The Bank's collaterals are mainly composed of cheques, notes, mortgages, guarantees, vehicle pledges and deposit pledges. The Bank's credit risk concentration mainly consists of corporate receivables and are followed by receivables that are collateralized with mortgage, SME and retail receivables, respectively.

Exposure Categories *	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
<b>Current Period</b>				
Receivables from Central Governments	4.184.030	--	--	67.036
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	199.815	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	3.087.089	763.006	--	--
Corporate Receivables	12.199.543	215.049	--	--
Retail Receivables	5.378.553	1.683	--	--
Receivables that are Collateralized by Residential Property	1.568.743	--	999.520	--
Past due Receivables	241.745	--	46.593	--
Receivables Defined in High Risk Category by BRSA	28.001	--	--	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	89.461	--	--	--
Equity Share Investment	9.764	--	--	--
Other Receivables	1.172.068	--	--	--
<b>Total</b>	<b>28.158.812</b>	<b>979.738</b>	<b>1.046.113</b>	<b>67.036</b>

(\*) Non-cash risks presented above after credit conversion.

(\*\*) Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

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

Exposure Categories *	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
<b>Prior Period</b>				
Receivables from Central Governments	3.589.913	--	--	315.964
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	--	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	2.508.203	763.157	--	--
Corporate Receivables	11.249.554	410.888	--	--
Retail Receivables	3.344.800	3.080	--	--
Receivables that are Collateralized by Residential Property	1.514.092	--	1.024.372	--
Past due Receivables	356.201	--	72.268	--
Receivables Defined in High Risk Category by BRSA	54.222	--	--	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	83.713	--	--	--
Other Receivables	988.747	--	--	--
<b>Total</b>	<b>23.689.445</b>	<b>1.177.125</b>	<b>1.096.640</b>	<b>315.964</b>

(\*) Non-cash risks presented above after credit conversion.

(\*\*) Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### Counterparty credit risk (CCR) approach analysis

Current Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1 Standardised Approach - CCR (for derivatives)	205.281	201.322	--	(1,4)	406.603	261.009
2 Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	..	..	..	..	..	..
3 Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	..	..	..	..	958.534	89.527
4 Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	..	..	..	..	170.084	7.966
5 Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	..	..	..	..	..	..
<b>6 Total</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1.535.221</b>	<b>358.502</b>
*It was used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.						
Prior Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1 Standardised Approach - CCR (for derivatives)	160.284	290.562	--	1,4	450.846	289.823
2 Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	--	--
3 Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	1.051.658	121.621
4 Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	30.010	23
5 Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	--	--	--	--	--	--
<b>6 Total</b>	<b>160.284</b>	<b>290.562</b>	<b>--</b>	<b>--</b>	<b>1.532.514</b>	<b>411.467</b>

### Capital requirement for credit valuation adjustment (CVA)

	Current Period		Prior Period	
	EAD post-CRM	RWA	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation	..	..	..	..
1 (i) VaR component (including the 3x multiplier)	..	..	..	..
2 (ii) Stressed VaR component (including the 3x multiplier)	..	..	..	..
3 All portfolios subject to the Standardised CVA capital obligation	406.603	73.764	450.846	88.444
<b>4 Total subject to the CVA capital obligation</b>	<b>406.603</b>	<b>73.764</b>	<b>450.846</b>	<b>88.444</b>

\*It was used simple arithmetic mean of Central Bank's foreign currency buying rates belonging

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

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

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

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

Prior Period									Total
Risk Weights	0%	10%	20%	50%	75%	100%	150%	Diger	Credit Risk
Exposures to sovereigns and their central banks	..	..	..	..	..	..	..	..	..
Exposures to regional and local governments	..	..	..	..	..	..	..	..	..
Exposures to adm. bodies and non-commercial entities	..	..	..	..	..	..	..	..	..
Exposures to multilateral development banks	..	..	..	..	..	..	..	..	..
Exposures to international organizations	..	..	..	..	..	..	..	..	..
Exposures to banks and brokerage houses	763.157	..	144.287	477.129	..	67	..	..	1.384.640
Exposures to corporates	..	..	..	..	..	140.530	..	..	140.530
Retail exposures	2.746	..	..	..	4.598	..	..	..	7.344
Exposures secured by residential property	..	..	..	..	..	..	..	..	..
Past-due items	..	..	..	..	..	..	..	..	..
Exposures in high-risk categories	..	..	..	..	..	..	..	..	..
Exposures in the form of bonds secured by mortgages	..	..	..	..	..	..	..	..	..
Securitization positions	..	..	..	..	..	..	..	..	..
Short term exposures to banks, brokerage houses and corp.	..	..	..	..	..	..	..	..	..
Exposures in the form of coll. investment undertakings	..	..	..	..	..	..	..	..	..
Equity share investments	..	..	..	..	..	..	..	..	..
Other exposures	..	..	..	..	..	..	..	..	..
Other assets	..	..	..	..	..	..	..	..	..
<b>Total</b>	<b>765.903</b>	<b>..</b>	<b>144.287</b>	<b>477.129</b>	<b>4.598</b>	<b>140.597</b>	<b>..</b>	<b>..</b>	<b>1.532.514</b>

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### Collaterals Used for Counterparty Credit Risk

	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Current Period</b>						
Cash-local currency	--	--	--	--	--	170.084
Cash-foreign currency	632	--	--	--	610.160	--
Domestic sovereign debts	--	--	--	--	130.256	--
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	--
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
<b>Total</b>	<b>632</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>740.416</b>	<b>170.084</b>
<small>It was used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.</small>						
	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
<b>Prior Period</b>						
Cash-local currency	--	--	--	--	--	30.010
Cash-foreign currency	2.746	--	--	--	733.257	--
Domestic sovereign debts	--	--	--	--	29.894	--
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	1.051.658
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
<b>Total</b>	<b>2.746</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>763.151</b>	<b>1.081.668</b>

### Explanations on market risk

Whether the bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

In order to hedge against the market risk within the context of the risk management objectives, the Bank sets its activities related with market risk management in accordance with "Regulations on Banks' Internal Control and Risk Management Systems" published in the Official Gazette no. 29057 dated 11 July 2014 and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 29511 dated 23 October 2015.

Being exposed to market risk, Bank's Board of Directors have defined risk management strategies and policies about risk managements in line with application and recommendation of group and have led to follow-up strategies periodically. The limits of risks are identified and these limits are revised periodically. Board of Directors ensures that risk management group and executive managers should identify, measure, control and manage the Bank's risk.

Market risk arising from trading transactions is limited through the risk appetite policy approved by Board of Directors as "low" and measured by taking into consideration BRSA's standard methodology. Additionally Financial Control Department reports the market value andvs realized profit/loss of trading portfolio. The Risk Management and Asset Liability Committee continuously monitor compliance of trading transactions with the risk appetite policy. Market risk caused by mismatches of asset-liability maturities is also monitored through GAP reports.

Stress tests and scenario analysis are applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations; and also risk measurement methods such as cash flow projections and GAP analysis are also applied.

Capital to be kept for general market risk and specific risk are calculated by using a standard method in accordance with "Measurement and Assessment of Bank Capital Adequacy Regulation" and are reported monthly.

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### Explanations on market risk (continued)

In the calculation of the value at credit risk for the derivative financial instruments, the receivables from counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of "the Regulation on Measurement and Assessment of Capital Adequacy of Banks", reduced as per the "Regulation on Credit Risk Mitigation Techniques" following included in the relevant exposure category and weighted for a second time. The risk amount related to the Bank's derivative financial instruments are calculated using the "Fair Value Method".

#### Market risk under standardised approach

	Current Period	Prior Period
	RWA	RWA
<b>Outright Products</b>		
1 Interest rate risk (general and specific)	368.500	533.163
2 Equity risk (general and specific)	--	--
3 Foreign exchange risk	128.475	13.875
4 Commodity risk	24.775	--
<b>Options</b>		
5 Simplified approach	--	--
6 Delta-plus method	75.000	5.425
7 Scenario approach	--	--
8 Securitisation	--	--
<b>9 Total</b>	<b>596.750</b>	<b>552.463</b>

### 1. Quantitative information on counterparty risk

The counterparty risk amount is calculated in accordance with fair value measurement methodology stated in Appendix 2 and section 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

The replacement costs of the contracts with positive value are obtained by evaluating the contracts according to their fair value. The potential credit risk amount is calculated by multiplying contract or transaction amounts with certain ratios determined in accordance with days to maturity and contract type. The total of replacement cost and potential credit risk make up counterparty risk amount. Counterparty credit risk mitigation considers only cash collaterals.

Current Period	Amount	Risk Weights					Total RWA
		0%	20%	50%	75%	100%	
Interest-Rate Contracts (*)	--	--	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	201.322	12.824	26.218	102.936	2.777	56.567	115.361
Commodity Contracts	--	--	--	--	--	--	--
Equity-Shares Related Contracts	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Gross Positive Fair Values	205.281	--	5.797	107.725	4.531	87.228	145.648
Netting Benefits	--	--	--	--	--	--	--
Net Current Exposure Amount	--	--	--	--	--	--	--
Collaterals Received	632	--	--	--	--	--	--
<b>Net Derivative Position (***)</b>	<b>406.603</b>	<b>12.824</b>	<b>32.015</b>	<b>210.661</b>	<b>7.308</b>	<b>143.795</b>	<b>261.009</b>

(\*) Repo transactions

(\*\*) Includes option, currency swap and forward contracts.

(\*\*\*) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

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

Prior Period	Amount	Risk Weights					Total RWA
		0%	20%	50%	75%	100%	
Interest-Rate Contracts (*)	--	--	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	290.562	2.746	18.840	178.607	2.112	88.257	182.913
Commodity Contracts	--	--	--	--	--	--	--
Equity-Shares Related Contracts	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Gross Positive Fair Values	160.283	--	77	105.380	2.486	52.340	106.910
Netting Benefits	--	--	--	--	--	--	--
Net Current Exposure Amount	--	--	--	--	--	--	--
Collaterals Received	2.746	--	--	--	--	--	--
<b>Net Derivative Position (***)</b>	<b>450.845</b>	<b>2.746</b>	<b>18.917</b>	<b>283.987</b>	<b>4.598</b>	<b>140.597</b>	<b>289.822</b>

(\*) Repo transactions

(\*\*) Includes option, currency swap and forward contracts.

(\*\*\*) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**Explanations on operational risk**

The value at operational risk is calculated according to the “basic indicator approach”. Value at operational risk amount is calculated by using the last 3 years’ (2019, 2018, 2017 gross income, in accordance with the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” issued on Official Gazette dated December 6, 2014 numbered 29111 , “Calculation of Operational Risk”. 15% of gross income which is TL 144.904 (31 December 2019: TL 118.470) represents also the minimum capital requirement to recover the risk amount.

Current Period	31/12/2017	31/12/2018	31/12/2019	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Gross Income	714.239	1.034.587	1.149.263	966.030	15	144.904
Value at Operational Risk (Total*12,5)						1.811.306

Prior Period	31/12/2016	31/12/2017	31/12/2018	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Gross Income	620.584	714.239	1.034.587	789.803	15	118.470
Value at Operational Risk (Total*12,5)						1.480.881

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**SECTION FIVE****EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS****I. Explanations and disclosure related to the 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	54.967	281.636	48.386	211.408
Balances with the Central Bank of Turkey	411.057	2.174.032	152.600	2.295.481
Other	--	--	--	--
<b>Total</b>	<b>466.024</b>	<b>2.455.668</b>	<b>200.986</b>	<b>2.506.889</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	407.561	782.078	152.527	659.002
Unrestricted Time Deposits	3.496	--	73	498.795
Restricted Time Deposits	--	1.391.954	--	1.137.684
<b>Total</b>	<b>411.057</b>	<b>2.174.032</b>	<b>152.600</b>	<b>2.295.481</b>

According to the communiqué No: 2005/1 on "Reserve Deposits" of CBRT, banks operating in Turkey are required to keep reserve deposit at the rates varying from 1% - 6% (31 December 2019: 1%-7%) for TL liabilities and at the rates varying from 5% - 21% (31 December 2019: 5%-21%) for FC liabilities, especially USD and EUR, depending on maturities of liabilities.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	2.796	--	24.580	--
<b>Total</b>	<b>2.796</b>	<b>--</b>	<b>24.580</b>	<b>--</b>

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

As of 31 December 2020, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 121.342 (31 December 2019: TL 65.841).

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

**Loans recognized at fair value through profit or loss**

As of 31 December 2020, there are no loans recognized at fair value through profit or loss (31 December 2019: TL 1.948.020).

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**I. Explanations and disclosure related to the assets (continued)****2.2 Information on financial assets at fair value through profit or loss subject to repurchase agreements**

None.

**2.3 Positive differences relating to derivative financial assets (\*)**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	97.046	--	59.591	--
Swap Transactions	368.124	--	368.713	--
Futures Transactions	--	--	--	--
Options	231.789	10.406	195.923	27.136
Other	--	--	--	--
<b>Total</b>	<b>696.959</b>	<b>10.406</b>	<b>624.227</b>	<b>27.136</b>

(\*) Except the derivative financial liabilities for hedging purposes.

**3. Information on Banks****3.1 Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	465.103	39.805	400.563	740
Foreign	461	383.162	2.058	87.455
Foreign head-offices and branches	--	--	--	--
<b>Total</b>	<b>465.564</b>	<b>422.967</b>	<b>402.621</b>	<b>88.195</b>

**3.2 Due from foreign banks**

	Current Period		Prior Period	
	Unrestricted Balances	Restricted Balances	Unrestricted Balances	Restricted Balances
EU Countries	68.714	233.344	18.008	28.352
USA and Canada	8.447	--	29.818	--
OECD Countries (*)	719	59.798	1.433	3.624
Off-Shore Banking Regions	--	--	--	--
Other	12.601	--	8.278	--
<b>Total</b>	<b>90.481</b>	<b>293.142</b>	<b>57.537</b>	<b>31.976</b>

**4. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income****4.1 Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral / blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	2.929	717.544	10.904	776.085
Other	--	--	--	--
<b>Total</b>	<b>2.929</b>	<b>717.544</b>	<b>10.904</b>	<b>776.085</b>

As of 31 December 2020, the amount of financial assets at fair value through other comprehensive income not given as collateral or not blocked is TL 307.053 (31 December 2019: TL 25.476).

**FİBANKKA A.Ş.**
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**I. Explanations and disclosure related to the assets (continued)**
**4.2 Details of financial assets valued at fair value through other comprehensive income**

	Current Period	Prior Period
Debt instruments	1.017.163	803.864
Quoted on Stock Exchange	1.017.163	803.864
Unquoted on Stock Exchange	--	--
Share certificates	10.363	8.697
Quoted on Stock Exchange	10.363	8.697
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	96
<b>Total</b>	<b>1.027.526</b>	<b>812.465</b>

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Loans to Shareholders	--	20	--	20
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	20	--	20
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	6.497	--	4.653	--
<b>Total</b>	<b>6.497</b>	<b>20</b>	<b>4.653</b>	<b>20</b>

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

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Non-restructured	Restructured	
			Revised Contract Terms	Refinanced
<b>Loans</b>	<b>15.921.532</b>	<b>323.805</b>	<b>2.408.979</b>	<b>352.595</b>
Working Capital Loans	6.385.151	119.536	1.446.735	331.004
Export Loans	--	--	894	--
Import Loans	--	--	--	--
Loans to Financial Sector	141.271	--	--	--
Consumer Loans	2.643.793	47.991	16.335	3.933
Credit Cards	15.097	968	--	--
Others	6.736.220	155.310	945.015	17.658
Specialization Loans	--	--	--	--
Other Receivables	--	--	--	--
<b>Total (*)</b>	<b>15.921.532</b>	<b>323.805</b>	<b>2.408.979</b>	<b>352.595</b>

(\*) Amounting to TL 105.851 factoring receivables are also included.

(\*\*) 31 December 2020, in accordance with the decision of the BRSA dated 27 March 2020 and numbered 8970, with a past due of between 90 and 180 days effective from 17 March 2020, and the total amount of loans that continue to be classified in the second group is TL 44,941.

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-months Expected Credit Losses	155.743	--	117.374	--
Significant Increase in Credit Risk	--	285.623	--	171.618
<b>Total</b>	<b>155.743</b>	<b>285.623</b>	<b>117.374</b>	<b>171.618</b>

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**I. Explanations and disclosure related to the assets (continued)****5.2 Information on Loans under Close Monitoring that are restructured with Standard Loans and Close Monitoring Loans (continue)***The overdue analysis of close monitoring loans*

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

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

(\*\*) 31 December 2020, in accordance with the decision of the BRSA dated 27 March 2020 and numbered 8970, with a past due of between 30 and 90 days effective from 17 March 2020, and the total amount of loans that continue to be classified in the first group is TL 34,084.

Prior Period	Commercial Loans	Consumer Loans	Total
1-30 days	251.024	4.535	255.559
31-60 days	58.987	23.368	82.355
61-90 days	99.530	19.240	118.770
<b>Total</b>	<b>409.541</b>	<b>47.143</b>	<b>456.684</b>

*Maturity analysis of cash loans*

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
	<i>Loans and Other Receivables</i>	<i>Loans and Receivables with Revised Contract Terms</i>	<i>Loans and Other Receivables</i>	<i>Loans and Receivables with Revised Contract Terms</i>
<b>Short-term Loans and Other Receivables</b>	<b>6.252.540</b>	<b>286.659</b>	<b>79.649</b>	<b>206.854</b>
Loans	6.252.540	286.659	79.649	206.854
Specialized Loans				
Other Loans				
<b>Medium and Long-term Loans and Other Receivables</b>	<b>7.322.806</b>	<b>2.059.527</b>	<b>244.156</b>	<b>2.554.720</b>
Loans	7.322.806	2.059.527	244.156	2.554.720
Specialized Loans				
Other Loans				

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**I. Explanations and disclosure related to the assets (continued)****5.3 Information on consumer loans, individual credit cards and credit cards given to personnel**

	Short-Term	Medium or Long Term	Total
<b>Consumer Loans-TL</b>	<b>913.375</b>	<b>1.728.617</b>	<b>2.641.992</b>
Mortgage Loans	--	277.766	277.766
Vehicle Loans	--	2.812	2.812
General Purpose Loans	913.375	1.448.039	2.361.414
Other	--	--	--
<b>Consumer Loans-Indexed to FC</b>	<b>--</b>	<b>5.126</b>	<b>5.126</b>
Mortgage Loans	--	4.809	4.809
Vehicle Loans	--	--	--
General Purpose Loans	--	317	317
Other	--	--	--
<b>Consumer Loans-FC</b>	<b>--</b>	<b>46</b>	<b>46</b>
Mortgage Loans	--	46	46
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Individual Credit Cards-TL</b>	<b>6.406</b>	<b>--</b>	<b>6.406</b>
With Installment	969	--	969
Without Installment	5.437	--	5.437
<b>Individual Credit Cards-FC</b>	<b>113</b>	<b>--</b>	<b>113</b>
With Installment	--	--	--
Without Installment	113	--	113
<b>Loans Given to Employees-TL</b>	<b>566</b>	<b>5.266</b>	<b>5.832</b>
Mortgage Loans	--	41	41
Vehicle Loans	--	--	--
General Purpose Loans	566	5.225	5.791
Other	--	--	--
<b>Loans Given to Employees - Indexed to FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Loans Given to Employees - FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Personnel Credit Cards - TL</b>	<b>643</b>	<b>--</b>	<b>643</b>
With Installment	150	--	150
Without Installment	493	--	493
<b>Personnel Credit Cards - FC</b>	<b>22</b>	<b>--</b>	<b>22</b>
With Installment	--	--	--
Without Installment	22	--	22
<b>Overdraft Loans-TL (Real Persons)</b>	<b>59.056</b>	<b>--</b>	<b>59.056</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>980.181</b>	<b>1.739.055</b>	<b>2.719.236</b>

**FİBANKKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

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

	Short-Term	Medium or Long Term	Total
<b>Installment Commercial Loans - TL</b>	<b>839.822</b>	<b>2.896.433</b>	<b>3.736.255</b>
Real Estate Loans	--	153	153
Vehicle Loans	7.894	68.280	76.174
General Purpose Loans	831.928	2.828.000	3.659.928
Other	--	--	--
<b>Installment Commercial Loans - Indexed to FC</b>	<b>--</b>	<b>40.058</b>	<b>40.058</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	6.354	6.354
General Purpose Loans	--	33.704	33.704
Other	--	--	--
<b>Installment Commercial Loans - FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Corporate Credit Cards - TL</b>	<b>8.720</b>	<b>--</b>	<b>8.720</b>
With Installment	2.413	--	2.413
Without Installment	6.307	--	6.307
<b>Corporate Credit Cards - FC</b>	<b>161</b>	<b>--</b>	<b>161</b>
With Installment	--	--	--
Without Installment	161	--	161
<b>Overdraft Loans-TL (Legal Entities)</b>	<b>76.144</b>	<b>--</b>	<b>76.144</b>
<b>Overdraft Loans-FC (Legal Entities)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>924.847</b>	<b>2.936.491</b>	<b>3.861.338</b>

**5.5 Allocation of loans by customers**

	Current Period	Prior Period
Public Sector	--	--
Private Sector	19.006.911	15.508.182
<b>Total (*)</b>	<b>19.006.911</b>	<b>15.508.182</b>

(\*) Factoring receivables amounting to TL 105.851 (31 December 2019: TL 3.092) are included. There are no financial loans at fair value through profit or loss (31 December 2019: TL 1.948.020).

**5.6 Allocation of Domestic and Foreign Loans**

	Current Period	Prior Period
Domestic Loans	18.080.629	14.737.586
Foreign Loans	926.282	770.596
<b>Total (*)</b>	<b>19.006.911</b>	<b>15.508.182</b>

(\*) Factoring receivables amounting to TL 105.851 (31 December 2019: TL 3.092) are included. There are no financial loans at fair value through profit or loss (31 December 2019: TL 1.948.020).

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**I. Explanations and disclosure related to the assets (continued)****5.7 Loans granted to subsidiaries and associates**

The Bank does not have any loans granted to subsidiaries and associates as of 31 December 2020 (31 December 2019: None).

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

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	33.606	165.920
Loans and Receivables with Doubtful Collectability	56.774	133.848
Uncollectible Loans and Receivables	298.370	215.350
<b>Total</b>	<b>388.750</b>	<b>515.118</b>

**5.9 Information on non-performing loans (Net)****5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled**

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
<b>Current Period</b>	<b>18</b>	<b>1.779</b>	<b>2.508</b>
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	18	1.779	2.508
<b>Prior Period</b>	<b>453</b>	<b>21.568</b>	<b>2.301</b>
Gross Amounts before Specific Provisions	--	--	--
Restructured Loans and Other Receivables	453	21.568	2.301

**5.9.2 Movement on non-performing loans**

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
<b>Balances at the End of Prior Period</b>	<b>268.082</b>	<b>216.051</b>	<b>436.205</b>
Additions (+)	258.983	51.340	18.057
Transfers from Other Categories of Non-Performing Loans (+)	14	320.477	409.449
Transfers to Other Categories of Non-Performing Loans (-)	320.477	409.449	14
Collections (-)	130.972	43.215	212.694
Write-offs (-)	--	--	--
Sold (-) (*)	11.043	52.259	179.110
Corporate and Commercial Loans	11.027	50.876	149.387
Retail Loans	16	539	23.995
Credit Cards	--	844	5.728
Other	--	--	--
<b>Balances at End of the Period</b>	<b>64.587</b>	<b>82.945</b>	<b>471.893</b>
<b>Provisions (-)</b>	<b>33.606</b>	<b>56.774</b>	<b>298.370</b>
<b>Net Balance on Balance Sheet</b>	<b>30.981</b>	<b>26.171</b>	<b>173.523</b>

(\*) The loan amounting to TL 242.412 has been written off from assets by selling to asset management company in 2020.

**FİBANKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

5.9.3 Information on expected loss provisions set aside for loans

	Stage 1	Stage 2	Stage 3
Beginning of period (1 January 2020)	117.374	171.618	515.118
Loans and movements added during the period	48.431	17.377	5.505
Loans and movements moved out during the period	(13.904)	(17.267)	(36.662)
<b>Movements of Stage 1 and Stage 2</b>			
Stage 1 Loans in two periods	12.796	--	--
Transfers from Stage 1 to Stage 2	(16.165)	91.475	--
Stage 2 Loans in two periods	--	44.426	--
Transfers from Stage 2 to Stage 1	8.341	(10.759)	--
<b>Movements of Stage 3</b>			
Transfers from Stage 1 to Stage 3 (*)	(1.114)	--	35.924
Transfers from Stage 2 to Stage 3	--	(10.259)	56.445
Stage 3 Loans in two periods (amount and parameter change)	--	--	(26.112)
Write-offs	--	--	--
Sold	(15)	(989)	(161.470)
<b>Period end (31 December 2020)</b>	<b>155.743</b>	<b>285.623</b>	<b>388.750</b>

(\*)The mentioned customers are in Stage 1 at the end of 2019 and they recognized to Stage 3 during the year.

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
<b>Current Period</b>			
Balance as of Period End	39.441	16.545	42.344
Provisions (-)	17.748	14.239	29.235
<b>Net Balance on Balance Sheet</b>	<b>21.693</b>	<b>2.306</b>	<b>13.109</b>
<b>Prior Period</b>			
Balance as of Period End	15.936	33.897	85.845
Provisions (-)	9.818	17.768	31.520
<b>Net Balance on Balance Sheet</b>	<b>6.118</b>	<b>16.129</b>	<b>54.325</b>

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period (Net)</b>	<b>30.981</b>	<b>26.171</b>	<b>173.523</b>
Loans Granted to Real Persons and Legal Entities (Gross)	64.587	82.945	471.893
Provisions (-)	33.606	56.774	298.370
Loans Granted to Real Persons and Legal Entities (Net)	30.981	26.171	173.523
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
<b>Prior Period (Net)</b>	<b>102.162</b>	<b>82.203</b>	<b>220.855</b>
Loans Granted to Real Persons and Legal Entities (Gross)	268.082	216.051	436.205
Provisions (-)	165.920	133.848	215.350
Loans Granted to Real Persons and Legal Entities (Net)	102.162	82.203	220.855
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

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

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

**5.11 Explanations about write-off policy**

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

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**I. Explanations and disclosure related to the assets (continued)****6. Information on financial assets measured at amortized cost****6.1 Information on securities subject to repurchase agreement and given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	48.344	858.607	188.506	386.592
Other	--	--	--	--
<b>Total</b>	<b>48.344</b>	<b>858.607</b>	<b>188.506</b>	<b>386.592</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	187.659	1.006.930	188.506	386.592
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
<b>Total</b>	<b>187.659</b>	<b>1.006.930</b>	<b>188.506</b>	<b>386.592</b>

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

	Current Period	Prior Period
Debt instruments	1.207.902	575.098
Quoted on Stock Exchange	1.207.902	575.098
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
<b>Total</b>	<b>1.207.902</b>	<b>575.098</b>

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

	Current Period	Prior Period
Balance at the beginning of period	575.098	363.032
Foreign Exchange Difference in Monetary Assets	132.935	17.887
Revaluation adjustments	5.934	15.552
Purchases during the year	493.935	178.627
Disposals through Sales and Redemptions	--	--
Impairment provision (-)	--	--
<b>Total</b>	<b>1.207.902</b>	<b>575.098</b>

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**I. Explanations and disclosure related to the assets (continued)****7. Information on associates**

The Bank has no investment in an associate as of 31 December 2020 (31 December 2019: none).

The Bank has started to present the amount of TL 4.897 under the "Financial Assets at Fair Value Through Other Comprehensive Income" in the current period, which was reported as "Subsidiaries" in the previous period and the comparative information has been rearranged accordingly.

**8. Information on subsidiaries**

The Bank has TL 117.945 investment in subsidiaries as of 31 December 2020 (31 December 2019: TL 36.945).

**Non-financial subsidiaries**

The Bank has TL 112.500 investment in a non-financial subsidiary as of 31 December 2020 (31 December 2019: TL 31.500).

The capital of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. has been increased in cash by TL 6.000 and TL 75.000 on 7 January 2020 and 6 August 2020.

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

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

**Financial subsidiaries**

The Bank has TL 5.445 investment in a financial subsidiary as of 31 December 2020 (31 December 2019: TL 5.445).

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

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

The financial information about Fiba Portföy Yönetimi A.Ş. as of 31 December 2020 is given below:

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
18.098	15.954	367	12	--	7.220	2.912	--

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

**FİBANKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

8. Information on subsidiaries (continued)

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

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

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

*Valuation of investments made in subsidiaries within the scope of consolidation*

	Current Period	Prior Period
Valuation with cost value	5.445	5.445
Valuation with fair value	--	--

Quoted consolidated investments in subsidiaries

None.

9. Information on entities under common control

The Bank does not have investments in entities under common control as of 31 December 2020.

10. Information on lease receivables

The Bank does not have lease receivables as of 31 December 2020.

11. Information on derivative financial assets held for hedging purposes

As of 31 December 2020, The Bank has no hedging derivative financial assets (31 December 2019: TL 87.539).

**FİBANKKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

**12. Information on tangible assets**

Current Period	Real Estate	Cars	Investments In Progress**	Other Tangible Assets*	Total
<b>Cost</b>					
Beginning Balance, 1 January 2020	295.376	12.800	--	106.193	414.369
Additions	766	6.739	62.911	17.568	87.984
Disposals	5.225	--	--	6.907	12.132
<b>Ending Balance, 31 December 2020</b>	<b>290.917</b>	<b>19.539</b>	<b>62.911</b>	<b>116.854</b>	<b>490.221</b>
<b>Accumulated Depreciation</b>					
Beginning Balance, 1 January 2020	(29.056)	(897)	--	(60.766)	(90.718)
Depreciation	(22.497)	(2.269)	--	(21.134)	(45.900)
Disposals	(164)	--	--	6.329	6.165
<b>Ending Balance, 31 December 2020</b>	<b>(51.717)</b>	<b>(3.166)</b>	<b>--</b>	<b>(75.570)</b>	<b>(130.453)</b>
<b>Net Book Value, 31 December 2020</b>	<b>239.200</b>	<b>16.373</b>	<b>62.911</b>	<b>41.284</b>	<b>359.768</b>

\* Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

\*\* The item in progress includes the total capitalized project cost following the completion of the projects.

Prior Period	Real Estate	Cars	Other Tangible Assets*	Total
<b>Cost</b>				
- Beginning Balance, 1 January 2019	223.097	79	88.283	311.459
Additions	72.279	12.721	24.011	109.011
Disposals	--	--	6.101	6.101
<b>Ending Balance, 31 December 2019</b>	<b>295.376</b>	<b>12.800</b>	<b>106.193</b>	<b>414.369</b>
<b>Accumulated Depreciation</b>				
Beginning Balance, 1 January 2019	(6.541)	(99)	(48.002)	(54.642)
Depreciation	(22.404)	(798)	(18.910)	(42.112)
Disposals	(111)	--	6.146	6.036
<b>Ending Balance, 31 December 2019</b>	<b>(29.056)</b>	<b>(897)</b>	<b>(60.766)</b>	<b>(90.718)</b>
<b>Net Book Value, 31 December 2019</b>	<b>266.320</b>	<b>11.903</b>	<b>45.427</b>	<b>323.651</b>

\* Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

**12.1 Disclosure for impairment losses or releases individually material for financial statements**

**12.1.1 Conditions for allocating/releasing any impairment**

None.

**12.1.2 Amount of impairment losses provided or released in financial statements during current period**

None.

**12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually**

None.

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**13. Information on intangible assets****13.1 Useful lives and depreciation rates**

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

The Bank's intangible assets consist of software programs and rights, and their useful lives range between 3 to 10 years.

**13.2 Depreciation methods**

Depreciation for assets which are in balance sheet for less than one year is calculated by the straight line method by proportioning the duration of asset in the balance sheet to the predicted yearly depreciation amount.

**13.3 Movements of intangible assets at beginning and end of the current period**

	Current Period	Prior Period
Cost		
Beginning Balance, 1 January	138.228	90.570
Additions	51.342	50.274
Disposal	4.153	2.616
Ending Balance, 31 December	185.417	138.228
Accumulated Depreciation		
Beginning Balance, 1 January	(68.351)	(55.569)
Amortisation Expense for Current Period (-)	--	(24)
Disposal	(26.089)	(12.805)
Ending Balance, 31 December	(94.440)	(68.351)
Net Book Value, 31 December	90.977	69.877

**13.4 Details for any individually material intangible assets**

None.

**13.5 Intangible assets capitalised under government incentives at fair values**

None.

**13.6 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates**

None.

**13.7 Net book value of intangible asset that are restricted in usage or pledged**

None.

**13.8 Commitments to acquire intangible assets**

None.

**13.9 Disclosure on revalued intangible assets**

None.

**13.10 Research and development costs expensed during current period**

None.

**13.11 Goodwill**

None.

**14. Information on investment properties**

None.

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

As of 31 December 2020, the deferred tax asset amounting to TL 191.700 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2019: TL 54.427 deferred tax asset).

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

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	294.394	58.879
Unearned Commission Income/Prepaid Commission Expenses	43.865	8.773
Reserve for Employee Benefits	36.894	7.379
Tangible Assets Base Differences	(36.743)	(7.349)
Provisions	605.826	121.166
Other	14.268	2.852
<b>Deferred Tax Asset/(Liability)</b>	<b>958.504</b>	<b>191.700</b>
	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	(124.029)	(24.671)
Unearned Commission Income/Prepaid Commission Expenses	13.823	3.041
Reserve for Employee Benefits	29.588	6.210
Tangible Assets Base Differences	(29.517)	(5.903)
Provisions	345.106	73.403
Other	10.852	2.347
<b>Deferred Tax Asset/(Liability)</b>	<b>245.823</b>	<b>54.427</b>

**I. Explanations and disclosure related to the assets (continued)****15. Information on deferred tax asset (continued)**

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

	1 January-31 December 2020	1 January - 31 December 2019
Deferred Tax Asset, 1 January	54.427	79.305
Deferred Tax Income / (Expense)	137.989	(15.339)
Deferred Tax Recognized Directly Under Equity	(716)	(9.539)
<b>Deferred Tax Asset/(Liability) , Period End Balance</b>	<b>191.700</b>	<b>54.427</b>

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

None (31 December 2019: None).

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

None.

**FİBANKKA A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

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

As of 31 December 2020, the Bank has TL 102.748 assets held for sale (31 December 2019: TL 63.247).

**17. Information on other assets**

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

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

As of 31 December 2020, total prepaid expenses are TL 41.579 (31 December 2019: TL 42.003).

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**II. Explanations and disclosures related to liabilities****1. Information on deposits****1.1 Information on maturity structure of deposits****Current Period**

	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	239.170	--	3.296.030	2.162.226	82.919	40.295	19.070	--	5.839.710
Foreign Currency Deposits	1.022.955	--	3.826.483	1.841.608	143.243	12.482	124.436	--	6.971.207
Residents in Turkey	921.277	--	3.805.228	1.832.539	143.243	12.428	124.345	--	6.839.060
Residents Abroad	101.678	--	21.255	9.069	--	54	91	--	132.147
Public Sector Deposits	1.394	--	409	865	--	--	--	--	2.668
Commercial Deposits	308.639	--	469.252	2.082.225	4.362	3.572	29	--	2.868.079
Other Ins. Deposits	3.340	--	3.485	125.948	17.516	516	--	--	150.805
Precious Metal Deposits	372.485	--	461.975	--	--	--	--	--	834.460
Interbank Deposits	50.624	--	558.252	391.620	--	--	--	--	1.000.496
Central Bank of Turkey	--	--	386.108	--	--	--	--	--	386.108
Domestic Banks	79	--	146.815	379.982	--	--	--	--	526.876
Foreign Banks	45.473	--	25.329	11.638	--	--	--	--	82.440
Special Finan.Inst.	5.072	--	--	--	--	--	--	--	5.072
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>1.998.607</b>	<b>--</b>	<b>8.615.886</b>	<b>6.604.492</b>	<b>248.040</b>	<b>56.865</b>	<b>143.535</b>	<b>--</b>	<b>17.667.425</b>

**Prior Period**

	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	217.255	--	3.423.787	1.503.762	55.737	181.346	110.105	--	5.491.992
Foreign Currency Deposits	624.521	--	2.338.733	2.869.532	539.707	446.008	28.506	--	6.847.007
Residents in Turkey	569.703	--	2.326.177	2.862.047	539.338	445.553	28.419	--	6.771.237
Residents Abroad	54.818	--	12.556	7.485	369	455	87	--	75.770
Public Sector Deposits	59.892	--	--	--	--	--	--	--	59.892
Commercial Deposits	329.476	--	169.835	558.795	4.516	964	1.664	--	1.065.250
Other Ins. Deposits	2.348	--	3.959	21.696	--	40	242	--	28.285
Precious Metal Deposits	25.146	--	--	--	--	--	--	--	25.146
Interbank Deposits	22.159	--	12.262	14.705	--	--	--	--	49.126
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	68	--	--	6.916	--	--	--	--	6.984
Foreign Banks	11.605	--	12.262	7.789	--	--	--	--	31.656
Special Finan.Inst.	10.486	--	--	--	--	--	--	--	10.486
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>1.280.797</b>	<b>--</b>	<b>5.948.576</b>	<b>4.968.490</b>	<b>599.960</b>	<b>628.358</b>	<b>140.517</b>	<b>--</b>	<b>13.566.698</b>

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**II. Explanations and disclosures related to liabilities (continued)****1.2 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance**

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	2.701.076	2.739.691	3.100.426	2.736.619
Foreign Currency Saving Deposits	1.554.183	1.025.106	5.118.091	4.415.973
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
<b>Total</b>	<b>4.255.259</b>	<b>3.764.797</b>	<b>8.218.517</b>	<b>7.152.592</b>

**1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad.****1.4 Saving deposits that are not under the guarantee of deposit insurance fund**

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad	--	--
Deposits of Ultimate Shareholders and Their Close Families		
Deposits of Chairman and Members of the Board of Directors and their Close Families	11.366	23.907
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	43.256	21.646
Saving Deposits in Banks Established in Turkey Exclusively for Off	--	--
Shore Banking Activities	--	--

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	100.750	--	65.341	--
Swap Transactions	767.895	--	386.379	--
Futures Transactions	--	--	--	--
Options	228.455	10.392	195.948	27.093
Other	--	--	--	--
<b>Total</b>	<b>1.097.100</b>	<b>10.392</b>	<b>647.668</b>	<b>27.093</b>

(\*) Derivatives for hedging purpose are excluded.

**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	20.370	180.458	16.773	391.415
From Foreign Banks, Institutions and Funds	--	954.314	--	451.193
<b>Total</b>	<b>20.370</b>	<b>1.134.772</b>	<b>16.773</b>	<b>842.608</b>

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**II. Explanations and disclosures related to liabilities (continued)****3.2 Maturity analysis of borrowing**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	20.370	98.963	16.773	112.037
Medium and Long Term	--	1.035.809	--	730.571
<b>Total</b>	<b>20.370</b>	<b>1.134.772</b>	<b>16.773</b>	<b>842.608</b>

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

In the scope of normal banking operations, the Bank funds itself through the funds provided in the form of deposits, money market funds, bank borrowings and bond issuance.

**4. Information related with issued instruments**

Current Period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	1.443.590
Book Value	--	--	--	1.480.900
Prior period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	383.867	--	--	1.300.613
Book Value	383.937	--	--	1.334.395

**5. Other Liabilities**

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

**6. Obligations under financial lease**

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	50.641	37.376	31.743	37.657
Between 1-4 Years	33.330	15.470	54.263	29.917
More than 4 Years	2.774	556	3.429	820
<b>Total</b>	<b>86.745</b>	<b>53.402</b>	<b>89.435</b>	<b>68.394</b>

**6.1 Additional explanations related to the changes in agreements and the additional liabilities brought by these changes**

None.

**FİBANKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

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

As of 31 December 2020, there are no derivative financial liabilities for hedging purposes (31 December 2019: TL 113.444).

**8. Information on provisions**

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

The foreign exchange losses on foreign currency indexed loans are netted off from the loans on the balance sheet. As of 31 December 2020, there is no provision of foreign exchange losses on the foreign currency indexed loans. (31 December 2019: None).

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

As of 31 December 2020, the specific provision provided for unindemnified non cash loans is TL 4.566 (31 December 2019: TL 11.449).

**8.3 Explanation on other provisions**

**8.3.1 Provisions for possible losses**

	Current Period	Prior Period
Provisions for Possible Losses	151.000	44.500

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

None.

**8.3.3 Explanations on reserves for employee benefits**

As of 31 December 2020, reserves for employee benefits amounting to TL 36.894 (31 December 2019: TL 29.588) comprise of TL 19.659 reserve for employee termination benefits (31 December 2019: TL 14.959), TL 5.689 unused vacation pay liability (31 December 2019: TL 4.724) and TL 11.546 personnel bonus accrual (31 December 2019: TL 9.905).

The table below shows the predicted total net cost from employee termination benefits.

	Current Period	Prior Period
Balance at the Beginning	14.959	11.116
Change in the period	6.800	6.285
Aktuerial Loss/Profit Transferred to Equity	3.763	2.542
Paid in the Period	(5.863)	(4.984)
<b>Balance at the End</b>	<b>19.659</b>	<b>14.959</b>

**FİBANKKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

**9. Explanations on Tax Liability**

**9.1 Explanations on current tax liability**

**9.1.1 Explanations on tax provision**

As of 31 December 2020, the Bank's current tax liability is TL 186.711 (31 December 2019: TL 40.580).

**9.1.2 Information on taxes payable**

	Current Period	Prior Period
Corporate taxes payable	143.871	--
Taxation on securities	13.359	17.703
Property tax	173	357
Banking and Insurance Transaction Tax (BITT)	13.228	10.510
Taxes on foreign exchange transactions	1.433	584
Value added taxes payable	1.715	1.364
Income tax ceased from wages	6.114	4.389
Other	1.004	787
<b>Total</b>	<b>180.897</b>	<b>35.694</b>

**9.1.3 Information on premium**

	Current Period	Prior Period
Social Security Premiums- Employee	2.467	2.068
Social Security Premiums- Employer	2.831	2.387
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	172	144
Unemployment Insurance- Employer	344	287
Other	--	--
<b>Total</b>	<b>5.814</b>	<b>4.886</b>

**9.2 Explanations on deferred tax liabilities**

There are no deferred tax liabilities after netting of deferred tax assets (31 December 2019: None).

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

None (31 December 2019: None).

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**II. Explanations and disclosures related to liabilities (continued)****11. Explanations on subordinated loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments subject to common equity	100.000	220.276	100.000	178.263
Subordinated loans	--	--	--	--
Subordinated debt instruments(*)	100.000	220.276	100.000	178.263
Debt instruments subject to Tier 2 equity	--	1.907.323	--	1.610.755
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	1.907.323	--	1.610.755
<b>Total</b>	<b>100.000</b>	<b>2.127.599</b>	<b>100.000</b>	<b>1.789.018</b>

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

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

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

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

Registered share capital system is not applied.

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

None.

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

None.

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

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

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

None.

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

The Bank does not have any preferred shares.

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

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

	Current Period	Prior Period
Number of Shares (Thousand)	26.230.098	26.230.098
Number of Privileged Shares	--	--
Share Premium	128.678	128.678
Share Cancellation Profits	--	--
Other Equity Instruments	--	--

**FİBANKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	3.850	18.413	3.033	12.741
Exchange Difference	--	--	--	--
<b>Total</b>	<b>3.850</b>	<b>18.413</b>	<b>3.033</b>	<b>12.741</b>

**12.10 Information on other capital reserves**

The Bank has issued a TL-denominated debt instrument on 20 March 2019 with nominal amount of TL 100.000 with a floating interest rate, which fulfills the conditions of 7th section-2nd paragraph of BRSA's "Regulation on Equities of Banks", has equity characteristics and will be added to Tier I capital calculations. The debt instrument and related interest expenses belonging to 2020 are presented under "Other Capital Reserves" account for 2020.

**12.11 Information on revaluation reserve**

None.

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

None.

**12.13 Information on legal reserves**

	Current Period	Prior Period
Legal Reserves	42.321	31.719
Special Reserves	--	--

**12.14 Information on extraordinary reserves**

	Current Period	Prior Period
Reserves allocated by the General Assembly	454.072	252.630
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**III. Explanations and disclosures related to off-balance sheet contingencies and commitments****1. Information on off-balance sheet commitments****1.1 Nature and amount of irrevocable loan commitments**

	Current Period	Prior Period
Asset Sale and Purchase Commitments	996.421	4.527.252
Credit Card Limit Commitments	27.643	32.901
Credit Card and Bank Trans. Promo. Guarantee	--	1
Commitments for Credit Allocation with the Guarantee of Usage	1.332.248	876.316
Export Commitments	8.878	5.940
Commitment for Cheques	184.090	187.578
Other Irrevocable Commitments	14.927	15.152
<b>Total</b>	<b>2.564.207</b>	<b>5.645.140</b>

**1.2 Possible losses and commitments related to off-balance sheet items, including the ones listed below****1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits**

	Current Period	Prior Period
Letters of Guarantee TL	584.041	432.859
Letters of Guarantee FC	277.530	317.754
Letters of Credit	248.224	168.208
Bills of Exchange and Acceptances	156.767	105.847
<b>Total</b>	<b>1.266.562</b>	<b>1.024.668</b>

The Bank has set aside TL 9.788 of expected credit loss allowance for non-cash loans (31 December 2019: TL 13.331).

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

	Current Period	Prior Period
Revocable Letters of Guarantee	18.446	37.188
Irrevocable Letters of Guarantee	728.239	659.784
Letters of Guarantee Given in Advance	66.645	28.699
Letters of Guarantee Given to Customs	14.100	5.423
Other Letters of Guarantee	34.141	19.519
<b>Total</b>	<b>861.571</b>	<b>750.613</b>

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

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	--	7.898
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	--	7.898
Other Non-Cash Loans	1.266.562	1.016.770
<b>Total</b>	<b>1.266.562</b>	<b>1.024.668</b>

# FİBANKKA A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

### III. Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)

#### 1. Information on sectorial risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>1.767</b>	<b>%0,3</b>	<b>21.193</b>	<b>%3,2</b>	<b>2.050</b>	<b>%1,4</b>	<b>27.275</b>	<b>%1,3</b>
Farming and raising livestock	389	%0,1	13.569	%2,1	--	%0,1	--	%0,0
Forestry	1.378	%0,2	7.624	%1,2	2.050	%1,3	27.275	%1,3
Fishing	--	%0,0	--	%0,0	--	%0,0	--	%0,0
<b>Manufacturing</b>	<b>130.215</b>	<b>%21,5</b>	<b>318.836</b>	<b>%48,3</b>	<b>28.713</b>	<b>%11,4</b>	<b>180.630</b>	<b>%52,0</b>
Mining	3.237	%0,5	--	%0,0	2.406	%1,1	1.496	%0,7
Production	123.266	%20,3	311.495	%47,2	20.674	%7,8	179.134	%51,3
Electric, gas and water	3.712	%0,6	7.341	%1,1	5.633	%2,5	--	%0,0
<b>Construction</b>	<b>146.632</b>	<b>%24,2</b>	<b>47.920</b>	<b>%7,3</b>	<b>86.747</b>	<b>%26,9</b>	<b>39.551</b>	<b>%18,4</b>
<b>Services</b>	<b>138.531</b>	<b>%22,8</b>	<b>203.524</b>	<b>%30,8</b>	<b>148.571</b>	<b>%48,5</b>	<b>186.821</b>	<b>%26,8</b>
Wholesale and retail trade	40.268	%6,6	37.854	%5,7	57.757	%11,4	93.435	%11,0
Hotel, food and beverage services	14.783	%2,4	47.561	%7,2	4.312	%3,6	36.930	%8,7
Transportation and telecommunication	20.047	%3,3	28.693	%4,3	15.030	%3,8	9.014	%1,5
Financial Institutions	49.256	%8,1	78.810	%11,9	41.370	%24,2	37.608	%4,3
Real estate and renting services	1.245	%0,2	1.172	%0,2	14.626	%0,2	655	%0,0
Self-employment services	4.013	%0,7	143	%0,0	10.986	%1,4	7.482	%0,0
Education services	2.687	%0,4	--	%0,0	1.687	%0,7	--	%0,1
Health and social services	6.232	%1,0	9.291	%1,4	2.803	%3,1	1.697	%1,3
<b>Other</b>	<b>189.446</b>	<b>%31,2</b>	<b>68.498</b>	<b>%10,4</b>	<b>166.778</b>	<b>%11,8</b>	<b>157.532</b>	<b>%1,5</b>
<b>Total</b>	<b>606.591</b>	<b>%100,0</b>	<b>659.971</b>	<b>%100,0</b>	<b>432.859</b>	<b>%100,0</b>	<b>591.809</b>	<b>%100,0</b>

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

Current Period	Stage I		Stage II	
	TL	FC	TL	FC
Letters of Guarantee	545.520	272.645	38.521	4.885
Bills of Exchange and Bank Acceptances	22.550	134.217	--	--
Letters of Credit	--	230.213	--	18.011
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
<b>Non-Cash Loans</b>	<b>568.070</b>	<b>637.075</b>	<b>38.521</b>	<b>22.896</b>

Prior Period	Stage I		Stage II	
	TL	FC	TL	FC
Letters of Guarantee	406.915	312.347	25.944	5.407
Bills of Exchange and Bank Acceptances	--	105.847	--	--
Letters of Credit	--	168.208	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
<b>Non-Cash Loans</b>	<b>406.915</b>	<b>586.402</b>	<b>25.944</b>	<b>5.407</b>

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

	Current Period	Prior Period
<b>Types of trading transactions</b>		
<b>Foreign Currency Related Derivative Transactions (I)</b>	<b>33.526.782</b>	<b>28.917.977</b>
Forward Transactions	4.022.259	4.459.648
Swap Transactions	23.374.081	18.989.037
Futures Transactions	--	--
Option Transactions	6.130.442	5.469.292
<b>Interest Related Derivative Transactions (II)</b>	<b>2.899.546</b>	<b>644.020</b>
Forward Rate Transactions	--	--
Interest Rate Swap Transactions	2.899.546	644.020
Interest Option Transactions	--	--
Futures Interest Transactions	--	--
Other Trading Derivative Transactions (III)	420.836	1.157.032
<b>A. Total Derivative Transactions Held for Trading (I+II+III)</b>	<b>36.847.164</b>	<b>30.719.029</b>
<b>Types of hedging transactions</b>		
Fair Value Hedges	--	2.197.519
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
<b>B. Total Derivative Transactions Held for Hedging Purposes</b>	<b>--</b>	<b>2.197.519</b>
<b>Total Derivative Transactions (A+B)</b>	<b>36.847.164</b>	<b>32.916.548</b>

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

None.

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

The bank recognised a provision of TL 6.198 for the legal cases pending against the Bank where the cash out flows are probable (31 December 2019: TL 2.107).

**6. Custodian and intermediary services**

The Bank provides trading and safe keeping services in the name and account of third parties. Such transactions are presented in off-balance statements.

**FİBANKKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

**1. Interest income**

**1.1 Information on interest on loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans(*)	1.500.921	501.698	1.815.576	406.944
Short Term Loans	692.596	65.373	1.039.354	88.811
Medium and Long Term Loans	808.325	436.325	776.222	318.133
Interest on Non-Performing Loans	15.576	--	9.776	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>1.516.497</b>	<b>501.698</b>	<b>1.825.352</b>	<b>406.944</b>

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	--	--	5.831	--
Domestic Banks	24.871	53	109.555	375
Foreign Banks	--	229	--	1.414
Branches and Head Office Abroad	--	--	--	--
<b>Total</b>	<b>24.871</b>	<b>282</b>	<b>115.386</b>	<b>1.789</b>

**1.3 Interest received from marketable securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	8.389	131	17.736	67
Financial Assets at Fair Value Through Other Comprehensive Income	549	45.751	903	41.926
Financial Assets Measured at Amortized Cost	15.930	41.645	10.220	18.376
<b>Total</b>	<b>24.868</b>	<b>87.527</b>	<b>28.859</b>	<b>60.369</b>

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

None (31 December 2019: None).

**FİBABANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**IV. Explanations and disclosures related to the statement of profit or loss (continued)****2. Interest expense****2.1 Information on interest on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>1.613</b>	<b>41.668</b>	<b>1.548</b>	<b>35.922</b>
The Central Bank of Turkey	--	--	--	--
Domestic Banks	1.613	23.116	1.548	22.468
Foreign Banks	--	18.552	--	13.454
Branches and Head Office Abroad	--	--	--	--
<b>Other Institutions</b>	--	<b>165.407</b>	--	<b>146.966</b>
<b>Total</b>	<b>1.613</b>	<b>207.075</b>	<b>1.548</b>	<b>182.888</b>

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

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

Total interest expense given to subsidiaries is TL 729 (1 January - 31 December 2019: TL 409).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	28.310	110.398	100.699	79.165

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

Account Description	Demand Deposits	Time Deposits					Cumulative Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
<b>Turkish Lira</b>								
Bank Deposits	--	7.506	--	--	--	--	--	<b>7.506</b>
Saving Deposits	--	388.931	153.898	13.003	6.759	10.055	--	<b>572.646</b>
Public Sector Deposits	--	46	80	--	--	--	--	<b>126</b>
Commercial Deposits	--	26.697	84.424	1.297	110	183	--	<b>112.711</b>
Other	--	270	2.739	470	20	22	--	<b>3.521</b>
7 Days Notice	--	--	--	--	--	--	--	--
<b>Total</b>	--	<b>423.450</b>	<b>241.141</b>	<b>14.770</b>	<b>6.889</b>	<b>10.260</b>	--	<b>696.510</b>
<b>Foreign Currency</b>								
Foreign Currency Deposits	--	46.886	50.228	6.699	3.054	2.251	--	<b>109.118</b>
Bank Deposits	--	3.011	--	--	--	--	--	<b>3.011</b>
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	1.802	--	--	--	--	--	<b>1.802</b>
<b>Total</b>	--	<b>51.699</b>	<b>50.228</b>	<b>6.699</b>	<b>3.054</b>	<b>2.251</b>	--	<b>113.931</b>
<b>Grand Total</b>	--	<b>475.149</b>	<b>291.369</b>	<b>21.469</b>	<b>9.943</b>	<b>12.511</b>	--	<b>810.441</b>

**3. Information on dividend income**

None (31 December 2019: None).

**FİBANKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

4. Information on net trading income / loss

	Current Period	Prior Period
Income	2.418.803	1.802.390
Gains on Capital Market Operations	61.618	65.208
Gains on Derivative Financial Instruments	1.371.297	807.204
Foreign Exchange Gains	985.888	929.978
Loss (-)	2.272.068	1.730.412
Losses on Capital Market Operations	18.969	3.973
Losses on Derivative Financial Instruments	1.298.946	807.645
Foreign Exchange Losses	954.153	918.794
Net Trading Income / ( Loss )	146.735	71.978

5. Information on other operating income

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

6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	285.864	489.872
12 Months Expected Credit Losses (Stage 1)	41.832	16.442
Significant Increase In Credit Risk (Stage 2)	126.137	2.902
Impaired Credits (Stage 3)	117.895	470.528
Impairment Losses on Marketable Securities	--	--
Financial Assets Valued at Fair Value Through Profit or Loss	--	--
Financial Assets Valued at Fair Value Through Other Comprehensive Income	--	--
Impairment Losses on Associates, Subsidiaries and Joint Ventures	--	--
Associates	--	--
Subsidiaries	--	--
Joint-Ventures	--	--
Other (*)	110.595	98
Total	396.459	489.970

(\*) TL 106.500 of the total is the provisions for possible losses (31 December 2019: None).

**FİBANKKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

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

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

	Current Period	Prior Period
Provision for Employee Termination Benefits	937	1.301
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	17.738	14.346
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	26.097	12.832
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	--
Depreciation of Right to Use Assets	28.162	27.766
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	138.564	119.647
Operational leases expenses related with TFRS 16 exceptions (*)	630	882
Repair and Maintenance Expenses	2.215	3.520
Advertisement Expenses	16.669	13.392
Other Expenses	119.050	101.853
Losses on Sale of Assets	4.060	2.283
Other	109.218	82.522
<b>Total</b>	<b>324.776</b>	<b>260.697</b>

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

	Current Period	Prior Period
Interest Income	2.179.521	2.496.581
Interest Expenses (-)	1.223.461	1.680.551
Net Fee and Commission income	150.342	199.787
Trading Profit/Loss (Net)	146.735	71.978
Other Operating Income(*)	83.997	171.685
Provision for Impairment in Loans and Other Receivables	285.864	489.872
Other Provision Expenses (-)	110.595	98
Personnel Expenses (-)	299.730	258.683
Other Operating Expenses (-)	324.776	260.697
<b>Profit/(loss) Before Tax</b>	<b>316.169</b>	<b>250.130</b>

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

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

As of 31 December 2020, the Bank provided current tax expense of TL 224.323 in the statement of profit or loss for the 12 months period (1 January - 31 December 2019: TL 22.747 expense).

As of 31 December 2020, the Bank provided the deferred tax expense of TL 101.288 and the deferred tax income of TL 239.277 in the statement of profit or loss for 12 months period (1 January - 31 December 2019: TL 15.339 deferred tax expense).

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

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	316.169	250.130
Tax Benefit/(Charge) on Continuing Operations	(86.334)	(38.086)
<b>Net Profit/(Loss) from Continuing Operations</b>	<b>229.835</b>	<b>212.044</b>

**FİBANKA A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

**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 Bank's income from ordinary banking transactions is interest income from loans and marketable securities and other banking service income. Main expenses are interest expense on deposits and similar debt items which are funding resources of loans and marketable securities.

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

**11.3** *As there is no minority share in shareholders' equity, there is no profit or loss attributable to the minority shares*

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

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

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

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**1. Information on inflation adjustment difference of shareholders' equity**

As per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005.

In accordance with the circular, TL 17.416 inflation adjustments to paid-in-capital until 31 December 2005 have been transferred to "Other Capital Reserves" account which was formerly recognized in "Inflation Adjustment to Paid-in-Capital" account. Mentioned inflation adjustment was used in the capital increase from TL 426.650 to TL 550.000 together with TL 9.502 profit from the disposal of real estate and TL 96.432 cash contribution of Fiba Holding A.Ş. in accordance with the Board of Directors decision dated 25 February 2013. Legal procedures were completed on 29 May 2013 and capital increase was accounted for in the financial statements.

**2. Information on profit distribution**

The decision relating to distribution of 2020 profit will be made at the General Assembly.

At the General Assembly meeting held on 27 March 2020, 2019 profit of the Bank was decided to be distributed as follows:

<b>Profit or Loss</b>	<b>212.044</b>
A- Legal Reserves	10.602
B- Extraordinary Reserves	201.442

**3. Information on foreign exchange difference**

None.

**4. Information on financial assets measured at fair value through other comprehensive income**

Mark to market gains and losses on financial assets measured at fair value through other comprehensive income are not reflected to profit and loss but recognized in equity under "Securities Valuation Reserve" account until such securities are sold, redeemed, disposed of or impaired; recognised as "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under equity. In case the related assets are securities representing a share in the capital, in the account "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under equity.

**FİBANKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**VI. Explanations and disclosures related to the consolidated statement of cash flows****1. Information on cash and cash equivalents**

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency, money in transfer, purchased bank cheques and deposits in all banks including Central Bank of Turkey are defined as "Cash", interbank money market placements with original maturity less than 3 months and investments onmarketable securities are defined as "Cash equivalents".

**a) Cash and cash equivalents at the beginning of the period:**

	1 January 2020	1 January 2019
Cash	259.794	138.331
Banks and Other Financial Institutions	1.833.189	1.643.318
Money Market Placements	30.010	306.208
<b>Total Cash and Cash Equivalent Assets</b>	<b>2.122.993</b>	<b>2.087.857</b>

**b) Cash and cash equivalents at the end of the period:**

	31 December 2020	31 December 2019
Cash	336.603	259.794
Banks and Other Financial Institutions	2.081.666	1.833.189
Money Market Placements	412.231	30.010
<b>Total Cash and Cash Equivalents Assets</b>	<b>2.830.500</b>	<b>2.122.993</b>

**2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons**

In the current period, demand deposits of TL 293.142 which is blocked at foreign banks as the guarantee of derivative transactions and required reserves at the Central Bank of Turkish Republic are not included in cash and cash equivalents (31 December 2019: TL 31.976).

**3. Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents**

"Other items" amounting to TL 88.002 in "operating profit before changes in operating assets and liabilities" consists of other operating expenses and realized derivative losses (31 December 2019: TL (260.990)).

"Net increase/decrease in other liabilities" amounting to TL (3.860) in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2019: TL (25.979)).

"Net increase/decrease in other assets" amounting to TL (7.458) in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2019: TL (118.315)).

"Other" amounting to TL (51.350) in "Net cash flows from investment activities" consists of purchases of intangible asset (31 December 2019: TL (47.658)).

"The effect of exchange rate changes on cash and cash equivalents" is the amount arising from conversion of the cash and cash equivalents denominated in foreign currencies with the average of the exchange rates effective at the beginning and at the end of the related periods and is TL (754.560) for the current period (1 January- 31 December 2019: TL (75.064)).

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**VII Explanations and disclosures on the risk group of the Bank****1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at Period end and income and expenses in the current period****1.1 Current period**

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	20	331.014	61.073
Balance at the End of the Period	--	--	--	20	635.851	70.760
Interest and Commission Income Received	--	--	--	--	36.884	126

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

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

**Prior period**

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	20	402.272	55.468
Balance at the End of the Period	--	--	--	20	331.014	61.073
Interest and Commission Income Received	--	--	--	--	39.078	105

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

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

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	8.695	1.859	57.840	80.750	231.137	460.871
Balance at the End of the Period	2.561	8.695	18.479	57.840	512.953	231.137
Deposit Interest Expense	729	409	4.778	20.577	20.532	49.554

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

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

As of 31 December 2020, there are no funds other than deposit obtained from Bank's risk group (31 December 2019: None).

**FİBANKA A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN**  
**1 JANUARY 2020 - 31 DECEMBER 2020**

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

**VII. Explanations and disclosures on the risk group of the Bank (continued)**

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	741.741	780.609
Balance at the End of the Period	--	--	--	--	1.181.279	741.741
Total Income/Loss	--	--	--	--	578	(37.471)
Transactions for Hedging Purposes:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

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

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

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

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

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

As of 31 December 2020, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 3,38% (31 December 2019: 2,12%) and the ratio of the deposits of entities of risk group to total deposits is 3,02% (31 December 2019: 2,19%). There are no funds obtained from entities of risk group (31 December 2019: None).

In the current period, benefits such as salaries and bonuses, provided to the key management are TL 21.134 (1 January - 31 December 2019: TL 15.475).

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

None.

**2.4 Transactions accounted for under equity method**

None.

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

None.

**FİBANKKA A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

**VIII. Explanations on the 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	50	1.550			
			Country of Incorporations		
Foreign Reprasantation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

**VIII. Events after balance sheet date**

None.

**SECTION SIX****I. Other disclosures on activities of the Bank****Summary information of Bank's risk ratings by international rating agencies****Fitch Ratings**

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

**FİBANKA A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN  
1 JANUARY 2020 - 31 DECEMBER 2020**

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

---

**SECTION SEVEN**

**DISCLOSURES ON AUDIT REPORT**

**I. Disclosures on audit report**

The unconsolidated financial statements of the Bank as of 31 December 2020, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (The Turkish member firm of KPMG International Cooperative) and a audit report is presented before the accompanying financial statements.

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

None.