

# **FİBABANKA A.Ş.**

## **INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT, UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS AND RELATED DISCLOSURES FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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

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

**Interim Review Report on Unconsolidated Interim Financial Information**

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

***Introduction***

We have reviewed the unconsolidated statement of financial position of Fibabanka A.Ş. (“the Bank”) at September 30, 2017 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders’ equity, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by BRSA Legislation (together referred as “BRSA Accounting and Financial Reporting Legislation”). Our responsibility is to express a conclusion on these interim financial statements based on our review.

***Scope of Review***

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

***Basis of Qualified Conclusion***

The accompanying unconsolidated financial statements as at September 30, 2017 include a general reserve which does not meet the relevant criterias in TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" for possible risks provided by the Bank Management for possible results of the circumstances which may arise from possible changes in the economy and market conditions during the year of 2016 and within current period amounting to TL 42,000 thousands out which TL 36,000 thousands and TL 6,000 thousands, respectively.

### ***Qualified Conclusion***

Based on our review, except for the effect of the matter referred in the basis of qualified conclusion paragraph on the prior and current period unconsolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the financial position of Fibabanka A.Ş. at September 30, 2017 and of the results of its operations and its cash flows for the nine-month-period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

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

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

### ***Other Matter***

The unconsolidated financial statements of the Bank as at and for the year ended December 31, 2016 and as at and for the nine-month period ended September 30, 2016 were audited and reviewed by another audit firm, which expressed a qualified opinion and an unqualified conclusion in their reports issued on February 17, 2017 and November 10, 2016, respectively.

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

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

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



Damla Harman, SMMM  
Partner

November 6, 2017  
Istanbul, Turkey

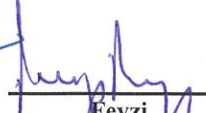
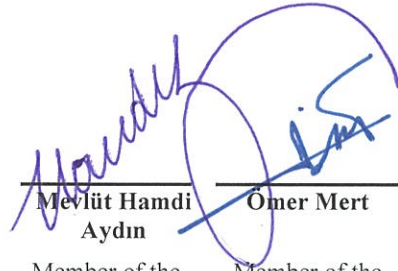
**THE UNCONSOLIDATED FINANCIAL REPORT OF  
FİBABANKA A.Ş.  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017**

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

- GENERAL INFORMATION ABOUT THE 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
- LIMITED REVIEW REPORT
- INTERIM ACTIVITY REPORT

The unconsolidated financial statements for the nine months period 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 independently reviewed and presented as attached.

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

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

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

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**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY- 30 SEPTEMBER 2017**

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

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**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") Numbered: 596 on 16 January 2002.

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

In the Extraordinary General Assembly held on 28 November 2006, the name of BankEuropa 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 30 September 2017, total share of the management is 0.61%.

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 procedure on 7 May 2015.

The Bank's paid-in capital amount of TL 678,860 was increased to TL 847,515 on 23 December 2015 with equal contributions from International Finance Corporation ("IFC") and European Bank for Reconstruction and Development ("EBRD") amounting to TL 168,655 in total. In addition, share issuance premium of TL 73,379 was recognised in the shareholders' equity.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY- 30 SEPTEMBER 2017**

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

**II. Shareholder structure, shareholders having direct or indirect, joint or individual control over the management and internal audit of the Bank, changes in shareholder structure during the current period, if any and information on the Bank's risk group (cont'd)**

The Bank's paid-in capital of TL 847,515 was increased by TL 93,646 on 7 September 2016 all by TurkFinance B.V. to reach TL 941,161. In addition, TL 55,299 was recorded to equities as share premium.

As of 30 September 2017, paid-in capital of the Bank is TL 941,161 and all paid in.

**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>Assigned Date</u> |
|------------------------------------------|-----------------------------------------------------------|----------------------|
| <b><i>Board of Directors</i></b>         |                                                           |                      |
| Hüsnü Mustafa Özyeğin                    | Chairman                                                  | 27-Dec-10            |
| Fevzi Bozer                              | Deputy Chairman                                           | 27-Dec-10            |
| Mehmet Güleşçi                           | Member                                                    | 27-Dec-10            |
| Mevlüt Hamdi Aydın                       | Member                                                    | 24-Jan-13            |
| İsmet Kaya Erdem                         | Member                                                    | 11-Feb-13            |
| Memduh Aslan Akçay                       | Member                                                    | 13-Apr-16            |
| Selçuk Yorgancıoğlu                      | Member                                                    | 22-Sep-16            |
| Hülya Kefeli                             | Member                                                    | 15-May-17            |
| Ömer Mert                                | Member-General Manager                                    | 18-Jan-17            |
| <b><i>Audit Committee</i></b>            |                                                           |                      |
| Fevzi Bozer                              | Member                                                    | 27-Dec-10            |
| Mevlüt Hamdi Aydın                       | Member                                                    | 24-Jan-13            |
| <b><i>Assistant General Managers</i></b> |                                                           |                      |
| Elif Alsev Utku Özbey                    | Deputy General Manager –<br>Financial Control & Reporting | 07-Jan-11            |
| Adem Aykın                               | AGM – Information Technologies                            | 01-Jul-11            |
| Esra Osmanağaoğlu                        | AGM – Banking Operations                                  | 29-Feb-12            |
| Kerim Lokman Kuriş                       | AGM – Corporate & Commercial Banking                      | 01-Dec-15            |
| Turgay Hasdiker                          | AGM – Credits                                             | 01-Dec-15            |
| Ahu Dolu                                 | AGM – Financial Institutions                              | 01-Dec-15            |
| Gerçek Önal                              | Chief Legal Counsel                                       | 01-Feb-16            |
| Orhan Hatipoğlu                          | AGM – Direct Banking & Supporting Services                | 02-Jan-17            |
| Ömer Rifat Gencal                        | AGM – Treasury                                            | 01-May-17            |
| Sezin Erken                              | AGM – Consumer Banking and Funding Resource<br>Management | 10-Aug-17            |

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 OF 1 JANUARY- 30 SEPTEMBER 2017**

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

**IV. Individuals and institutions that have qualified shares in the Bank**

| <b>Name Surname/ Commercial Title</b> | <b>Share Amount<br/>(Nominal)</b> | <b>Share Ratios</b> | <b>Paid in Capital<br/>(Nominal)</b> | <b>Unpaid<br/>Shares</b> |
|---------------------------------------|-----------------------------------|---------------------|--------------------------------------|--------------------------|
| Fiba Holding A.Ş.                     | 673,147                           | 71.52%              | 673,147                              | --                       |
| Hüsnü Mustafa Özyeğin                 | 666,433                           | 70.81%              | 666,433                              | --                       |

**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 30 September 2017, the Bank serves with 80 domestic branches and 1,692 employees.

**VI. Other information**

|                                  |   |                                                                |
|----------------------------------|---|----------------------------------------------------------------|
| The Bank's Commercial Title      | : | Fibabanka Anonim Şirketi                                       |
| The Bank's Head Office Address   | : | Esentepe Mah. Büyükdere Caddesi<br>No:129 Şişli 34394 İstanbul |
| The Bank's Phone and Fax Numbers | : | Telephone: (0212) 381 82 82<br>Fax : (0212) 258 37 78          |
| The Bank's Web Site Address      | : | www.fibabanka.com.tr                                           |
| The Bank's E-Mail Address        | : | malikontrol@fibabanka.com.tr                                   |
| Reporting Period                 | : | 1 January 2017 – 30 September 2017                             |

The financial statements, related disclosures and notes in this report are prepared, unless otherwise stated, 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**

**FİBABANKA A.Ş.**
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**
**AS OF 30 SEPTEMBER 2017**

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

| ASSETS                                                                            | Note     | CURRENT PERIOD<br>(30/09/2017) |                  |                   | PRIOR PERIOD<br>(31/12/2016) |                  |                   |
|-----------------------------------------------------------------------------------|----------|--------------------------------|------------------|-------------------|------------------------------|------------------|-------------------|
|                                                                                   |          | TL                             | FC               | Total             | TL                           | FC               | Total             |
| <b>I. CASH AND BALANCES WITH CENTRAL BANK</b>                                     | (5.1.1)  | 169,365                        | 2,130,956        | 2,300,321         | 137,977                      | 1,799,957        | 1,937,934         |
| <b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)</b>            | (5.1.2)  | 529,785                        | 12,842           | 542,627           | 491,693                      | 5,992            | 497,685           |
| 2.1 Trading Financial Assets                                                      |          | 529,785                        | 12,842           | 542,627           | 491,693                      | 5,992            | 497,685           |
| 2.1.1 Government Debt Securities                                                  |          | 17,684                         | 4,008            | 21,692            | 17,033                       | 5,720            | 22,753            |
| 2.1.2 Equity Securities                                                           |          | -                              | -                | -                 | -                            | -                | -                 |
| 2.1.3 Trading Derivative Financial Assets                                         |          | 470,956                        | 8,069            | 479,025           | 414,739                      | 265              | 415,004           |
| 2.1.4 Other Marketable Securities                                                 |          | 41,145                         | 765              | 41,910            | 59,921                       | 7                | 59,928            |
| 2.2 Financial Assets at Fair Value through Profit or Loss                         |          | -                              | -                | -                 | -                            | -                | -                 |
| 2.2.1 Government Debt Securities                                                  |          | -                              | -                | -                 | -                            | -                | -                 |
| 2.2.2 Equity Securities                                                           |          | -                              | -                | -                 | -                            | -                | -                 |
| 2.2.3 Loans                                                                       |          | -                              | -                | -                 | -                            | -                | -                 |
| 2.2.4 Other Marketable Securities                                                 |          | -                              | -                | -                 | -                            | -                | -                 |
| <b>III. BANKS</b>                                                                 | (5.1.3)  | 227,694                        | 96,925           | 324,619           | 1,112                        | 56,952           | 58,064            |
| <b>IV. MONEY MARKET PLACEMENTS</b>                                                |          | 103,675                        | -                | 103,675           | 15,009                       | 259,693          | 274,702           |
| 4.1 Interbank Money Market Placements                                             |          | -                              | -                | -                 | -                            | -                | -                 |
| 4.2 Istanbul Stock Exchange Money Market Placements                               |          | 103,675                        | -                | 103,675           | 15,009                       | 259,693          | 274,702           |
| 4.3 Receivables from Reverse Repurchase Agreements                                |          | -                              | -                | -                 | -                            | -                | -                 |
| <b>V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)</b>                               | (5.1.4)  | 175,965                        | 658,761          | 834,726           | 174,433                      | 712,793          | 887,226           |
| 5.1 Share Certificates                                                            |          | -                              | 1,590            | 1,590             | -                            | 1,019            | 1,019             |
| 5.2 Government Debt Securities                                                    |          | 169,285                        | 11,325           | 180,610           | 172,433                      | 11,418           | 183,851           |
| 5.3 Other Marketable Securities                                                   |          | 6,680                          | 645,846          | 652,526           | 2,000                        | 700,356          | 702,356           |
| <b>VI. LOANS</b>                                                                  | (5.1.5)  | 10,181,217                     | 4,079,185        | 14,260,402        | 7,983,452                    | 3,457,820        | 11,441,272        |
| 6.1 Loans and Receivables                                                         |          | 9,983,716                      | 4,079,185        | 14,062,901        | 7,854,983                    | 3,457,820        | 11,312,803        |
| 6.1.1 Loans to Bank's Risk Group                                                  |          | 729                            | 27               | 756               | 122,792                      | 48               | 122,840           |
| 6.1.2 Government Debt Securities                                                  |          | -                              | -                | -                 | -                            | -                | -                 |
| 6.1.3 Other                                                                       |          | 9,982,987                      | 4,079,158        | 14,062,145        | 7,732,191                    | 3,457,772        | 11,189,963        |
| 6.2 Loans under Follow-up                                                         |          | 369,267                        | -                | 369,267           | 212,639                      | -                | 212,639           |
| 6.3 Specific Provisions (-)                                                       |          | 171,766                        | -                | 171,766           | 84,170                       | -                | 84,170            |
| <b>VII. FACTORING RECEIVABLES</b>                                                 |          | -                              | -                | -                 | -                            | -                | -                 |
| <b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>                                    | (5.1.6)  | -                              | -                | -                 | -                            | -                | -                 |
| 8.1 Government Debt Securities                                                    |          | -                              | -                | -                 | -                            | -                | -                 |
| 8.2 Other Marketable Securities                                                   |          | -                              | -                | -                 | -                            | -                | -                 |
| <b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>                                        | (5.1.7)  | 4,897                          | -                | 4,897             | -                            | -                | -                 |
| 9.1 Associates Consolidated Based on Equity Method                                |          | -                              | -                | -                 | -                            | -                | -                 |
| 9.2 Unconsolidated Associates                                                     |          | 4,897                          | -                | 4,897             | -                            | -                | -                 |
| 9.2.1 Financial Investments in Associates                                         |          | 4,897                          | -                | 4,897             | -                            | -                | -                 |
| 9.2.2 Non-Financial Investments in Associates                                     |          | -                              | -                | -                 | -                            | -                | -                 |
| <b>X. SUBSIDIARIES (Net)</b>                                                      | (5.1.8)  | 5,445                          | -                | 5,445             | 5,445                        | -                | 5,445             |
| 10.1 Financial Subsidiaries                                                       |          | 5,445                          | -                | 5,445             | 5,445                        | -                | 5,445             |
| 10.2 Non-Financial Subsidiaries                                                   |          | -                              | -                | -                 | -                            | -                | -                 |
| <b>XI. JOINT VENTURES (Net)</b>                                                   | (5.1.9)  | -                              | -                | -                 | -                            | -                | -                 |
| 11.1 Joint Ventures Consolidated Based on Equity Method                           |          | -                              | -                | -                 | -                            | -                | -                 |
| 11.2 Unconsolidated Joint Ventures                                                |          | -                              | -                | -                 | -                            | -                | -                 |
| 11.2.1 Financial Joint Ventures                                                   |          | -                              | -                | -                 | -                            | -                | -                 |
| 11.2.2 Non-Financial Joint Ventures                                               |          | -                              | -                | -                 | -                            | -                | -                 |
| <b>XII. FINANCIAL LEASE RECEIVABLES (Net)</b>                                     | (5.1.10) | -                              | -                | -                 | -                            | -                | -                 |
| 12.1 Financial Lease Receivables                                                  |          | -                              | -                | -                 | -                            | -                | -                 |
| 12.2 Operating Lease Receivables                                                  |          | -                              | -                | -                 | -                            | -                | -                 |
| 12.3 Other                                                                        |          | -                              | -                | -                 | -                            | -                | -                 |
| 12.4 Unearned Income (-)                                                          |          | -                              | -                | -                 | -                            | -                | -                 |
| <b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>                     | (5.1.11) | -                              | -                | -                 | -                            | -                | -                 |
| 13.1 Fair Value Hedge                                                             |          | -                              | -                | -                 | -                            | -                | -                 |
| 13.2 Cash Flow Hedge                                                              |          | -                              | -                | -                 | -                            | -                | -                 |
| 13.3 Foreign Net Investment Hedge                                                 |          | -                              | -                | -                 | -                            | -                | -                 |
| <b>XIV. TANGIBLE ASSETS (Net)</b>                                                 | (5.1.12) | 186,188                        | -                | 186,188           | 186,199                      | -                | 186,199           |
| <b>XV. INTANGIBLE ASSETS (Net)</b>                                                | (5.1.13) | 3,842                          | -                | 3,842             | 3,979                        | -                | 3,979             |
| 15.1 Goodwill                                                                     |          | -                              | -                | -                 | -                            | -                | -                 |
| 15.2 Other                                                                        |          | 3,842                          | -                | 3,842             | 3,979                        | -                | 3,979             |
| <b>XVI. INVESTMENT PROPERTY (Net)</b>                                             | (5.1.14) | -                              | -                | -                 | -                            | -                | -                 |
| <b>XVII. TAX ASSET</b>                                                            |          | 8,580                          | -                | 8,580             | 3                            | -                | 3                 |
| 17.1 Current Tax Asset                                                            |          | 3                              | -                | 3                 | 3                            | -                | 3                 |
| 17.2 Deferred Tax Asset                                                           | (5.1.15) | 8,577                          | -                | 8,577             | -                            | -                | -                 |
| <b>XVIII. ASSETS HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS</b> | (5.1.16) | 16,389                         | -                | 16,389            | 3,817                        | -                | 3,817             |
| 18.1 Held for Sale                                                                |          | 16,389                         | -                | 16,389            | 3,817                        | -                | 3,817             |
| 18.2 Related to Discontinued Operations                                           |          | -                              | -                | -                 | -                            | -                | -                 |
| <b>XIX. OTHER ASSETS</b>                                                          | (5.1.17) | 60,656                         | 17,677           | 78,333            | 81,614                       | 15,569           | 97,183            |
| <b>TOTAL ASSETS</b>                                                               |          | <b>11,673,698</b>              | <b>6,996,346</b> | <b>18,670,044</b> | <b>9,084,733</b>             | <b>6,308,776</b> | <b>15,393,509</b> |

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

**FİBABANKA A.Ş.**

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

**AS OF 30 SEPTEMBER 2017**

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

| LIABILITIES                                                                                 | Note      | CURRENT PERIOD<br>(30/09/2017) |           |            | PRIOR PERIOD<br>(31/12/2016) |           |            |
|---------------------------------------------------------------------------------------------|-----------|--------------------------------|-----------|------------|------------------------------|-----------|------------|
|                                                                                             |           | TL                             | FC        | Total      | TL                           | FC        | Total      |
| <b>I. DEPOSITS</b>                                                                          | (S.II.1)  | 6,510,542                      | 5,180,707 | 11,691,249 | 5,819,410                    | 3,802,093 | 9,621,503  |
| 1.1 Deposits of Bank's Risk Group                                                           |           | 513,166                        | 157,660   | 670,826    | 404,210                      | 212,031   | 616,241    |
| 1.2 Other                                                                                   |           | 3,992,376                      | 5,023,047 | 11,015,423 | 5,415,200                    | 3,590,062 | 9,005,262  |
| <b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>                                         | (S.II.2)  | 519,900                        | 8,068     | 527,968    | 383,197                      | 262       | 383,459    |
| <b>III. FUNDS BORROWED</b>                                                                  | (S.II.3)  | 18,571                         | 1,773,080 | 1,791,651  | 17,220                       | 1,519,443 | 1,536,663  |
| <b>IV. MONEY MARKETS</b>                                                                    |           | -                              | 493,084   | 493,084    | 179,244                      | 504,584   | 683,828    |
| 4.1 Funds from Interbank Money Market                                                       |           | -                              | -         | -          | -                            | -         | -          |
| 4.2 Funds from Istanbul Stock Exchange Money Market                                         |           | -                              | -         | -          | -                            | -         | -          |
| 4.3 Funds Provided Under Repurchase Agreements                                              |           | -                              | 493,084   | 493,084    | 179,244                      | 504,584   | 683,828    |
| <b>V. SECURITIES ISSUED (Net)</b>                                                           | (S.II.4)  | 1,223,267                      | -         | 1,223,267  | 991,975                      | -         | 991,975    |
| 5.1 Bills                                                                                   |           | 1,223,267                      | -         | 1,223,267  | 991,975                      | -         | 991,975    |
| 5.2 Asset Backed Securities                                                                 |           | -                              | -         | -          | -                            | -         | -          |
| 5.3 Bonds                                                                                   |           | -                              | -         | -          | -                            | -         | -          |
| <b>VI. FUNDS</b>                                                                            |           | -                              | -         | -          | -                            | -         | -          |
| 6.1 Borrower Funds                                                                          |           | -                              | -         | -          | -                            | -         | -          |
| 6.2 Other                                                                                   |           | -                              | -         | -          | -                            | -         | -          |
| <b>VII. MISCELLANEOUS PAYABLES</b>                                                          | (S.II.5)  | 64,542                         | 48,767    | 113,309    | 59,558                       | 86,191    | 145,749    |
| <b>VIII. OTHER LIABILITIES</b>                                                              | (S.II.5)  | 69,106                         | 32,592    | 101,698    | 117,549                      | 8,561     | 126,110    |
| <b>IX. FACTORING PAYABLES</b>                                                               |           | -                              | -         | -          | -                            | -         | -          |
| <b>X. FINANCIAL LEASE PAYABLES (Net)</b>                                                    | (S.II.6)  | -                              | 453       | 453        | -                            | 85        | 85         |
| 10.1 Financial Lease Payables                                                               |           | -                              | 512       | 512        | -                            | 89        | 89         |
| 10.2 Operating Lease Payables                                                               |           | -                              | -         | -          | -                            | -         | -          |
| 10.3 Other                                                                                  |           | -                              | -         | -          | -                            | -         | -          |
| 10.4 Deferred Financial Lease Expenses (-)                                                  |           | -                              | 59        | 59         | -                            | 4         | 4          |
| <b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>                                         | (S.II.7)  | -                              | -         | -          | -                            | -         | -          |
| 11.1 Fair Value Hedge                                                                       |           | -                              | -         | -          | -                            | -         | -          |
| 11.2 Cash Flow Hedge                                                                        |           | -                              | -         | -          | -                            | -         | -          |
| 11.3 Foreign Net Investment Hedge                                                           |           | -                              | -         | -          | -                            | -         | -          |
| <b>XII. PROVISIONS</b>                                                                      | (S.II.8)  | 178,458                        | -         | 178,458    | 178,569                      | -         | 178,569    |
| 12.1 General Loan Loss Provisions                                                           |           | 113,535                        | -         | 113,535    | 121,287                      | -         | 121,287    |
| 12.2 Restructuring Provisions                                                               |           | -                              | -         | -          | -                            | -         | -          |
| 12.3 Reserve for Employee Benefits                                                          |           | 17,173                         | -         | 17,173     | 16,894                       | -         | 16,894     |
| 12.4 Insurance Technical Provisions (Net)                                                   |           | -                              | -         | -          | -                            | -         | -          |
| 12.5 Other Provisions                                                                       |           | 47,750                         | -         | 47,750     | 40,388                       | -         | 40,388     |
| <b>XIII. TAX LIABILITY</b>                                                                  | (S.II.9)  | 35,279                         | -         | 35,279     | 38,424                       | -         | 38,424     |
| 13.1 Current Tax Liability                                                                  |           | 35,279                         | -         | 35,279     | 37,050                       | -         | 37,050     |
| 13.2 Deferred Tax Liability                                                                 |           | -                              | -         | -          | 1,374                        | -         | 1,374      |
| <b>XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS</b>            | (S.II.10) | -                              | -         | -          | -                            | -         | -          |
| 14.1 Held for Sale Purpose                                                                  |           | -                              | -         | -          | -                            | -         | -          |
| 14.2 Related to Discontinued Operations                                                     |           | -                              | -         | -          | -                            | -         | -          |
| <b>XV. SUBORDINATED LOANS</b>                                                               | (S.II.11) | -                              | 1,103,285 | 1,103,285  | -                            | 397,278   | 397,278    |
| <b>XVI. SHAREHOLDERS' EQUITY</b>                                                            | (S.II.12) | 1,411,635                      | (1,292)   | 1,410,343  | 1,299,969                    | (10,103)  | 1,289,866  |
| 16.1 Paid-in capital                                                                        |           | 941,161                        | -         | 941,161    | 941,161                      | -         | 941,161    |
| 16.2 Capital Reserves                                                                       |           | 117,099                        | (1,292)   | 115,807    | 115,524                      | (10,103)  | 105,421    |
| 16.2.1 Share Premium                                                                        |           | 128,678                        | -         | 128,678    | 128,678                      | -         | 128,678    |
| 16.2.2 Share Cancellation Profits                                                           |           | -                              | -         | -          | -                            | -         | -          |
| 16.2.3 Marketable Securities Valuation Differences                                          |           | (8,576)                        | (1,292)   | (9,868)    | (10,151)                     | (10,103)  | (20,254)   |
| 16.2.4 Property and Equipment Revaluation Differences                                       |           | -                              | -         | -          | -                            | -         | -          |
| 16.2.5 Intangible Assets Revaluation Differences                                            |           | -                              | -         | -          | -                            | -         | -          |
| 16.2.6 Investment Properties Revaluation Differences                                        |           | -                              | -         | -          | -                            | -         | -          |
| 16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures         |           | -                              | -         | -          | -                            | -         | -          |
| 16.2.8 Hedging Funds (Effective portion)                                                    |           | -                              | -         | -          | -                            | -         | -          |
| 16.2.9 Accumulated Revaluation Reserves on Assets Held for Sale and Discontinued Operations |           | -                              | -         | -          | -                            | -         | -          |
| 16.2.10 Other Capital Reserves                                                              |           | (3,003)                        | -         | (3,003)    | (3,003)                      | -         | (3,003)    |
| 16.3 Profit Reserves                                                                        |           | 243,284                        | -         | 243,284    | 128,369                      | -         | 128,369    |
| 16.3.1 Legal Reserves                                                                       |           | 13,535                         | -         | 13,535     | 7,790                        | -         | 7,790      |
| 16.3.2 Statutory Reserves                                                                   |           | -                              | -         | -          | -                            | -         | -          |
| 16.3.3 Extraordinary Reserves                                                               |           | 229,749                        | -         | 229,749    | 120,579                      | -         | 120,579    |
| 16.3.4 Other Profit Reserves                                                                |           | -                              | -         | -          | -                            | -         | -          |
| 16.4 Income or (Loss)                                                                       |           | 110,091                        | -         | 110,091    | 114,915                      | -         | 114,915    |
| 16.4.1 Prior Periods' Income or (Loss)                                                      |           | -                              | -         | -          | -                            | -         | -          |
| 16.4.2 Current Period Income or (Loss)                                                      |           | 110,091                        | -         | 110,091    | 114,915                      | -         | 114,915    |
| 16.5 Minority Interests                                                                     | (S.II.13) | -                              | -         | -          | -                            | -         | -          |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                                         |           | 10,031,300                     | 8,638,744 | 18,670,044 | 9,085,115                    | 6,388,394 | 15,393,509 |

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

## UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS

AS OF 30 SEPTEMBER 2017

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

|                                                                          | Note      | CURRENT PERIOD<br>(30/09/2017) |                   |                    | PRIOR PERIOD<br>(31/12/2016) |                   |                    |
|--------------------------------------------------------------------------|-----------|--------------------------------|-------------------|--------------------|------------------------------|-------------------|--------------------|
|                                                                          |           | TL                             | FC                | Total              | TL                           | FC                | Total              |
| <b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>                       |           | <b>11,156,813</b>              | <b>24,073,429</b> | <b>36,210,242</b>  | <b>8,581,635</b>             | <b>12,614,699</b> | <b>21,196,334</b>  |
| <b>I. GUARANTEES AND WARRANTIES</b>                                      | (5.III.1) | <b>612,891</b>                 | <b>722,745</b>    | <b>1,335,636</b>   | <b>440,172</b>               | <b>456,854</b>    | <b>897,026</b>     |
| 1.1. Letters of Guarantee                                                |           | 612,058                        | 246,705           | 858,763            | 439,122                      | 166,756           | 605,908            |
| 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                                        |           | 612,058                        | 246,705           | 858,763            | 439,122                      | 166,756           | 605,908            |
| 1.2. Bank Acceptances                                                    |           | 833                            | 208,522           | 209,355            | 1,050                        | 66,001            | 67,051             |
| 1.2.1. Import Letter of Acceptance                                       |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 1.2.2. Other Bank Acceptances                                            |           | 833                            | 208,522           | 209,355            | 1,050                        | 66,001            | 67,051             |
| 1.3. Letters of Credit                                                   |           | -                              | 267,518           | 267,518            | -                            | 224,067           | 224,067            |
| 1.3.1. Documentary Letters of Credit                                     |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 1.3.2. Other Letters of Credit                                           |           | -                              | 267,518           | 267,518            | -                            | 224,067           | 224,067            |
| 1.4. Prefinancing Given as Guarantee                                     |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 1.5. Endorsements                                                        |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 1.5.1. Endorsements to the Central Bank of Turkey                        |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 1.5.2. Other Endorsements                                                |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 1.6. Purchase Guarantees for Securities Issued                           |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 1.7. Factoring Guarantees                                                |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 1.8. Other Guarantees                                                    |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 1.9. Other Collaterals                                                   |           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>II. COMMITMENTS</b>                                                   | (5.III.1) | <b>1,190,278</b>               | <b>1,820,135</b>  | <b>3,010,413</b>   | <b>542,376</b>               | <b>326,052</b>    | <b>868,428</b>     |
| 2.1. Irrevocable Commitments                                             |           | 1,190,278                      | 1,820,135         | 3,010,413          | 542,376                      | 326,052           | 868,428            |
| 2.1.1. Asset Purchase Commitments                                        |           | 570,798                        | 1,820,135         | 2,390,933          | 89,486                       | 326,052           | 415,538            |
| 2.1.2. Deposit Purchase and Sales Commitments                            |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 2.1.3. Share Capital Commitments to Associates and Subsidiaries          |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 2.1.4. Loan Granting Commitments                                         |           | 282,144                        | -                 | 282,144            | 171,368                      | -                 | 171,368            |
| 2.1.5. Securities Issue Brokerage Commitments                            |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 2.1.6. Commitments for Reserve Requirements                              |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 2.1.7. Commitments for Cheque Payments                                   |           | 208,038                        | -                 | 208,038            | 172,800                      | -                 | 172,800            |
| 2.1.8. Tax and Fund Liabilities from Export Commitments                  |           | 4,370                          | -                 | 4,370              | 4,230                        | -                 | 4,230              |
| 2.1.9. Commitments for Credit Card Limits                                |           | 124,111                        | -                 | 124,111            | 101,475                      | -                 | 101,475            |
| 2.1.10. Commitments for Credit Cards and Banking Services Promotions     |           | 1                              | -                 | 1                  | 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                                    |           | 2,816                          | -                 | 2,816              | 3,016                        | -                 | 3,016              |
| 2.2. Revocable Commitments                                               |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 2.2.1. Revocable Loan Granting Commitments                               |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 2.2.2. Other Revocable Commitments                                       |           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>                             | (5.III.5) | <b>10,333,644</b>              | <b>21,530,549</b> | <b>31,864,193</b>  | <b>7,599,087</b>             | <b>11,831,793</b> | <b>19,430,880</b>  |
| 3.1. Hedging Derivative Financial Instruments                            |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.1.1. Fair Value Hedges                                                 |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.1.2. Cash Flow Hedges                                                  |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.1.3. Foreign Net Investment Hedges                                     |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2. Trading Derivative Financial Instruments                            |           | 10,333,644                     | 21,530,549        | 31,864,193         | 7,599,087                    | 11,831,793        | 19,430,880         |
| 3.2.1. Forward Foreign Currency Buy/Sell Transactions                    |           | 741,133                        | 2,946,000         | 3,687,133          | 456,674                      | 1,582,210         | 2,038,884          |
| 3.2.1.1. Forward Foreign Currency Transactions-Buy                       |           | 333,676                        | 1,511,177         | 1,844,853          | 193,451                      | 823,219           | 1,016,670          |
| 3.2.1.2. Forward Foreign Currency Transactions-Sell                      |           | 407,457                        | 1,434,823         | 1,842,280          | 263,223                      | 758,991           | 1,022,214          |
| 3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates  |           | 6,528,619                      | 11,769,862        | 18,298,481         | 4,408,155                    | 7,478,657         | 11,876,812         |
| 3.2.2.1. Foreign Currency Swap-Buy                                       |           | 2,529,541                      | 6,599,402         | 9,128,943          | 2,410,286                    | 3,533,213         | 5,943,499          |
| 3.2.2.2. Foreign Currency Swap-Sell                                      |           | 3,999,078                      | 5,170,460         | 9,169,538          | 1,938,869                    | 3,945,444         | 5,884,313          |
| 3.2.2.3. Interest Rate Swap-Buy                                          |           | 25,000                         | -                 | 25,000             | 25,000                       | -                 | 25,000             |
| 3.2.2.4. Interest Rate Swap-Sell                                         |           | 25,000                         | -                 | 25,000             | 25,000                       | -                 | 25,000             |
| 3.2.3. Foreign Currency, Interest Rate and Securities Options            |           | 3,063,892                      | 6,814,637         | 9,878,529          | 2,742,258                    | 2,772,926         | 5,515,184          |
| 3.2.3.1. Foreign Currency Options-Buy                                    |           | 1,601,119                      | 3,343,019         | 4,944,138          | 1,465,408                    | 1,288,756         | 2,754,164          |
| 3.2.3.2. Foreign Currency Options-Sell                                   |           | 1,462,773                      | 3,471,618         | 4,934,411          | 1,276,850                    | 1,484,170         | 2,761,020          |
| 3.2.3.3. Interest Rate Options-Buy                                       |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2.3.4. Interest Rate Options-Sell                                      |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2.3.5. Securities Options-Buy                                          |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2.3.6. Securities Options-Sell                                         |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2.4. Foreign Currency Futures                                          |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2.4.1. Foreign Currency Futures-Buy                                    |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2.4.2. Foreign Currency Futures-Sell                                   |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2.5. Interest Rate Futures                                             |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2.5.1. Interest Rate Futures-Buy                                       |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2.5.2. Interest Rate Futures-Sell                                      |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 3.2.6. Other                                                             |           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>                         |           | <b>91,926,388</b>              | <b>37,120,331</b> | <b>129,046,719</b> | <b>70,890,212</b>            | <b>32,688,095</b> | <b>103,778,307</b> |
| <b>IV. ITEMS HELD IN CUSTODY</b>                                         |           | <b>1,215,649</b>               | <b>207,013</b>    | <b>1,422,662</b>   | <b>961,063</b>               | <b>262,458</b>    | <b>1,223,521</b>   |
| 4.1. Customer Fund and Portfolio Balances                                |           | 142,642                        | -                 | 142,642            | 160,517                      | -                 | 160,517            |
| 4.2. Investment Securities Held in Custody                               |           | 121,811                        | 107,852           | 229,663            | 77,180                       | 87,118            | 164,308            |
| 4.3. Cheques Received for Collection                                     |           | 549,805                        | 88,640            | 638,445            | 430,886                      | 81,067            | 511,953            |
| 4.4. Commercial Notes Received for Collection                            |           | 157,352                        | 10,521            | 167,873            | 126,323                      | 94,273            | 220,596            |
| 4.5. Other Assets Received for Collection                                |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 4.6. Assets Received for Public Offering                                 |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 4.7. Other Items Under Custody                                           |           | 244,039                        | -                 | 244,039            | 166,149                      | -                 | 166,149            |
| 4.8. Custodians                                                          |           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>V. PLEDGES RECEIVED</b>                                               |           | <b>90,710,739</b>              | <b>36,913,318</b> | <b>127,624,057</b> | <b>69,929,149</b>            | <b>32,625,637</b> | <b>102,554,786</b> |
| 5.1. Marketable Securities                                               |           | 46,200                         | 133,591           | 179,791            | 55,143                       | 83,839            | 143,982            |
| 5.2. Guarantee Notes                                                     |           | 126,268                        | 272,184           | 398,452            | 164,027                      | 64,842            | 228,869            |
| 5.3. Commodity                                                           |           | -                              | -                 | -                  | 2,500                        | -                 | 2,500              |
| 5.4. Warranty                                                            |           | -                              | -                 | -                  | -                            | -                 | -                  |
| 5.5. Intangibles                                                         |           | 9,442,980                      | 4,268,688         | 13,711,668         | 8,994,608                    | 4,143,780         | 13,138,388         |
| 5.6. Other Pledged Items                                                 |           | 81,095,291                     | 32,258,855        | 113,354,146        | 60,712,871                   | 28,328,176        | 89,041,047         |
| 5.7. Pledged Items-Depository                                            |           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>                      |           | <b>-</b>                       | <b>-</b>          | <b>-</b>           | <b>-</b>                     | <b>-</b>          | <b>-</b>           |
| <b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>                         |           | <b>104,063,201</b>             | <b>61,193,760</b> | <b>165,256,961</b> | <b>79,471,847</b>            | <b>45,502,794</b> | <b>124,974,641</b> |

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

**FİBABANKA A.Ş.**
**UNCONSOLIDATED INCOME STATEMENT**
**FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2017**

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

| INCOME STATEMENT |                                                                                    | Note      | CURRENT PERIOD<br>(01/01/2017-<br>30/09/2017) | PRIOR PERIOD<br>(01/01/2016-<br>30/09/2016) | CURRENT PERIOD<br>(01/07/2017-<br>30/09/2017) | PRIOR PERIOD<br>(01/07/2016-<br>30/09/2016) |
|------------------|------------------------------------------------------------------------------------|-----------|-----------------------------------------------|---------------------------------------------|-----------------------------------------------|---------------------------------------------|
| I.               | INTEREST INCOME                                                                    | (S.IV.1)  | 1,317,720                                     | 936,504                                     | 505,466                                       | 332,967                                     |
| 1.1              | Interest on Loans                                                                  |           | 1,207,274                                     | 897,433                                     | 465,978                                       | 320,688                                     |
| 1.2              | Interest on Reserve Requirements                                                   |           | 13,331                                        | 5,741                                       | 5,651                                         | 2,015                                       |
| 1.3              | Interest on Banks                                                                  |           | 55,810                                        | 5,010                                       | 19,633                                        | 1,837                                       |
| 1.4              | Interest on Money Market Transactions                                              |           | 3,248                                         | 361                                         | 1,580                                         | 256                                         |
| 1.5              | Interest on Marketable Securities Portfolio                                        |           | 57,825                                        | 21,748                                      | 12,572                                        | 8,069                                       |
| 1.5.1            | Trading Financial Assets                                                           |           | 1,355                                         | 1,020                                       | 453                                           | 355                                         |
| 1.5.2            | Financial Assets at Fair Value Through Profit or Loss                              |           | -                                             | -                                           | -                                             | -                                           |
| 1.5.3            | Available-for-sale Financial Assets                                                |           | 36,470                                        | 20,728                                      | 12,119                                        | 7,714                                       |
| 1.5.4            | Held-to-maturity Investments                                                       |           | -                                             | -                                           | -                                             | -                                           |
| 1.6              | Financial Lease Income                                                             |           | -                                             | -                                           | -                                             | -                                           |
| 1.7              | Other Interest Income                                                              |           | 232                                           | 211                                         | 72                                            | 82                                          |
| II.              | INTEREST EXPENSE                                                                   |           | 851,837                                       | 558,359                                     | 327,325                                       | 196,855                                     |
| 2.1              | Interest on Deposits                                                               | (S.IV.2)  | 658,985                                       | 443,432                                     | 250,677                                       | 152,357                                     |
| 2.2              | Interest on Funds Borrowed                                                         | (S.IV.2)  | 81,869                                        | 44,436                                      | 34,276                                        | 17,410                                      |
| 2.3              | Interest Expense on Money Market Transactions                                      |           | 223                                           | 557                                         | 122                                           | -                                           |
| 2.4              | Interest on Securities Issued                                                      | (S.IV.2)  | 100,707                                       | 61,335                                      | 39,431                                        | 24,129                                      |
| 2.5              | Other Interest Expenses                                                            |           | 10,053                                        | 8,599                                       | 2,819                                         | 2,959                                       |
| III.             | NET INTEREST INCOME (I - II)                                                       |           | 465,883                                       | 378,145                                     | 178,141                                       | 136,112                                     |
| IV.              | NET FEES AND COMMISSIONS INCOME                                                    |           | 31,836                                        | 19,343                                      | 12,518                                        | 4,069                                       |
| 4.1              | Fees and Commissions Received                                                      |           | 54,426                                        | 35,049                                      | 21,544                                        | 11,610                                      |
| 4.1.1            | Non-cash Loans                                                                     |           | 7,572                                         | 7,363                                       | 2,874                                         | 2,466                                       |
| 4.1.2            | Other                                                                              | (S.IV.12) | 46,854                                        | 27,686                                      | 18,670                                        | 9,144                                       |
| 4.2              | Fees and Commissions Paid                                                          |           | 22,590                                        | 15,706                                      | 9,026                                         | 7,541                                       |
| 4.2.1            | Non-cash Loans                                                                     |           | 137                                           | 168                                         | 44                                            | 51                                          |
| 4.2.2            | Other                                                                              | (S.IV.12) | 22,453                                        | 15,538                                      | 8,982                                         | 7,490                                       |
| V.               | DIVIDEND INCOME                                                                    | (S.IV.3)  | -                                             | -                                           | -                                             | -                                           |
| VI.              | TRADING INCOME/(LOSS) (Net)                                                        | (S.IV.4)  | (4,461)                                       | 26,756                                      | (14,247)                                      | 8,399                                       |
| 6.1              | Trading Gains/(Losses) on Securities                                               |           | 4,138                                         | 5,758                                       | 581                                           | 2,071                                       |
| 6.2              | Gains/(Losses) on Derivative Financial Transactions                                |           | (1,057)                                       | 24,502                                      | (6,486)                                       | 12,578                                      |
| 6.3              | Foreign Exchange Gains/(Losses)                                                    |           | (5,542)                                       | (3,504)                                     | (8,342)                                       | (6,250)                                     |
| VII.             | OTHER OPERATING INCOME                                                             | (S.IV.5)  | 32,999                                        | 38,762                                      | 10,052                                        | 16,543                                      |
| VIII.            | TOTAL OPERATING INCOME (III+IV+V+VI+VII)                                           |           | 526,257                                       | 457,006                                     | 186,464                                       | 165,122                                     |
| IX.              | PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)                                | (S.IV.6)  | 124,702                                       | 121,914                                     | 46,083                                        | 43,207                                      |
| X.               | OTHER OPERATING EXPENSES (-)                                                       | (S.IV.7)  | 263,751                                       | 220,262                                     | 93,311                                        | 74,446                                      |
| XI.              | NET OPERATING INCOME/(LOSS) (VIII-IX-X)                                            |           | 137,804                                       | 114,830                                     | 47,070                                        | 47,469                                      |
| XII.             | EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER                                      |           | -                                             | -                                           | -                                             | -                                           |
| XIII.            | INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD |           | -                                             | -                                           | -                                             | -                                           |
| XIV.             | INCOME/(LOSS) ON NET MONETARY POSITION                                             |           | -                                             | -                                           | -                                             | -                                           |
| XV.              | PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XI+...+XIV)                      | (S.IV.8)  | 137,804                                       | 114,830                                     | 47,070                                        | 47,469                                      |
| XVI.             | TAX PROVISION FOR CONTINUED OPERATIONS (±)                                         | (S.IV.9)  | (27,713)                                      | (32,539)                                    | (9,584)                                       | (14,057)                                    |
| 16.1             | Current Tax Provision                                                              |           | (40,261)                                      | (33,683)                                    | (4,472)                                       | (13,159)                                    |
| 16.2             | Deferred Tax Provision                                                             |           | 12,548                                        | 944                                         | (5,112)                                       | (858)                                       |
| XVII.            | CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XV+XVI)                      | (S.IV.10) | 110,091                                       | 82,291                                      | 37,486                                        | 33,412                                      |
| XVIII.           | INCOME FROM DISCONTINUED OPERATIONS                                                |           | -                                             | -                                           | -                                             | -                                           |
| 18.1             | Income from Non-current Assets Held for Sale                                       |           | -                                             | -                                           | -                                             | -                                           |
| 18.2             | Profit from Sales of Associates, Subsidiaries and Joint Ventures                   |           | -                                             | -                                           | -                                             | -                                           |
| 18.3             | Income from Other Discontinued Operations                                          |           | -                                             | -                                           | -                                             | -                                           |
| XIX.             | EXPENSES FOR DISCONTINUED OPERATIONS (-)                                           |           | -                                             | -                                           | -                                             | -                                           |
| 19.1             | Expenses for Non-current Assets Held for Sale                                      |           | -                                             | -                                           | -                                             | -                                           |
| 19.2             | Loss from Sales of Associates, Subsidiaries and Joint Ventures                     |           | -                                             | -                                           | -                                             | -                                           |
| 19.3             | Expenses for Other Discontinued Operations                                         |           | -                                             | -                                           | -                                             | -                                           |
| XX.              | PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)                    |           | -                                             | -                                           | -                                             | -                                           |
| XXI.             | TAX PROVISION FOR DISCONTINUED OPERATIONS (±)                                      |           | -                                             | -                                           | -                                             | -                                           |
| 21.1             | Current Tax Provision                                                              |           | -                                             | -                                           | -                                             | -                                           |
| 21.2             | Deferred Tax Provision                                                             |           | -                                             | -                                           | -                                             | -                                           |
| XXII.            | CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX+XXI)                   |           | -                                             | -                                           | -                                             | -                                           |
| XXIII.           | NET INCOME/(LOSS) (XVII+XXII)                                                      | (S.IV.11) | 110,091                                       | 82,291                                      | 37,486                                        | 33,412                                      |
| 23.1             | Group's Profit/Loss                                                                |           | 110,091                                       | 82,291                                      | 37,486                                        | 33,412                                      |
| 23.2             | Minority Interest Profit/Loss                                                      |           | -                                             | -                                           | -                                             | -                                           |
|                  | Earnings per Share                                                                 |           | 0.00117                                       | 0.00096                                     | 0.00040                                       | 0.00038                                     |

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

## UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY

FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2017

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

| INCOME AND EXPENSES ACCOUNTED UNDER SHAREHOLDERS' EQUITY |                                                                                                                            | CURRENT PERIOD<br>(01/01/2017-30/09/2017) | PRIOR PERIOD<br>(01/01/2016-30/06/2016) |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------|
| I.                                                       | ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE                           | 13,887                                    | 5,825                                   |
| II.                                                      | TANGIBLE ASSETS REVALUATION RESERVES                                                                                       | -                                         | -                                       |
| III.                                                     | INTANGIBLE ASSETS REVALUATION RESERVES                                                                                     | -                                         | -                                       |
| IV.                                                      | TRANSLATION ADJUSTMENT FOR FOREIGN CURRENCY TRANSACTIONS                                                                   | -                                         | -                                       |
| V.                                                       | PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in the Fair Value)            | -                                         | -                                       |
| VI.                                                      | PROFIT/LOSS ON NET FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion)                                | -                                         | -                                       |
| VII.                                                     | THE EFFECT OF CORRECTIONS OF THE ERRORS AND CHANGES IN ACCOUNTING POLICY                                                   | -                                         | -                                       |
| VIII.                                                    | OTHER INCOME AND EXPENSES RECOGNISED IN EQUITY IN ACCORDANCE WITH TAS                                                      | -                                         | -                                       |
| IX.                                                      | DEFERRED TAX EFFECT OF REVALUATION                                                                                         | (2,957)                                   | (963)                                   |
| X.                                                       | NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY (I+II+...+IX)                                                             | 11,290                                    | 4,862                                   |
| XI.                                                      | PROFIT/LOSS FOR THE PERIOD                                                                                                 | 169,187                                   | 81,280                                  |
| 11.1                                                     | Net Change in Fair Value of Marketable Securities (Transfer to Profit/Loss)                                                | (904)                                     | (1,011)                                 |
| 11.2                                                     | The Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement              | -                                         | -                                       |
| 11.3                                                     | The Portion of Foreign Net Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement | -                                         | -                                       |
| 11.4                                                     | Other                                                                                                                      | 110,091                                   | 82,291                                  |
| XII.                                                     | TOTAL PROFIT / LOSS RECOGNISED FOR THE PERIOD (XI+XII)                                                                     | 120,477                                   | 86,142                                  |

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

**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2017**

| CHANGES IN SHAREHOLDERS' EQUITY     |                                                                                 |                 |                                |               |                                |                   |                     |                        |                   |                               |                             |                                              |                                                       |                                           |                 |                                                     |                                             |                      |                 |
|-------------------------------------|---------------------------------------------------------------------------------|-----------------|--------------------------------|---------------|--------------------------------|-------------------|---------------------|------------------------|-------------------|-------------------------------|-----------------------------|----------------------------------------------|-------------------------------------------------------|-------------------------------------------|-----------------|-----------------------------------------------------|---------------------------------------------|----------------------|-----------------|
|                                     | Note                                                                            | Paid-in Capital | Prior-to-Capital<br>Adjustment | Share Premium | Share Capitalization<br>Profit | Legal<br>Reserves | Reserve<br>Reserves | Contingent<br>Reserves | Other<br>Reserves | Current Period<br>Profit/Loss | Prior Period<br>Profit/Loss | Marketable Securities<br>Revaluation Reserve | Tangible and Intangible Assets<br>Revaluation Reserve | Bonus Shares from<br>Equity Participation | Bridge<br>Funds | Accumulated Ser. Reserve on<br>Assets Held for Sale | Total Equity Excluding<br>Minority Interest | Minority<br>Interest | Total<br>Equity |
| <b>PERIOD 01-01-2016-30-09-2016</b> |                                                                                 |                 |                                |               |                                |                   |                     |                        |                   |                               |                             |                                              |                                                       |                                           |                 |                                                     |                                             |                      |                 |
| I.                                  | Beginning Balance                                                               | 947,515         | -                              | 73,339        | -                              | 3,711             | -                   | 43,875                 | (2,457)           | \$1,583                       | -                           | (9,717)                                      | -                                                     | -                                         | -               | -                                                   | 1,857,106                                   | -                    | 1,857,106       |
| II.                                 | Correction Made According to IAS 8                                              | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| 2.1                                 | Effects of the Correction of Errors                                             | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| 2.2                                 | Effects of the Changes in Accounting Policies                                   | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| III.                                | Adjusted Beginning Balance (BRI)                                                | 947,515         | -                              | 73,339        | -                              | 3,711             | -                   | 43,875                 | (2,456)           | \$1,583                       | -                           | (9,717)                                      | -                                                     | -                                         | -               | -                                                   | 1,857,106                                   | -                    | 1,857,106       |
| <b>Changes during the period</b>    |                                                                                 |                 |                                |               |                                |                   |                     |                        |                   |                               |                             |                                              |                                                       |                                           |                 |                                                     |                                             |                      |                 |
| IV.                                 | Increase/Decrease due to Mergers                                                | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| V.                                  | Marketable Securities Revaluation Reserve                                       | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| VI.                                 | Bridge Funds (Effective Portion)                                                | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| 6.1                                 | Cash Flow Hedging                                                               | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| 6.2                                 | Net Foreign Investment Hedging                                                  | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| VII.                                | Tangible Assets Revaluation Reserves                                            | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| VIII.                               | Intangible Assets Revaluation Reserves                                          | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| IX.                                 | Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures    | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| X.                                  | Foreign Exchange Differences                                                    | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| XI.                                 | The Effect of Disposal of Assets                                                | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| XII.                                | The Effect of Reclassification of Assets                                        | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| XIII.                               | The Effect of Changes in Equity of Subsidiaries on the Equity of Parent Company | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| XIV.                                | Capital Increase                                                                | 91,648          | -                              | 55,399        | -                              | -                 | -                   | -                      | -                 | \$2,291                       | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| 14.1                                | Share Issue                                                                     | 91,648          | -                              | 55,399        | -                              | -                 | -                   | -                      | -                 | \$2,291                       | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| 14.2                                | Special Sources                                                                 | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| XV.                                 | Share Issue                                                                     | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| XVII.                               | Share Cancellation Profit                                                       | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| XVIII.                              | FAD in Capital Infraction Adjustments                                           | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| XVIII.                              | Other                                                                           | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| XIX.                                | Net Profit/Loss for the Period                                                  | -               | -                              | -             | -                              | 4,079             | -                   | 71,584                 | -                 | \$2,291                       | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| 20.1                                | Net Profit/Loss                                                                 | -               | -                              | -             | -                              | 4,079             | -                   | 71,584                 | -                 | \$2,291                       | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| 20.2                                | Dividends paid                                                                  | -               | -                              | -             | -                              | 6,079             | -                   | 71,584                 | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| 20.3                                | Transfer to Reserves                                                            | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
| 20.3                                | Other                                                                           | -               | -                              | -             | -                              | -                 | -                   | -                      | -                 | -                             | -                           | -                                            | -                                                     | -                                         | -               | -                                                   | -                                           | -                    | -               |
|                                     | Ending Balance (BRI+P.V.+...+N.VI+N.VIII+N.XX)                                  | 941,163         | -                              | 128,678       | -                              | 7,790             | -                   | 128,579                | (2,456)           | \$2,291                       | -                           | (5,716)                                      | -                                                     | -                                         | -               | -                                                   | 1,972,187                                   | -                    | 1,972,187       |
| <b>PERIOD 01-01-2017-30-09-2017</b> |                                                                                 |                 |                                |               |                                |                   |                     |                        |                   |                               |                             |                                              |                                                       |                                           |                 |                                                     |                                             |                      |                 |
| I.                                  | Prior Period Ending Balance                                                     | 941,163         | -                              | 128,678       | -                              | 7,790             | -                   | 128,579                | (2,456)           | 114,915                       | -                           | (30,354)                                     | -                                                     | -                                         | -               | -                                                   | 1,289,866                                   |                      |                 |

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## UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2017

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

|                                                                                      | Note | CURRENT PERIOD<br>(01/01/2017-30/09/2017) | PRIOR PERIOD<br>(01/01/2016-30/09/2016) |
|--------------------------------------------------------------------------------------|------|-------------------------------------------|-----------------------------------------|
| <b>A. CASH FLOWS FROM BANKING OPERATIONS</b>                                         |      |                                           |                                         |
| <b>1.1 Operating profit before changes in operating assets and liabilities</b>       |      | <b>339,865</b>                            | <b>228,786</b>                          |
| 1.1.1 Interest received                                                              |      | -                                         | -                                       |
| 1.1.2 Interest paid                                                                  |      | 1,252,674                                 | 892,867                                 |
| 1.1.3 Dividend received                                                              |      | 772,828                                   | 524,054                                 |
| 1.1.4 Fees and commissions received                                                  |      | -                                         | -                                       |
| 1.1.5 Other income                                                                   |      | 54,720                                    | 34,476                                  |
| 1.1.6 Collections from previously written-off loans and other receivables            |      | 122,082                                   | 75,213                                  |
| 1.1.7 Payments to personnel and service suppliers                                    |      | 1,943                                     | 2,663                                   |
| 1.1.8 Taxes paid                                                                     |      | 246,250                                   | 191,336                                 |
| 1.1.9 Other                                                                          |      | 57,328                                    | 47,197                                  |
|                                                                                      |      | (15,148)                                  | (13,846)                                |
| <b>1.2 Changes in operating assets and liabilities</b>                               |      | <b>(1,096,370)</b>                        | <b>(778,575)</b>                        |
| 1.2.1 Net decrease in trading securities                                             |      | 19,988                                    | (43,640)                                |
| 1.2.2 Net (increase) / decrease in fair value through profit/(loss) financial assets |      | -                                         | -                                       |
| 1.2.3 Net (increase) / decrease in due from banks and other financial institutions   |      | (237,482)                                 | (212,150)                               |
| 1.2.4 Net (increase) / decrease in loans                                             |      | (2,917,138)                               | (1,662,655)                             |
| 1.2.5 Net (increase) / decrease in other assets                                      |      | 24,601                                    | (74,887)                                |
| 1.2.6 Net increase / (decrease) in bank deposits                                     |      | 212,076                                   | 81,435                                  |
| 1.2.7 Net increase / (decrease) in other deposits                                    |      | 1,799,056                                 | 553,383                                 |
| 1.2.8 Net increase / (decrease) in funds borrowed                                    |      | 252,241                                   | 425,966                                 |
| 1.2.9 Net increase / (decrease) in payables                                          |      | -                                         | -                                       |
| 1.2.10 Net increase / (decrease) in other liabilities                                |      | (249,712)                                 | 153,973                                 |
| <b>I. Net cash provided from banking operations</b>                                  |      | <b>(756,505)</b>                          | <b>(549,789)</b>                        |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |      | <b>-</b>                                  | <b>-</b>                                |
| <b>II. Net cash provided from investing activities</b>                               |      | <b>51,952</b>                             | <b>(102,468)</b>                        |
| 2.1 Cash paid for acquisition of investments, associates and subsidiaries            |      | 4,897                                     | -                                       |
| 2.2 Cash obtained from disposal of investments, associates and subsidiaries          |      | -                                         | -                                       |
| 2.3 Purchases of property and equipment                                              |      | 6,570                                     | 4,063                                   |
| 2.4 Disposals of property and equipment                                              |      | 1,481                                     | 2,608                                   |
| 2.5 Cash paid for purchase of investments available-for-sale                         |      | 95,065                                    | 453,883                                 |
| 2.6 Cash obtained from sale of investments available-for-sale                        |      | 159,017                                   | 348,822                                 |
| 2.7 Cash paid for purchase of investment securities                                  |      | -                                         | -                                       |
| 2.8 Cash obtained from sale of investment securities                                 |      | -                                         | -                                       |
| 2.9 Other                                                                            |      | (2,014)                                   | (1,952)                                 |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |      | <b>-</b>                                  | <b>-</b>                                |
| <b>III. Net cash provided from financing activities</b>                              |      | <b>919,652</b>                            | <b>830,356</b>                          |
| 3.1 Cash obtained from funds borrowed and securities issued                          |      | 2,301,960                                 | 1,577,968                               |
| 3.2 Cash used for repayment of funds borrowed and securities issued                  |      | 2,088,315                                 | 1,102,420                               |
| 3.3 Issued equity instruments                                                        |      | 706,007                                   | 148,945                                 |
| 3.4 Dividends paid                                                                   |      | -                                         | -                                       |
| 3.5 Payments for finance leases                                                      |      | -                                         | -                                       |
| 3.6 Other                                                                            |      | -                                         | 205,863                                 |
| <b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>    |      | <b>1,949</b>                              | <b>5,361</b>                            |
| <b>V. Net increase in cash and cash equivalents (I+II+III+IV)</b>                    |      | <b>217,048</b>                            | <b>183,460</b>                          |
| <b>VI. Cash and cash equivalents at beginning of the period</b>                      |      | <b>704,378</b>                            | <b>201,410</b>                          |
| <b>VII. Cash and cash equivalents at end of the period</b>                           |      | <b>921,426</b>                            | <b>384,870</b>                          |

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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**SECTION THREE**

**ACCOUNTING POLICIES**

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

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

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette numbered 26333 dated 1 November 2006 and in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Regulations” including the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks” and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

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

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

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

**3. Additional paragraph for convenience translation**

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

**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.

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

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

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

**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 as of balance sheet date are translated into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank at the end of the period and the related currency translation differences are recognized as foreign exchange gains and losses.

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

|           | <b>30 September 2017</b> | <b>31 December 2016</b> |
|-----------|--------------------------|-------------------------|
| US Dollar | 3.5521                   | 3.5192                  |
| Euro      | 4.1924                   | 3.7099                  |

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

As of 30 September 2017, net foreign exchange loss included in the income statement amounts is TL 5,542 (1 January – 30 September 2016: TL 3,504 loss).

**III. Explanations on affiliates and subsidiaries**

In the unconsolidated financial statements, affiliates and subsidiaries are accounted in accordance with the "Turkish Accounting Standard on Separate Financial Statements" ("TAS 27") and presented in the financial statements according to their costs.

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

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

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

**1. Explanations on derivative financial instruments held for trading**

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

**2. Explanations on derivative financial instruments held for risk management**

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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**2. Explanations on derivative financial instruments held for risk management (cont'd)**

If the hedging is effective, the changes in fair value of the hedged item, which is fixed rate TL denominated loans, are presented in statement of financial position together with the hedged item. The derivative transactions held for risk management are valued at fair-value using market prices or pricing models subsequent to initial recognition and are presented in “derivative financial assets held for risk management” or “derivative financial liabilities held for risk management” items of the balance sheet depending on the difference's being positive or negative.

The Bank performs effectiveness test at the beginning of the hedge accounting period and at each reporting period. The hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness. The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortised to income statement over the life of the hedged item from that date of the hedge accounting is discontinued.

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

Interest income and expenses for financial assets and liabilities, are recognized on accrual basis by using the effective interest rate method. The Bank ceases accruing interest income on non-performing loans and reverses any interest income accrued from such loans. No income is accounted until these loans are classified as performing or collected, according to the related regulation.

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

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

**VII. Explanations on financial assets**

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

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

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

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

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

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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**2. Financial assets available for sale**

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

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

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

**3. Held to maturity investments**

The Bank does not have any held to maturity investments as of 30 September 2017.

**4. Loans and receivables**

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

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

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

The Bank classifies its loans and receivables to related groups and calculates specific or general provisions in accordance with the “Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” published in the Official Gazette dated 1 November 2006, numbered 26333 and by considering other regulations and explanations announced by BRSA.

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

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

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

The Bank provides specific and general allowances for loans and other receivables classified in accordance with the Communiqué published on the Official Gazette Numbered 2633 dated November 1, 2006. The allowances are recorded in the income statement of the related period.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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**IX. Explanations on offsetting financial instruments**

If the fair values of equity shares held for trading and quoted at the stock exchanges are lower than their carrying values, allowance for impairment is recognized and the net value is shown on the balance sheet.

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

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

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

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

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

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

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

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

**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.

**XIII. Explanations on tangible assets**

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

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

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

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

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

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

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

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

| <b>Tangible Asset</b> | <b>Estimated useful lives<br/>(Years)</b> | <b>Depreciation Rate<br/>(%)</b> |
|-----------------------|-------------------------------------------|----------------------------------|
| Safe boxes            | 2-50                                      | 2-50                             |
| Vehicles              | 5                                         | 20                               |
| Real estate           | 50                                        | 2                                |
| Other tangible assets | 4-50                                      | 2-25                             |

**XIV. Explanations on leasing transactions**

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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

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

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

**XVI. Explanations on contingent assets**

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

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

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

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

- Calculation is based on discount rate of 11.50%, inflation rate of 8.00% and real rate of rise in salary of 0.00%.
- Effective as of 31 December 2016, ceiling salary amount is considered as TL 4,297.21 (full TL).
- Individuals' earliest retirement age is considered as retirement age.
- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There is no employee foundation, fund or similar institutions.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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**XVIII. Explanations on taxation**

**1. Current Tax**

Effective from 1 January 2006, statutory income is subject to corporate tax at 20%. 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 numbered 2009/14593 and numbered 2009/14594 of the Council of Ministers published in the Official Gazette numbered 27130 dated 3 February 2009, certain duty rates included in the articles numbered 15 and 30 of the new Corporate Tax Law numbered 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 Turkish tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

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

**2. Deferred Tax**

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

As of 30 September 2017, the deferred tax asset is TL 8,577 (31 December 2016: TL 1,374 deferred tax liability). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax benefit/(charge) is recognized within "Deferred tax benefit/(charge)" in the income statement. For the current period, deferred tax benefit is TL 12,548 (1 January – 30 September 2016: TL 944 deferred tax benefit). Deferred tax effects of the transactions and events recognized directly in the equity are also recognized directly in the equity which is TL 2,597 charge as of 30 September 2017 (30 September 2016: TL 963 charge).

**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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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**3. Transfer pricing (cont'd)**

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 by using loans from domestic and foreign foundations and issuing bonds and bills.

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

The Bank applies general hedging techniques for mitigating the liquidity risk, interest rate risk and currency risk of the borrowing funds. Those techniques do not meet the definition of hedge accounting according to TAS 39.

**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**

Segment reporting is presented in the section four, note VII.

**XXIV. Other matters**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
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**SECTION FOUR**

**FINANCIAL POSITION AND RISK MANAGEMENT**

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

As of 30 September 2017, the Bank’s total capital has been calculated as TL 2,611,541, capital adequacy standard ratio is 17.52% (As of 31 December 2016, the Bank’s total capital amounted to TL 1,783,126, capital adequacy standard ratio was 13.48%).

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

|                                                                                                                                                             | Current<br>Period<br>(30/09/2017)<br>Amount | Amount as<br>per the<br>Regulation<br>Before<br>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                                                                                                                                                    | 243,284                                     |                                                              |
| Other comprehensive income according to TAS                                                                                                                 | --                                          |                                                              |
| Profit                                                                                                                                                      | 110,091                                     |                                                              |
| Current period profit                                                                                                                                       | 110,091                                     |                                                              |
| 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>1,423,214</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 (-)                                           | 12,871                                      | --                                                           |
| Improvement costs for operating leasing (-)                                                                                                                 | 9,606                                       | --                                                           |
| Goodwill and other intangible assets and related deferred taxes (-)                                                                                         | --                                          | --                                                           |
| Other intangibles other than mortgage-servicing rights (net of related tax liability)                                                                       | 3,074                                       | --                                                           |
| Excess amount arising from deferred tax assets from temporary differences                                                                                   | --                                          | --                                                           |
| Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting                                           | --                                          | --                                                           |
| Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach | --                                          | --                                                           |
| Securitization gains                                                                                                                                        | --                                          | --                                                           |

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

|                                                                                                                                                                                                                                       | Current<br>Period<br>(30/09/2017)<br>Amount | Amount as<br>per the<br>Regulation<br>Before<br>1/1/2014 (*) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------|
| Net amount of defined benefit plans                                                                                                                                                                                                   | --                                          | --                                                           |
| Direct and indirect investments of the Bank on its own Tier I Capital (-)                                                                                                                                                             | --                                          | --                                                           |
| Shares obtained against Article 56, Paragraph 4 of the Banking Law (-)                                                                                                                                                                | --                                          | --                                                           |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-) | --                                          | --                                                           |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital (-) | --                                          | --                                                           |
| Mortgage servicing rights exceeding the 10% threshold of Tier I Capital (-)                                                                                                                                                           | --                                          | --                                                           |
| Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital (-)                                                                                                                          | --                                          | --                                                           |
| Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)                                                           | --                                          | --                                                           |
| The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital (-)               | --                                          | --                                                           |
| Excess amount arising from mortgage servicing rights                                                                                                                                                                                  | --                                          | --                                                           |
| Excess amount arising from deferred tax assets from temporary differences (-)                                                                                                                                                         | --                                          | --                                                           |
| Other items to be defined by the BRSA                                                                                                                                                                                                 | --                                          | --                                                           |
| Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals                                                                                                                             | --                                          | --                                                           |
| <b>Total Deductions From Common Equity Tier I Capital</b>                                                                                                                                                                             | <b>25,551</b>                               |                                                              |
| <b>Total Common Equity Tier I Capital</b>                                                                                                                                                                                             | <b>1,397,663</b>                            |                                                              |
| <b>ADDITIONAL TIER I CAPITAL</b>                                                                                                                                                                                                      | --                                          |                                                              |
| Preferred stock not included in Tier I capital and the related share premiums                                                                                                                                                         | --                                          |                                                              |
| Debt instruments and the related issuance premiums defined by the BRSA                                                                                                                                                                | --                                          |                                                              |
| Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)                                                                                                                               | --                                          |                                                              |
| <b>Additional Core Capital before Deductions</b>                                                                                                                                                                                      | --                                          |                                                              |
| <b>Deductions from Additional Core Capital</b>                                                                                                                                                                                        | --                                          |                                                              |
| Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)                                                                                                                                                  | --                                          | --                                                           |
| Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation                                              | --                                          | --                                                           |
| The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)                | --                                          | --                                                           |

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

|                                                                                                                                                                                                                                                                                    | Current<br>Period<br>(30/09/2017)<br>Amount | Amount as<br>per the<br>Regulation<br>Before<br>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 (-)                             | 768                                         | --                                                           |
| Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)                                                                                 | --                                          | --                                                           |
| Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)                                                                                                                                                                                              | --                                          |                                                              |
| <b>Total Deductions from Additional Tier I Capital</b>                                                                                                                                                                                                                             | --                                          |                                                              |
| <b>Total Additional Tier I Capital</b>                                                                                                                                                                                                                                             | --                                          |                                                              |
| <b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>                                                                                                                                                                                               | <b>1,396,895</b>                            |                                                              |
| <b>TIER II CAPITAL</b>                                                                                                                                                                                                                                                             |                                             |                                                              |
| Debt instruments and share issue premiums deemed suitable by the BRSA                                                                                                                                                                                                              | 1,101,151                                   |                                                              |
| Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)                                                                                                                                                                                            | --                                          |                                                              |
| Provisions (Article 8 of the Regulation on the Equity of Banks)                                                                                                                                                                                                                    | 113,535                                     |                                                              |
| <b>Tier II Capital before Deductions</b>                                                                                                                                                                                                                                           | <b>1,214,686</b>                            |                                                              |
| <b>Deductions from Tier II Capital</b>                                                                                                                                                                                                                                             | --                                          |                                                              |
| Direct and indirect investments of the Bank on its own Tier II Capital (-)                                                                                                                                                                                                         | --                                          | --                                                           |
| Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation                                                                                                    | --                                          | --                                                           |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)                                              | --                                          | --                                                           |
| Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-) | --                                          | --                                                           |
| Other items to be Defined by the BRSA (-)                                                                                                                                                                                                                                          | --                                          |                                                              |
| <b>Total Deductions from Tier II Capital</b>                                                                                                                                                                                                                                       | --                                          |                                                              |
| <b>Total Tier II Capital</b>                                                                                                                                                                                                                                                       | <b>1,214,686</b>                            |                                                              |
| <b>Total Equity (Total Tier I and Tier II Capital)</b>                                                                                                                                                                                                                             | <b>2,611,581</b>                            |                                                              |

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Current<br>Period<br>(30/09/2017)<br>Amount | Amount as<br>per the<br>Regulation<br>Before<br>1/1/2014 (*) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------|
| <b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>                                                                                                                                                                                                                                                                                                                                                                                     |                                             |                                                              |
| Loans granted against the Articles 50 and 51 of the Banking Law (-)                                                                                                                                                                                                                                                                                                                                                                                 | --                                          |                                                              |
| Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years (-)                                                                                                                                                                                                                    | --                                          |                                                              |
| Other items to be defined by the BRSA (-)                                                                                                                                                                                                                                                                                                                                                                                                           | 40                                          |                                                              |
| <b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>                                                                                                                                                                                                                                                                                                                                       |                                             |                                                              |
| The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)                                                      | --                                          | --                                                           |
| The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)                                                                    | --                                          | --                                                           |
| The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-) | --                                          | --                                                           |
| <b>EQUITY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             |                                                              |
| <b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>                                                                                                                                                                                                                                                                                                                                                                                | <b>2,611,541</b>                            | --                                                           |
| <b>Total Risk Weighted Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>14,909,552</b>                           | --                                                           |
| <b>CAPITAL ADEQUACY RATIOS</b>                                                                                                                                                                                                                                                                                                                                                                                                                      |                                             |                                                              |
| Core Capital Ratio (%)                                                                                                                                                                                                                                                                                                                                                                                                                              | 9.37                                        | --                                                           |
| Tier I Capital Ratio (%)                                                                                                                                                                                                                                                                                                                                                                                                                            | 9.37                                        | --                                                           |
| Capital Adequacy Ratio (%)                                                                                                                                                                                                                                                                                                                                                                                                                          | 17.52                                       | --                                                           |
| <b>BUFFERS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                             |                                                              |
| Bank-specific total Core Capital Ratio                                                                                                                                                                                                                                                                                                                                                                                                              | 4.50                                        | --                                                           |
| Capital Conservation Buffer Ratio (%)                                                                                                                                                                                                                                                                                                                                                                                                               | 1.25                                        | --                                                           |
| Bank-specific Counter-Cyclical Capital Buffer Ratio (%)                                                                                                                                                                                                                                                                                                                                                                                             | 0.02                                        | --                                                           |

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

|                                                                                                                                                                                                                         | Current<br>Period<br>(30/09/2017)<br>Amount | Amount as<br>per the<br>Regulation<br>Before<br>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 | 0.03                                        | --                                                           |
| <b>Amounts lower than Excesses as per Deduction Rules</b>                                                                                                                                                               | --                                          | --                                                           |
| Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital                                 | --                                          | --                                                           |
| Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital                           | --                                          | --                                                           |
| Remaining mortgage servicing rights                                                                                                                                                                                     | --                                          | --                                                           |
| Net deferred tax assets arising from temporary differences                                                                                                                                                              | --                                          | --                                                           |
| <b>Limits for Provisions Used in Tier II Capital Calculation</b>                                                                                                                                                        | --                                          | --                                                           |
| General provisions for standard based receivables (before tenthousandtwentyfive limitation)                                                                                                                             | 113,535                                     | --                                                           |
| Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used                                                                                                          | 113,535                                     | --                                                           |
| 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<br/>(effective between 1.1.2018-1.1.2022)</b>                                                                                                                        | --                                          | --                                                           |
| Upper limit for Additional Tier I Capital items subject to Temporary Article 4                                                                                                                                          | --                                          | --                                                           |
| Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit                                                                                                                       | --                                          | --                                                           |
| Upper limit for Additional Tier II Capital items subject to Temporary Article 4                                                                                                                                         | --                                          | --                                                           |
| Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit                                                                                                                      | --                                          | --                                                           |

\* The amounts to be considered under the transitional provisions.

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|                                                                                                                                                             | Prior Period<br>(31/12/2016)<br>Amount | Amount as<br>per the<br>Regulation<br>Before<br>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                                                                                                                                                    | 128,369                                |                                                              |
| Other comprehensive income according to TAS                                                                                                                 | --                                     |                                                              |
| Profit                                                                                                                                                      | 114,915                                |                                                              |
| Current period profit                                                                                                                                       | 114,915                                |                                                              |
| 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>1,313,123</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 (-)                                           | 23,257                                 | --                                                           |
| Improvement costs for operating leasing (-)                                                                                                                 | 10,968                                 | --                                                           |
| Goodwill and other intangible assets and related deferred taxes (-)                                                                                         | --                                     | --                                                           |
| Other intangibles other than mortgage-servicing rights (net of related tax liability)                                                                       | 2,387                                  | --                                                           |
| Excess amount arising from deferred tax assets from temporary differences                                                                                   | --                                     | --                                                           |
| Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting                                           | --                                     | --                                                           |
| Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach | --                                     | --                                                           |
| Securitization gains                                                                                                                                        | --                                     | --                                                           |

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

|                                                                                                                                                                                                                                       | Prior Period<br>(31/12/2016)<br>Amount | Amount as<br>per the<br>Regulation<br>Before<br>1/1/2014 (*) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------|
| Net amount of defined benefit plans                                                                                                                                                                                                   | --                                     | --                                                           |
| Direct and indirect investments of the Bank on its own Tier I Capital (-)                                                                                                                                                             | --                                     | --                                                           |
| Shares obtained against Article 56, Paragraph 4 of the Banking Law (-)                                                                                                                                                                | --                                     | --                                                           |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-) | --                                     | --                                                           |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital (-) | --                                     | --                                                           |
| Mortgage servicing rights exceeding the 10% threshold of Tier I Capital (-)                                                                                                                                                           | --                                     | --                                                           |
| Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital (-)                                                                                                                          | --                                     | --                                                           |
| Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)                                                           | --                                     | --                                                           |
| The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital (-)               | --                                     | --                                                           |
| Excess amount arising from mortgage servicing rights                                                                                                                                                                                  | --                                     | --                                                           |
| Excess amount arising from deferred tax assets from temporary differences (-)                                                                                                                                                         | --                                     | --                                                           |
| Other items to be defined by the BRSA                                                                                                                                                                                                 | --                                     |                                                              |
| Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals                                                                                                                             | --                                     |                                                              |
| <b>Total Deductions From Common Equity Tier I Capital</b>                                                                                                                                                                             | <b>36,612</b>                          |                                                              |
| <b>Total Common Equity Tier I Capital</b>                                                                                                                                                                                             | <b>1,276,511</b>                       |                                                              |
| <b>ADDITIONAL TIER I CAPITAL</b>                                                                                                                                                                                                      | --                                     |                                                              |
| Preferred stock not included in Tier I capital and the related share premiums                                                                                                                                                         | --                                     |                                                              |
| Debt instruments and the related issuance premiums defined by the BRSA                                                                                                                                                                | --                                     |                                                              |
| Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)                                                                                                                               | --                                     |                                                              |
| <b>Additional Core Capital before Deductions</b>                                                                                                                                                                                      | --                                     |                                                              |
| <b>Deductions from Additional Core Capital</b>                                                                                                                                                                                        | --                                     |                                                              |
| Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)                                                                                                                                                  | --                                     | --                                                           |
| Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation                                              | --                                     | --                                                           |
| The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)                | --                                     | --                                                           |

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

|                                                                                                                                                                                                                                                                                    | Prior Period<br>(31/12/2016)<br>Amount | Amount as<br>per the<br>Regulation<br>Before<br>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 (-)                             | 1,592                                  | --                                                           |
| Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)                                                                                 | --                                     | --                                                           |
| Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)                                                                                                                                                                                              | --                                     |                                                              |
| <b>Total Deductions from Additional Tier I Capital</b>                                                                                                                                                                                                                             | --                                     |                                                              |
| <b>Total Additional Tier I Capital</b>                                                                                                                                                                                                                                             | --                                     |                                                              |
| <b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>                                                                                                                                                                                               | <b>1,274,919</b>                       |                                                              |
| <b>TIER II CAPITAL</b>                                                                                                                                                                                                                                                             |                                        |                                                              |
| Debt instruments and share issue premiums deemed suitable by the BRSA                                                                                                                                                                                                              | 387,112                                |                                                              |
| Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)                                                                                                                                                                                            | --                                     |                                                              |
| Provisions (Article 8 of the Regulation on the Equity of Banks)                                                                                                                                                                                                                    | 121,287                                |                                                              |
| <b>Tier II Capital before Deductions</b>                                                                                                                                                                                                                                           | <b>508,399</b>                         |                                                              |
| <b>Deductions from Tier II Capital</b>                                                                                                                                                                                                                                             | --                                     |                                                              |
| Direct and indirect investments of the Bank on its own Tier II Capital (-)                                                                                                                                                                                                         | --                                     | --                                                           |
| Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation                                                                                                    | --                                     | --                                                           |
| Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)                                              | --                                     | --                                                           |
| Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-) | --                                     | --                                                           |
| Other items to be defined by the BRSA (-)                                                                                                                                                                                                                                          | --                                     |                                                              |
| <b>Total Deductions from Tier II Capital</b>                                                                                                                                                                                                                                       | --                                     |                                                              |
| <b>Total Tier II Capital</b>                                                                                                                                                                                                                                                       | <b>508,399</b>                         |                                                              |
| <b>Total Equity (Total Tier I and Tier II Capital)</b>                                                                                                                                                                                                                             | <b>1,783,318</b>                       |                                                              |

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|                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Prior Period<br>(31/12/2016)<br>Amount | Amount as<br>per the<br>Regulation<br>Before<br>1/1/2014 (*) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------|
| <b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>                                                                                                                                                                                                                                                                                                                                                                                     |                                        |                                                              |
| Loans granted against the Articles 50 and 51 of the Banking Law (-)                                                                                                                                                                                                                                                                                                                                                                                 | 66                                     |                                                              |
| 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 (-)                                                                                                                                                                                                                                                                                                                                                                                                           | 126                                    |                                                              |
| <b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>                                                                                                                                                                                                                                                                                                                                       |                                        |                                                              |
| The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank Owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)                                                      | --                                     | --                                                           |
| The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)                                                                    | --                                     | --                                                           |
| The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-) | --                                     | --                                                           |
| <b>EQUITY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                        |                                                              |
| <b>Total Capital ( Total of Tier I Capital and Tier II Capital )</b>                                                                                                                                                                                                                                                                                                                                                                                | 1,783,126                              | --                                                           |
| <b>Total Risk Weighted Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                   | 13,228,391                             | --                                                           |
| <b>CAPITAL ADEQUACY RATIOS</b>                                                                                                                                                                                                                                                                                                                                                                                                                      |                                        |                                                              |
| Core Capital Ratio (%)                                                                                                                                                                                                                                                                                                                                                                                                                              | 9.65                                   | --                                                           |
| Tier I Capital Ratio (%)                                                                                                                                                                                                                                                                                                                                                                                                                            | 9.64                                   | --                                                           |
| Capital Adequacy Ratio (%)                                                                                                                                                                                                                                                                                                                                                                                                                          | 13.48                                  | --                                                           |
| <b>BUFFERS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                        |                                                              |
| Bank-specific total Core Capital Ratio                                                                                                                                                                                                                                                                                                                                                                                                              | 4.50                                   | --                                                           |
| Capital Conservation Buffer Ratio (%)                                                                                                                                                                                                                                                                                                                                                                                                               | 0.63                                   | --                                                           |
| Bank-specific Counter-Cyclical Capital Buffer Ratio (%)                                                                                                                                                                                                                                                                                                                                                                                             | --                                     | --                                                           |

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|                                                                                                                                                                                                                         | Prior Period<br>(31/12/2016)<br>Amount | Amount as<br>per the<br>Regulation<br>Before<br>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 | 0.05                                   | --                                                           |
|                                                                                                                                                                                                                         | --                                     | --                                                           |
| <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>                                                                                                                                                        | <b>121,287</b>                         | <b>--</b>                                                    |
| General provisions for standard based receivables (before tenthousandtwentyfive limitation)                                                                                                                             | 121,287                                | --                                                           |
| Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used                                                                                                          | --                                     | --                                                           |
| 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<br/>(effective between 1.1.2018-1.1.2022)</b>                                                                                                                        | --                                     | --                                                           |
| Upper limit for Additional Tier I Capital items subject to Temporary Article 4                                                                                                                                          | --                                     | --                                                           |
| Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit                                                                                                                       | --                                     | --                                                           |
| Upper limit for Additional Tier II Capital items subject to Temporary Article 4                                                                                                                                         | --                                     | --                                                           |
| Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit                                                                                                                      | --                                     | --                                                           |

\* The amounts to be considered under the transitional provisions.

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

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

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

**Items included in shareholder's equity calculation:**

| Issuer                                                                                                     | Fibabanka A.Ş.                                                                  | Eco Trade And Development Bank*                                                 |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Code of debt instrument (CUSIP, ISIN etc.)                                                                 | XS1386178237                                                                    | *                                                                               |
| Regulation of debt instrument                                                                              | BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English Law | BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English Law |
| <b>Consideration Status in Shareholders' Equity Calculation</b>                                            |                                                                                 |                                                                                 |
| Situation of being subject to practice of being taken into consideration with 10% deduction after 1/1/2015 | No                                                                              | No                                                                              |
| Validity situation of consolidated or unconsolidated based or consolidated and unconsolidated based        | Unconsolidated and Consolidated                                                 | Unconsolidated and Consolidated                                                 |
| Type of debt instrument                                                                                    | Subordinated Bond                                                               | Subordinated Loan                                                               |
| Considered amount of shareholders' equity calculation (By last report date of – Thousand TL)               | 1,065,630                                                                       | 35,521                                                                          |
| Nominal value of debt instrument (Thousand TL)                                                             | 1,065,630                                                                       | 35,521                                                                          |
| Related account of debt instrument                                                                         | Subordinated Debt Instruments                                                   | Subordinated Loan                                                               |
| Issuance date of debt instrument                                                                           | 24/03/16-10/05/2017                                                             | 06/08/13                                                                        |
| Maturity structure of debt instrument (Demand/Time)                                                        | Time                                                                            | Time                                                                            |
| Beginning term of debt instrument                                                                          | 11 years                                                                        | 10 years                                                                        |
| Whether there is right of reimbursement of issuer or not according to BRSA rules                           | There is a right to reimbursement                                               | There is a right to reimbursement                                               |
| Optional reimbursement date, options of conditional reimbursement and reimbursement amount                 | 24/11/2022; 300 million USD                                                     | 06/08/2018; 10 million USD                                                      |
| Following reimbursement option dates                                                                       | None                                                                            | None                                                                            |

\*Represents subordinated loan provided from Eco Trade and Development Bank.

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| <b>Interest/Dividend Payments</b>                                                                                              |                                                                                                                            |                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Fixed or floating interest/dividend payments                                                                                   | Floating interest                                                                                                          | Floating interest                                                                                 |
| Interest rate or index value of interest rate                                                                                  | Until optional reimbursement date 7.75% (5-years mid-swap rate + 5.578%); after then, updated 5-years mid-swap rate+5.758% | Libor + 8.5%                                                                                      |
| Whether there is any restriction to stop payment of capital bonus or not                                                       | None                                                                                                                       | The Bank can not pay dividends if becomes overdue according to subordinated loan agreement.       |
| Feature of being full optional, partially optional or obligatory                                                               | Obligatory                                                                                                                 | Obligatory                                                                                        |
| Whether there is any stimulant to repayment like interest rate hike or not                                                     | None                                                                                                                       | None                                                                                              |
| Feature of being cumulative or noncumulative                                                                                   | --                                                                                                                         | --                                                                                                |
| <b>Feature of being convertible bonds</b>                                                                                      |                                                                                                                            |                                                                                                   |
| If there is convertible bonds, trigger incidents cause this conversion                                                         | --                                                                                                                         | Regulation Article 8.2 (ğ)                                                                        |
| If there is convertible bonds, feature of full or partially conversion                                                         | --                                                                                                                         | --                                                                                                |
| If there is convertible bonds, rate of conversion                                                                              | --                                                                                                                         | --                                                                                                |
| If there is convertible bonds, feature of conversion –obligatory or optional-                                                  | --                                                                                                                         | --                                                                                                |
| If there is convertible bonds, types of convertible instruments                                                                | --                                                                                                                         | --                                                                                                |
| If there is convertible bonds, exporter of convertible debt instruments                                                        | --                                                                                                                         | --                                                                                                |
| <b>Feature of value reduction</b>                                                                                              |                                                                                                                            |                                                                                                   |
| If there is a feature of value reduction, trigger incidents cause this reduction                                               | --                                                                                                                         | --                                                                                                |
| If there is a feature of value reduction, feature of full or partially reduction of value                                      | --                                                                                                                         | --                                                                                                |
| If there is a feature of value reduction, feature of being constant of temporary                                               | --                                                                                                                         | --                                                                                                |
| If there is a feature of value reduction, mechanism of value incrementation                                                    | --                                                                                                                         | --                                                                                                |
| Claiming rank in case of winding up (Instrument that is just above debt instrument)                                            | --                                                                                                                         | --                                                                                                |
| Whether meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation                      | Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article.                          | Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article. |
| The conditions not met which were defined by 7th or 8th of the 7th or 8th articles of Shareholders' Equity of Banks Regulation | --                                                                                                                         | --                                                                                                |

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**II. Explanations on risk management**

Notes and explanations in this section have been prepared in accordance with the “Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks” that have been published in Official Gazette numbered 29511 on 23 October 2015 and became effective as of 31 March 2016. As the Bank uses the standard approach for the calculation of capital adequacy, the following tables those have to be disclosed in accordance with the Communiqué on a quarterly basis were not presented by the Bank as of 30 September 2017:

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

**Overview of Risk Weighted Amounts**

|    |                                                                                       | Risk Weighted Amounts |                   | Minimum Capital Requirements |
|----|---------------------------------------------------------------------------------------|-----------------------|-------------------|------------------------------|
|    |                                                                                       | Current Period        | Prior Period      | Current Period               |
| 1  | Credit risk (excluding counterparty credit risk) (CCR)                                | 12,789,949            | 11,713,786        | 1,023,196                    |
| 2  | Of which standardised approach (SA)                                                   | 12,789,949            | 11,713,786        | 1,023,196                    |
| 3  | Of which internal rating-based (IRB) approach                                         | --                    | --                | --                           |
| 4  | Counterparty credit risk                                                              | 711,065               | 662,570           | 56,885                       |
| 5  | Of which standardised approach for counterparty credit risk (SA-CCR)                  | 711,065               | 662,570           | 56,885                       |
| 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                                   | 33,582                | 44,943            | 2,687                        |
| 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                                                                           | 487,938               | 153,788           | 39,035                       |
| 17 | Of which standardised approach (SA)                                                   | 487,938               | 153,788           | 39,035                       |
| 18 | Of which internal model approaches (IMM)                                              | --                    | --                | --                           |
| 19 | Operational risk                                                                      | 887,018               | 653,305           | 70,961                       |
| 20 | Of which basic indicator approach                                                     | 887,018               | 653,305           | 70,961                       |
| 21 | Of which standardised approach                                                        | --                    | --                | --                           |
| 22 | Of which advanced measurement approach                                                | --                    | --                | --                           |
| 23 | Amounts below the thresholds for deduction from capital (subject to 250% risk weight) | --                    | --                | --                           |
| 24 | Floor adjustment                                                                      | --                    | --                | --                           |
| 25 | <b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>                                         | <b>14,909,552</b>     | <b>13,228,392</b> | <b>1,192,764</b>             |

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**III. Explanations on currency risk**

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

As of 30 September 2017, the Bank's net foreign currency short position is TL 131,492 (31 December 2016: TL 125,488 short position) resulting from short position on the balance amounting to TL 1,301,262 (31 December 2016: TL 376,413 long position) and long position on the off-balance sheet amounting to TL 1,169,770 (31 December 2016: TL 501,901 short position). "Standard Method" is used in legal reporting to measure the foreign exchange risk.

The announced current foreign exchange buy rates of the Bank as of 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 3.5521 |
| Euro purchase rate as at the balance sheet date      | TL 4.1924 |

| Date              | USD    | EUR    |
|-------------------|--------|--------|
| 26 September 2017 | 3.5162 | 4.1818 |
| 27 September 2017 | 3.5344 | 4.1747 |
| 28 September 2017 | 3.5657 | 4.1891 |
| 29 September 2017 | 3.5720 | 4.2023 |
| 30 September 2017 | 3.5521 | 4.1924 |

Simple arithmetic means of foreign exchange rates in September 2017 are TL 3.4619 or US dollar, and TL 4.1381 for Euro (Full basis TL).

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

| <b>Current Period</b>                                                                                                        | <b>EUR</b>         | <b>USD</b>         | <b>Other</b>     | <b>Total</b>       |
|------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|------------------|--------------------|
| <b>Assets</b>                                                                                                                |                    |                    |                  |                    |
| Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey | 234,458            | 1,552,622          | 343,876          | 2,130,956          |
| Banks                                                                                                                        | 7,342              | 83,856             | 5,727            | 96,925             |
| Financial Assets at Fair Value through Profit/Loss (*)                                                                       | 378                | 4,395              | --               | 4,773              |
| Interbank Money Market Placements                                                                                            | --                 | --                 | --               | --                 |
| Financial Assets Available for Sale                                                                                          | 82,047             | 576,714            | --               | 658,761            |
| Loans (**)                                                                                                                   | 3,014,329          | 1,316,291          | 106,154          | 4,436,774          |
| Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)                                                     | --                 | --                 | --               | --                 |
| Investments Held to Maturity                                                                                                 | --                 | --                 | --               | --                 |
| Derivative Financial Assets Held for Hedging Purposes                                                                        | --                 | --                 | --               | --                 |
| Tangible Assets                                                                                                              | --                 | --                 | --               | --                 |
| Intangible Assets                                                                                                            | --                 | --                 | --               | --                 |
| Other Assets (***)                                                                                                           | 685                | 1,831              | 1                | 2,517              |
| <b>Total Assets</b>                                                                                                          | <b>3,339,239</b>   | <b>3,535,709</b>   | <b>455,758</b>   | <b>7,330,706</b>   |
| <b>Liabilities</b>                                                                                                           |                    |                    |                  |                    |
| Banks Deposits                                                                                                               | 104,671            | 481,854            | 39,034           | 625,559            |
| Foreign Currency Deposits                                                                                                    | 739,099            | 3,754,458          | 61,591           | 4,555,148          |
| Interbank Money Market Received                                                                                              | 58,128             | 434,956            | --               | 493,084            |
| Funds Borrowed from Other Financial Institutions                                                                             | 973,579            | 833,689            | 1,913            | 1,809,181          |
| Sundry Creditors                                                                                                             | 7,347              | 41,357             | 63               | 48,767             |
| Marketable Securities Issued                                                                                                 | --                 | --                 | --               | --                 |
| Derivative Financial Liabilities Held for Hedging Purposes                                                                   | --                 | --                 | --               | --                 |
| Other Liabilities(****)                                                                                                      | 25,120             | 1,075,109          | --               | 1,100,229          |
| <b>Total Liabilities</b>                                                                                                     | <b>1,907,944</b>   | <b>6,621,423</b>   | <b>102,601</b>   | <b>8,631,968</b>   |
| <b>Net Balance Sheet Position</b>                                                                                            | <b>1,431,295</b>   | <b>(3,085,714)</b> | <b>353,157</b>   | <b>(1,301,262)</b> |
| <b>Net Off-Balance Sheet Position</b>                                                                                        | <b>(1,475,475)</b> | <b>2,999,030</b>   | <b>(353,785)</b> | <b>1,169,770</b>   |
| Financial Derivative Assets(*****)                                                                                           | 3,627,014          | 8,347,890          | 249,491          | 12,224,395         |
| Financial Derivative Liabilities(*****)                                                                                      | 5,102,489          | 5,348,860          | 603,276          | 11,054,625         |
| Non-Cash Loans (*****)                                                                                                       | 203,332            | 519,414            | --               | 722,746            |
| <b>Prior Period</b>                                                                                                          |                    |                    |                  |                    |
| Total Assets                                                                                                                 | 2,769,187          | 3,549,207          | 376,254          | 6,694,648          |
| Total Liabilities                                                                                                            | 1,785,647          | 4,490,878          | 41,710           | 6,318,235          |
| <b>Net Balance Sheet Position</b>                                                                                            | <b>983,540</b>     | <b>(941,671)</b>   | <b>334,544</b>   | <b>376,413</b>     |
| <b>Net Off-Balance Sheet Position</b>                                                                                        | <b>(1,015,278)</b> | <b>810,480</b>     | <b>(297,103)</b> | <b>(501,901)</b>   |
| Derivative Financial Assets(*****)                                                                                           | 2,245,247          | 3,495,902          | 86,823           | 5,827,972          |
| Derivative Financial Liabilities(*****)                                                                                      | 3,260,525          | 2,685,422          | 383,926          | 6,329,873          |
| Non-Cash Loans (*****)                                                                                                       | 139,807            | 316,902            | 145              | 456,854            |

(\*) The balance does not include trading derivative assets discount amounting to TL 8,069.

(\*\*) The balance includes foreign currency indexed loans and accruals amounting to TL 357,589.

(\*\*\*) The balance does not include TL 15,160 of prepaid expenses.

(\*\*\*\*) The balance does not include trading derivative liabilities discount amounting to TL 8,068.

(\*\*\*\*\*) In the current period, exchange purchase commitments within the derivative financial assets amounted to TL 770,797 (31 December 2016: TL 182,784), exchange sale commitments within the derivative financial liabilities amounted to TL 1,007,867 (31 December 2016: TL 143,268).

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

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**IV. Explanations on interest rate risk**

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

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

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

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

| <b>Current Period End</b>                                                                                                    | <b>Up to 1<br/>Month</b> | <b>1-3<br/>Months</b> | <b>3-12<br/>Months</b> | <b>1-5<br/>Years</b> | <b>Over<br/>5 Years</b> | <b>Non-interest<br/>Bearing</b> | <b>Total</b>        |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------|------------------------|----------------------|-------------------------|---------------------------------|---------------------|
| <b>Assets</b>                                                                                                                |                          |                       |                        |                      |                         |                                 |                     |
| Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey | 1,650,301                | --                    | --                     | --                   | --                      | 650,020                         | <b>2,300,321</b>    |
| Banks                                                                                                                        | 290,297                  | --                    | --                     | --                   | --                      | 34,322                          | <b>324,619</b>      |
| Financial Assets at Fair Value Through Profit or Loss                                                                        | 50,392                   | 40,800                | 66,523                 | 355,966              | 3,672                   | 25,274                          | <b>542,627</b>      |
| Interbank Money Market Placements                                                                                            | 103,675                  | --                    | --                     | --                   | --                      | --                              | <b>103,675</b>      |
| Financial Assets Available-for-Sale                                                                                          | 1,759                    | 9,085                 | 94,702                 | 632,929              | 94,662                  | 1,589                           | <b>834,726</b>      |
| Loans                                                                                                                        | 2,070,572                | 3,992,379             | 2,185,615              | 4,842,164            | 972,171                 | 197,501                         | <b>14,260,402</b>   |
| Investment Securities Held-to-Maturity                                                                                       | --                       | --                    | --                     | --                   | --                      | --                              | <b>--</b>           |
| Other Assets (*)                                                                                                             | --                       | --                    | --                     | --                   | --                      | 303,674                         | <b>303,674</b>      |
| <b>Total Assets</b>                                                                                                          | <b>4,166,996</b>         | <b>4,042,264</b>      | <b>2,346,840</b>       | <b>5,831,059</b>     | <b>1,070,505</b>        | <b>1,212,380</b>                | <b>18,670,044</b>   |
| <b>Liabilities</b>                                                                                                           |                          |                       |                        |                      |                         |                                 |                     |
| Bank Deposits                                                                                                                | 517,234                  | 56,692                | 4,135                  | --                   | --                      | 116,696                         | <b>694,757</b>      |
| Other Deposits                                                                                                               | 6,638,886                | 2,886,258             | 731,160                | 26,630               | --                      | 713,558                         | <b>10,996,492</b>   |
| Interbank Money Market Received                                                                                              | 386,755                  | 106,329               | --                     | --                   | --                      | --                              | <b>493,084</b>      |
| Sundry Creditors                                                                                                             | --                       | --                    | --                     | --                   | --                      | 113,309                         | <b>113,309</b>      |
| Marketable Securities Issued                                                                                                 | 326,475                  | 207,995               | 688,797                | --                   | --                      | --                              | <b>1,223,267</b>    |
| Funds Borrowed from Other Financial Institutions                                                                             | 176,572                  | 1,086,595             | 563,511                | 1,074                | --                      | --                              | <b>1,827,752</b>    |
| Other Liabilities (**)                                                                                                       | 17,675                   | 56,457                | 66,853                 | 388,518              | 1,065,649               | 1,726,231                       | <b>3,321,383</b>    |
| <b>Total Liabilities</b>                                                                                                     | <b>8,063,597</b>         | <b>4,400,326</b>      | <b>2,054,456</b>       | <b>416,222</b>       | <b>1,065,649</b>        | <b>2,669,794</b>                | <b>18,670,044</b>   |
| Balance Sheet Long Position                                                                                                  | --                       | --                    | 292,384                | 5,414,837            | 4,856                   | --                              | <b>5,712,077</b>    |
| Balance Sheet Short Position                                                                                                 | (3,896,601)              | (358,062)             | --                     | --                   | --                      | (1,457,414)                     | <b>(5,712,077)</b>  |
| Off-Balance Sheet Long Position                                                                                              | --                       | --                    | --                     | 25,000               | --                      | 17,121,339                      | <b>17,146,339</b>   |
| Off-Balance Sheet Short Position                                                                                             | --                       | --                    | --                     | (25,000)             | --                      | (17,083,787)                    | <b>(17,108,787)</b> |
| <b>Total Position</b>                                                                                                        | <b>(3,896,601)</b>       | <b>(358,062)</b>      | <b>292,384</b>         | <b>5,414,837</b>     | <b>4,856</b>            | <b>(1,419,862)</b>              | <b>37,552</b>       |

(\*) Non-interest bearing column includes TL 4,897 associations, TL 5,445 subsidiaries, TL 186,188 tangible assets, TL 3,842 intangible assets, TL 8,580 tax asset, TL 16,389 assets held for sale and TL 78,333 other assets.

(\*\*) Non-interest bearing column includes TL 1,410,343 shareholders' equity, TL 101,698 other liabilities, TL 453 finance lease liabilities, TL 178,458 provisions and TL 35,279 tax liabilities

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

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

| Prior Period End                                                                                                             | Up to 1<br>Month   | 1-3<br>Months    | 3-12<br>Months   | 1-5<br>Years     | Over<br>5 Years | Non-<br>interest<br>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 | 1,352,802          | --               | --               | --               | --              | 585,132                     | 1,937,934         |
| Banks                                                                                                                        | 33,815             | --               | --               | --               | --              | 24,249                      | 58,064            |
| Financial Assets at Fair Value Through Profit or Loss                                                                        | 21,971             | 1,174            | 1,014            | 1,194            | 2,905           | 469,427                     | 497,685           |
| Interbank Money Market Placements                                                                                            | 274,702            | --               | --               | --               | --              | --                          | 274,702           |
| Financial Assets Available -for-Sale                                                                                         | --                 | 293              | 24,940           | 751,929          | 109,044         | 1,020                       | 887,226           |
| Loans                                                                                                                        | 1,869,120          | 3,805,040        | 1,991,266        | 2,772,280        | 875,097         | 128,469                     | 11,441,272        |
| Investment Securities Held-to-Maturity                                                                                       | --                 | --               | --               | --               | --              | --                          | --                |
| Other Assets (*)                                                                                                             | --                 | --               | --               | --               | --              | 296,626                     | 296,626           |
| <b>Total Assets</b>                                                                                                          | <b>3,552,410</b>   | <b>3,806,507</b> | <b>2,017,220</b> | <b>3,525,403</b> | <b>987,046</b>  | <b>1,504,923</b>            | <b>15,393,509</b> |
| <b>Liabilities</b>                                                                                                           |                    |                  |                  |                  |                 |                             |                   |
| Bank Deposits                                                                                                                | 347,019            | 20,072           | --               | --               | --              | 114,714                     | 481,805           |
| Other Deposits                                                                                                               | 5,589,025          | 2,136,045        | 894,494          | 17,244           | --              | 502,890                     | 9,139,698         |
| Interbank Money Market Received                                                                                              | 517,259            | 166,569          | --               | --               | --              | --                          | 683,828           |
| Sundry Creditors                                                                                                             | --                 | --               | --               | --               | --              | 145,749                     | 145,749           |
| Marketable Securities Issued                                                                                                 | 183,558            | 424,661          | 383,756          | --               | --              | --                          | 991,975           |
| Funds Borrowed from Other Financial Institutions                                                                             | 56,928             | 903,970          | 609,851          | 2,534            | --              | --                          | 1,573,283         |
| Other Liabilities (**)                                                                                                       | --                 | 8,737            | --               | --               | 351,920         | 2,016,514                   | 2,377,171         |
| <b>Total Liabilities</b>                                                                                                     | <b>6,693,789</b>   | <b>3,660,054</b> | <b>1,888,101</b> | <b>19,778</b>    | <b>351,920</b>  | <b>2,779,867</b>            | <b>15,393,509</b> |
| Balance Sheet Long Position                                                                                                  | --                 | 146,453          | 129,119          | 3,505,625        | 635,126         | --                          | 4,416,323         |
| Balance Sheet Short Position                                                                                                 | (3,141,379)        | --               | --               | --               | --              | (1,274,944)                 | (4,416,323)       |
| Off-Balance Sheet Long Position                                                                                              | --                 | --               | --               | 25,000           | --              | 9,921,939                   | 9,946,939         |
| Off-Balance Sheet Short Position                                                                                             | --                 | --               | --               | (25,000)         | --              | (9,874,479)                 | (9,899,479)       |
| <b>Total Position</b>                                                                                                        | <b>(3,141,379)</b> | <b>146,453</b>   | <b>129,119</b>   | <b>3,505,625</b> | <b>635,126</b>  | <b>(1,227,484)</b>          | <b>47,460</b>     |

(\*) Non-interest bearing column includes TL 5,445 subsidiaries, TL 186,199 tangible assets, TL 3,979 intangible assets, TL 3 tax assets, TL 3,817 assets held for sale and TL 97,183 other assets.

(\*\*) Non-interest bearing column includes TL 1,289,866 shareholders' equity, TL 126,110 other liabilities, TL 85 finance lease liabilities, TL 178,569 provisions and TL 38,424 tax liabilities.

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

**Average interest rates applied to financial instruments**

| <b>Current Period End</b>                                                                                                    | <b>EUR</b><br>% | <b>USD</b><br>% | <b>JPY</b><br>% | <b>TL</b><br>% |
|------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------|
| <b>Assets</b>                                                                                                                |                 |                 |                 |                |
| Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey | --              | 1.25            | --              | 6.41           |
| Banks                                                                                                                        | --              | 1.40            | --              | 12.25          |
| Financial Assets at Fair Value Through Profit/ Loss                                                                          | 2.00            | 5.28            | --              | 13.15          |
| Interbank Money Market Placements                                                                                            | --              | --              | --              | 13.07          |
| Financial Assets Available-for-Sale                                                                                          | 3.43            | 4.44            | --              | 9.57           |
| Loans                                                                                                                        | 6.06            | 6.56            | --              | 16.66          |
| Investment Securities Held-to-Maturity                                                                                       | --              | --              | --              | --             |
| <b>Liabilities</b>                                                                                                           |                 |                 |                 |                |
| Bank Deposits                                                                                                                | --              | 1.56            | --              | 10.10          |
| Other Deposits                                                                                                               | 1.88            | 3.76            | --              | 13.81          |
| Interbank Money Market Funds                                                                                                 | 0.29            | 2.25            | --              | --             |
| Sundry Creditors                                                                                                             | --              | --              | --              | --             |
| Marketable Securities Issued                                                                                                 | --              | 7.75            | --              | 13.80          |
| Funds Borrowed from Other Financial Institutions                                                                             | 1.79            | 2.72            | --              | 6.60           |
| <b>Prior Period End</b>                                                                                                      |                 |                 |                 |                |
|                                                                                                                              | <b>EUR</b><br>% | <b>USD</b><br>% | <b>JPY</b><br>% | <b>TL</b><br>% |
| <b>Assets</b>                                                                                                                |                 |                 |                 |                |
| Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey | --              | 0.75            | --              | 3.31           |
| Banks                                                                                                                        | 0.03            | 0.55            | --              | --             |
| Financial Assets at Fair Value Through Profit/Loss                                                                           | 3.19            | 4.69            | --              | 10.67          |
| Interbank Money Market Placements                                                                                            | 0.01            | --              | --              | 10.40          |
| Financial Assets Available-for-Sale                                                                                          | 3.43            | 4.51            | --              | 9.40           |
| Loans                                                                                                                        | 5.97            | 6.23            | --              | 15.23          |
| Investment Securities Held-to-Maturity                                                                                       | --              | --              | --              | --             |
| <b>Liabilities</b>                                                                                                           |                 |                 |                 |                |
| Bank Deposits                                                                                                                | --              | 0.84            | --              | 9.06           |
| Other Deposits                                                                                                               | 1.60            | 3.46            | --              | 11.40          |
| Interbank Money Market Funds                                                                                                 | 0.53            | 2.27            | --              | 8.00           |
| Sundry Creditors                                                                                                             | --              | --              | --              | --             |
| Marketable Securities Issued                                                                                                 | --              | 9.25            | --              | 10.77          |
| Funds Borrowed from Other Financial Institutions                                                                             | 1.89            | 2.53            | --              | 6.55           |

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

As of 30 September 2017, there is no equity share position (31 December 2016: None).

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

The Board of Directors reviews the liquidity and funding risk management policy once a year or in case of necessity. Liquidity risk is managed by Asset and Liability Committee (ALCO) through risk management policy with the perspective of short and long term liquidity risk.

Liquidity strategies are weekly determined by the Bank within the scope of ALCO meetings where funding needs and funds are discussed. Treasury department manages cash flows in line with strategies determined. As deemed necessary by the ALCO members, liquidity meetings are performed for the purposes of close monitoring. While Treasury Department manages short term liquidity, ALCO strategy considers legal ratios and stress tests.

Bank's TL/FC balance is monitored weekly and decision of actions are determined based on ALCO decisions. The funding balance is directly monitored and compensated by making the risk-return-cost evaluation.

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

**Information on the use of stress testing**

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

Alternative funding sources are identified in case of need. ALCO members are responsible for short-term liquidity shocks to take actions. In the case of a crisis or if deemed necessary, ALCO summon a meeting and take possible action plans immediately. These action plans are approved by the Board of Directors under the İSEDES. The Bank reviews resources that are available in any emergency situation constantly and 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 60% for foreign currency assets/liabilities and 80% for total assets/liabilities in the calculation of the banks' weekly and monthly reporting effective from 1 January 2017.

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**VI. Explanations on liquidity risk and liquidity coverage ratio (cont'd)**

| Current Period                    |                                                                                                    | Total Unweighted Value (*) |                | Total Weighted Value (*) |                  |
|-----------------------------------|----------------------------------------------------------------------------------------------------|----------------------------|----------------|--------------------------|------------------|
|                                   |                                                                                                    | TL+FC                      | FC             | TL+FC                    | FC               |
| <b>HIGH-QUALITY LIQUID ASSETS</b> |                                                                                                    |                            |                |                          |                  |
| 1                                 | Total high-quality liquid assets (HQLA)                                                            |                            |                | 2,435,157                | 1,909,434        |
| <b>CASH OUTFLOWS</b>              |                                                                                                    |                            |                |                          |                  |
| 2                                 | Deposits from natural persons and retail deposits                                                  | 6,364,516                  | 2,731,221      | 611,386                  | 273,018          |
| 3                                 | Stable deposits                                                                                    | 493,959                    | --             | 30,106                   | 2,558            |
| 4                                 | Less stable deposits                                                                               | 5,870,557                  | 2,731,221      | 581,281                  | 270,461          |
| 5                                 | Unsecured funding except for retail deposits and deposits from natural persons, of which:          | 4,363,239                  | 2,373,245      | 2,342,807                | 1,238,688        |
| 6                                 | Operational deposits                                                                               | --                         | --             | --                       | --               |
| 7                                 | Non-operational deposits                                                                           | 2,856,181                  | 1,440,593      | 1,131,388                | 571,839          |
| 8                                 | Other unsecured funding                                                                            | 1,507,058                  | 932,652        | 1,211,419                | 666,849          |
| 9                                 | Secured funding                                                                                    |                            |                | 440,030                  | 440,030          |
| 10                                | Other cash outflows                                                                                | 1,901,714                  | 746,124        | 388,325                  | 237,507          |
| 11                                | Outflows related to derivative exposures and other collateral requirements                         | 225,298                    | 191,724        | 225,741                  | 190,657          |
| 12                                | Outflows related to restructured financial instruments                                             | --                         | --             | --                       | --               |
| 13                                | Payment commitments granted for debts to financial markets and other off-balance sheet commitments | 1,676,416                  | 554,400        | 162,583                  | 46,851           |
| 14                                | Other revocable off-balance sheet commitments and other contractual obligations                    | --                         | --             | 17,951                   | 7,409            |
| 15                                | Other irrevocable or conditionally revocable off-balance sheet obligations                         | 18,325                     | 30             | 18,141                   | 28               |
| 16                                | <b>TOTAL CASH OUTFLOWS</b>                                                                         |                            |                | <b>3,818,641</b>         | <b>2,196,682</b> |
| <b>CASH INFLOWS</b>               |                                                                                                    |                            |                |                          |                  |
| 17                                | Secured receivables                                                                                | 56,497                     | 56,497         | 55,993                   | 55,993           |
| 18                                | Unsecured receivables                                                                              | 2,052,703                  | 544,223        | 1,347,005                | 464,443          |
| 19                                | Other cash inflows                                                                                 | 47,394                     | 22,110         | 47,591                   | 22,551           |
| 20                                | <b>TOTAL CASH INFLOWS</b>                                                                          | <b>2,156,595</b>           | <b>622,830</b> | <b>1,450,589</b>         | <b>542,987</b>   |
| 21                                | <b>TOTAL HQLA</b>                                                                                  |                            |                | <b>2,435,157</b>         | <b>1,909,434</b> |
| 22                                | <b>TOTAL NET CASH OUTFLOWS</b>                                                                     |                            |                | <b>2,353,299</b>         | <b>1,636,193</b> |
| 23                                | <b>LIQUIDITY COVERAGE RATIO (%)</b>                                                                |                            |                | <b>103.48</b>            | <b>116.70</b>    |

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

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**VI. Explanations on liquidity risk and liquidity coverage ratio (cont'd)**

| Prior Period                      |                                                                                                    | Total Unweighted Value (*) |                | Total Weighted Value (*) |                  |
|-----------------------------------|----------------------------------------------------------------------------------------------------|----------------------------|----------------|--------------------------|------------------|
|                                   |                                                                                                    | TL+FC                      | FC             | TL+FC                    | FC               |
| <b>HIGH-QUALITY LIQUID ASSETS</b> |                                                                                                    |                            |                |                          |                  |
| 1                                 | Total high-quality liquid assets (HQLA)                                                            |                            |                | 1,612,419                | 1,500,173        |
| <b>CASH OUTFLOWS</b>              |                                                                                                    |                            |                |                          |                  |
| 2                                 | Deposits from natural persons and retail deposits                                                  | 5,695,464                  | 2,273,281      | 358,551                  | 137,961          |
| 3                                 | Stable deposits                                                                                    | 4,219,902                  | 1,787,343      | 210,995                  | 89,367           |
| 4                                 | Less stable deposits                                                                               | 1,475,563                  | 485,938        | 147,556                  | 48,594           |
| 5                                 | Unsecured funding except for retail deposits and deposits from natural persons, of which:          | 3,101,718                  | 1,610,573      | 1,781,409                | 982,506          |
| 6                                 | Operational deposits                                                                               | --                         | --             | --                       | --               |
| 7                                 | Non-operational deposits                                                                           | 2,154,050                  | 1,001,207      | 861,620                  | 400,483          |
| 8                                 | Other unsecured funding                                                                            | 947,668                    | 609,366        | 919,788                  | 582,023          |
| 9                                 | Secured funding                                                                                    |                            |                | 389,631                  | 389,631          |
| 10                                | Other cash outflows                                                                                | 1,364,540                  | 818,505        | 261,554                  | 180,209          |
| 11                                | Outflows related to derivative exposures and other collateral requirements                         | 128,841                    | 402,536        | 128,840                  | 123,387          |
| 12                                | Outflows related to restructured financial instruments                                             | --                         | --             | --                       | --               |
| 13                                | Payment commitments granted for debts to financial markets and other off-balance sheet commitments | 1,235,699                  | 415,969        | 132,714                  | 56,822           |
| 14                                | Other revocable off-balance sheet commitments and other contractual obligations                    | --                         | --             | --                       | --               |
| 15                                | Other irrevocable or conditionally revocable off-balance sheet obligations                         | 20,807                     | 27             | 20,546                   | 27               |
| 16                                | <b>TOTAL CASH OUTFLOWS</b>                                                                         |                            |                | <b>2,811,690</b>         | <b>1,690,334</b> |
| <b>CASH INFLOWS</b>               |                                                                                                    |                            |                |                          |                  |
| 17                                | Secured receivables                                                                                | 41,014                     | 40,870         | 40,080                   | 40,080           |
| 18                                | Unsecured receivables                                                                              | 1,547,281                  | 283,953        | 963,460                  | 236,017          |
| 19                                | Other cash inflows                                                                                 | 34,203                     | 28,492         | 34,202                   | 28,491           |
| 20                                | <b>TOTAL CASH INFLOWS</b>                                                                          | <b>1,622,497</b>           | <b>353,315</b> | <b>1,037,742</b>         | <b>304,589</b>   |
| 21                                | <b>TOTAL HQLA</b>                                                                                  |                            |                | <b>1,612,419</b>         | <b>1,500,173</b> |
| 22                                | <b>TOTAL NET CASH OUTFLOWS</b>                                                                     |                            |                | <b>1,773,948</b>         | <b>1,385,745</b> |
| 23                                | <b>LIQUIDITY COVERAGE RATIO (%)</b>                                                                |                            |                | <b>90.89</b>             | <b>108.26</b>    |

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

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**VI. Explanations on liquidity risk and liquidity coverage ratio (cont'd)**

The table below presents highest, lowest and average liquidity coverage ratios for the last three months of the period 1 January – 30 September 2017 :

| Current Period | Highest | Date       | Lowest | Date       | Average |
|----------------|---------|------------|--------|------------|---------|
| TL+FC          | 129.81% | 18.08.2017 | 81.55% | 09.08.2017 | 103.30% |
| FC             | 207.73% | 31.07.2017 | 85.00% | 19.07.2017 | 116.43% |

| Prior Period | Highest | Date       | Lowest | Date       | Average |
|--------------|---------|------------|--------|------------|---------|
| TL+FC        | 129.68% | 25.10.2016 | 72.00% | 23.11.2016 | 92.16%  |
| FC           | 170.08% | 07.12.2016 | 74.04% | 15.11.2016 | 113.52% |

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

The Bank calculates cash flow and margin likely to transactions arising from derivative transactions in accordance with the Regulation on Banks' Liquidity Coverage Ratio dated 21 March 2014 and numbered 28948 published in Official Gazette as taking 24-month average into account .

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**VI. Explanations on liquidity risk and liquidity coverage ratio (cont'd)**

Presentation of assets and liabilities according to their remaining maturities:

| Current Period End                                                                                                                    | Demand           | Up to<br>1 Month   | 1-3<br>Months      | 3-12<br>Months   | 1-5<br>Year      | 5 Years<br>and Over | Unallocated        | Total             |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------|--------------------|------------------|------------------|---------------------|--------------------|-------------------|
| <b>Assets</b>                                                                                                                         |                  |                    |                    |                  |                  |                     |                    |                   |
| Cash (Cash in TL, Cash in Foreign<br>Currency, Cash in Transit, Cheques<br>Purchased) and Balances with the<br>Central Bank of Turkey | 424,894          | 1,875,427          | --                 | --               | --               | --                  | --                 | 2,300,321         |
| Banks                                                                                                                                 | 34,322           | 290,297            | --                 | --               | --               | --                  | --                 | 324,619           |
| Financial Assets at Fair Value Through<br>Profit or Loss                                                                              | --               | 75,469             | 40,800             | 49,242           | 373,444          | 3,672               | --                 | 542,627           |
| Interbank Money Market Placements                                                                                                     | --               | 103,675            | --                 | --               | --               | --                  | --                 | 103,675           |
| Financial Assets Available-for-Sale                                                                                                   | 1,589            | --                 | 9,085              | 94,702           | 632,929          | 96,421              | --                 | 834,726           |
| Loans                                                                                                                                 | --               | 2,198,149          | 1,797,773          | 4,933,067        | 4,719,569        | 414,343             | 197,501            | 14,260,402        |
| Investment Securities Held-to-Maturity                                                                                                | --               | --                 | --                 | --               | --               | --                  | --                 | --                |
| Other Assets (*)                                                                                                                      | --               | --                 | --                 | --               | --               | --                  | 303,674            | 303,674           |
| <b>Total Assets</b>                                                                                                                   | <b>460,805</b>   | <b>4,543,017</b>   | <b>1,847,658</b>   | <b>5,077,011</b> | <b>5,725,942</b> | <b>514,436</b>      | <b>501,175</b>     | <b>18,670,044</b> |
| <b>Liabilities</b>                                                                                                                    |                  |                    |                    |                  |                  |                     |                    |                   |
| Bank Deposits                                                                                                                         | 116,696          | 517,234            | 56,692             | 4,135            | --               | --                  | --                 | 694,757           |
| Other Deposits                                                                                                                        | 713,558          | 6,638,886          | 2,886,258          | 731,160          | 26,630           | --                  | --                 | 10,996,492        |
| Funds Borrowed from Other Financial<br>Institutions                                                                                   | --               | 34,492             | 636,066            | 719,663          | 377,604          | 59,927              | --                 | 1,827,752         |
| Interbank Money Market Received                                                                                                       | --               | 386,755            | 106,329            | --               | --               | --                  | --                 | 493,084           |
| Marketable Securities Issued                                                                                                          | --               | 326,475            | 207,995            | 688,797          | --               | --                  | --                 | 1,223,267         |
| Sundry Creditors                                                                                                                      | --               | 113,309            | --                 | --               | --               | --                  | --                 | 113,309           |
| Other Liabilities (**)                                                                                                                | --               | 109,243            | 63,965             | 74,272           | 410,683          | 1,066,191           | 1,597,029          | 3,321,383         |
| <b>Total Liabilities</b>                                                                                                              | <b>830,254</b>   | <b>8,126,394</b>   | <b>3,957,305</b>   | <b>2,218,027</b> | <b>814,917</b>   | <b>1,126,118</b>    | <b>1,597,029</b>   | <b>18,670,044</b> |
| <b>Net Liquidity Surplus/(Gap)</b>                                                                                                    | <b>(369,449)</b> | <b>(3,583,377)</b> | <b>(2,109,647)</b> | <b>2,858,984</b> | <b>4,911,025</b> | <b>(611,682)</b>    | <b>(1,095,854)</b> | <b>--</b>         |
| <b>Net Off-Balance Sheet Position</b>                                                                                                 |                  |                    |                    |                  |                  |                     |                    |                   |
| Derivative Financial Assets                                                                                                           | --               | 14,298             | (4,013)            | 6,076            | 5,314            | --                  | --                 | 21,675            |
| Derivative Financial Liabilities                                                                                                      | --               | 4,149,350          | 3,639,150          | 3,558,757        | 4,584,633        | 11,044              | --                 | 15,942,934        |
| Non-Cash Loans                                                                                                                        | --               | 4,135,052          | 3,643,163          | 3,552,681        | 4,579,319        | 11,044              | --                 | 15,921,259        |
| Prior Period                                                                                                                          | --               | 69,079             | 213,373            | 581,193          | 145,206          | 326,785             | --                 | 1,335,636         |
| <b>Total Assets</b>                                                                                                                   | <b>373,581</b>   | <b>3,690,006</b>   | <b>1,575,068</b>   | <b>4,420,080</b> | <b>4,322,835</b> | <b>586,844</b>      | <b>425,095</b>     | <b>15,393,509</b> |
| <b>Total Liabilities</b>                                                                                                              | <b>617,604</b>   | <b>6,955,286</b>   | <b>2,929,037</b>   | <b>2,137,078</b> | <b>852,775</b>   | <b>432,119</b>      | <b>1,469,610</b>   | <b>15,393,509</b> |
| <b>Net Liquidity Gap</b>                                                                                                              | <b>(244,023)</b> | <b>(3,265,280)</b> | <b>(1,353,969)</b> | <b>2,283,002</b> | <b>3,470,060</b> | <b>154,725</b>      | <b>(1,044,515)</b> | <b>--</b>         |
| <b>Net Off-Balance Sheet Position</b>                                                                                                 |                  |                    |                    |                  |                  |                     |                    |                   |
| Derivative Financial Assets                                                                                                           | --               | 15,785             | (3,025)            | 19,021           | 16,005           | --                  | --                 | 47,786            |
| Derivative Financial Liabilities                                                                                                      | --               | 2,622,167          | 1,018,933          | 2,321,449        | 3,776,784        | --                  | --                 | 9,739,333         |
| Non-Cash Loans                                                                                                                        | --               | 2,606,382          | 1,021,958          | 2,302,428        | 3,760,779        | --                  | --                 | 9,691,547         |
| Prior Period                                                                                                                          | --               | 49,172             | 158,169            | 321,197          | 95,139           | 273,349             | --                 | 897,026           |

(\*) 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 and prepaid expenses are included in this column.

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

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**VI. Explanations on liquidity risk and liquidity coverage ratio (cont'd)**

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

|    | <b>On – balance sheet assets</b>                                                                                    | <b>Current<br/>Period(*)</b> | <b>Prior<br/>Period(*)</b> |
|----|---------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|
| 1  | On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral) | 19,041,920                   | 15,533,937                 |
| 2  | (Assets deducted in determining Tier I capital)                                                                     | (24,710)                     | (34,286)                   |
| 3  | Total on-balance sheet risks (sum of lines 1 and 2)                                                                 | 19,017,210                   | 15,499,651                 |
|    | <b>Derivative financial instruments and credit derivatives</b>                                                      |                              |                            |
| 4  | Replacement cost associated with all derivative financial instruments and credit derivatives                        | 478,915                      | 331,031                    |
| 5  | Potential credit risk associated with all derivative financial instruments and credit derivatives                   | 292,872                      | 185,286                    |
| 6  | Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)                        | 771,787                      | 516,317                    |
|    | <b>Securities or commodity financing transactions (SCFT)</b>                                                        |                              |                            |
| 7  | Risks from SCFT assets (except for on-balance sheet)                                                                | 673,778                      | 811,748                    |
| 8  | Risks from brokerage activities related exposures                                                                   | --                           | --                         |
| 9  | Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)                       | 673,778                      | 811,748                    |
|    | <b>Other off-balance sheet transactions</b>                                                                         |                              |                            |
| 10 | Gross notional amounts of off-balance sheet transactions                                                            | 3,208,376                    | 2,193,861                  |
| 11 | (Adjustments for conversion to credit equivalent amounts)                                                           | --                           | --                         |
| 12 | Total risks of off-balance sheet items (sum of lines 10 and 11)                                                     | 3,208,376                    | 2,193,861                  |
|    | <b>Capital and total risks</b>                                                                                      | --                           |                            |
| 13 | Tier I capital                                                                                                      | 1,384,357                    | 1,265,803                  |
| 14 | Total risks (sum of lines 3, 6, 9 and 12)                                                                           | 23,671,151                   | 19,021,577                 |
|    | <b>Leverage ratio</b>                                                                                               |                              |                            |
| 15 | Leverage ratio                                                                                                      | 5.86                         | 6.67                       |

(\*) Represents three-month average amounts.

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**VII. Explanations on segment reporting**

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

|                                           | <b>Retail<br/>Banking</b> | <b>Commercial &amp;<br/>Corporate<br/>Banking</b> | <b>Treasury &amp;<br/>Headquarters</b> | <b>Total Operations<br/>of the Bank</b> |
|-------------------------------------------|---------------------------|---------------------------------------------------|----------------------------------------|-----------------------------------------|
| <b>Current Period</b>                     |                           |                                                   |                                        |                                         |
| <b>1 January – 30 September 2017</b>      |                           |                                                   |                                        |                                         |
| Operating Income                          | 214,653                   | 316,348                                           | (4,744)                                | 526,257                                 |
| Operating Profit                          | (21,055)                  | 214,897                                           | (56,038)                               | 137,804                                 |
| Taxation                                  |                           |                                                   |                                        | (27,713)                                |
| <b>Net Profit/(Loss) for the Period</b>   |                           |                                                   |                                        | <b>110,091</b>                          |
| <b>Current Period - 30 September 2017</b> |                           |                                                   |                                        |                                         |
| Segment Assets                            | 4,018,062                 | 10,044,839                                        | 4,607,143                              | 18,670,044                              |
| <b>Total Assets</b>                       |                           |                                                   |                                        | <b>18,670,044</b>                       |
| Segment Liabilities                       | 6,972,866                 | 4,023,627                                         | 6,263,208                              | 17,259,701                              |
| Shareholders' Equity                      |                           |                                                   |                                        | 1,410,343                               |
| <b>Total Liabilities</b>                  |                           |                                                   |                                        | <b>18,670,044</b>                       |
| <b>Prior Period</b>                       |                           |                                                   |                                        |                                         |
| <b>1 January – 30 September 2016</b>      |                           |                                                   |                                        |                                         |
| Operating Income                          | 184,196                   | 224,716                                           | 48,094                                 | 457,006                                 |
| Operating Profit                          | 16,111                    | 135,539                                           | (36,820)                               | 114,830                                 |
| Taxation                                  |                           |                                                   |                                        | (32,539)                                |
| <b>Net Profit/(Loss) for the Period</b>   |                           |                                                   |                                        | <b>82,291</b>                           |
| <b>Prior Period - 31 December 2016</b>    |                           |                                                   |                                        |                                         |
| Segment Assets                            | 3,338,361                 | 7,974,405                                         | 4,080,743                              | 15,393,509                              |
| <b>Total Assets</b>                       |                           |                                                   |                                        | <b>15,393,509</b>                       |
| Segment Liabilities                       | 6,543,963                 | 2,595,736                                         | 4,963,944                              | 14,103,643                              |
| Shareholders' Equity                      |                           |                                                   |                                        | 1,289,866                               |
| <b>Total Liabilities</b>                  |                           |                                                   |                                        | <b>15,393,509</b>                       |

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**SECTION FIVE**

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

**I. Explanations and disclosures 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             | 26,638         | 76,476           | 28,535         | 49,972           |
| Balances with the Central Bank of Turkey | 142,727        | 2,054,480        | 109,442        | 1,749,985        |
| Other                                    | --             | --               | --             | --               |
| <b>Total</b>                             | <b>169,365</b> | <b>2,130,956</b> | <b>137,977</b> | <b>1,799,957</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 | 65,479         | 256,301          | 109,442        | 160,363          |
| Unrestricted Time Deposits   | 77,248         | --               | --             | 25,969           |
| Restricted Time Deposits     | --             | 1,798,179        | --             | 1,563,653        |
| <b>Total</b>                 | <b>142,727</b> | <b>2,054,480</b> | <b>109,442</b> | <b>1,749,985</b> |

According to the communiqué Numbered 2005/1 on "Reserve Deposits" of CBRT, banks operating in Turkey are required to keep reserve deposit at the rates varying from 4% - 10.50% for TL liabilities depending on maturities of liabilities and at the rate 4% - 24% and denominated mainly in EUR and USD for FC liabilities. According to the Central Bank of Turkey's press announcement Numbered 2014-72 dated 21 October 2014, the Reserve Deposits as from November of 2014 are paid interest on the portion held in Turkish Lira and press announcement Numbered 2015-35 dated 2 May 2015 the Reserve Deposits as from May of 2015 are paid interest on the portion held in USD.

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

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

|                                                         | Current Period |           | Prior Period |           |
|---------------------------------------------------------|----------------|-----------|--------------|-----------|
|                                                         | TL             | FC        | TL           | FC        |
| Share Certificates                                      | --             | --        | --           | --        |
| Bonds, Treasury Bills and Similar Marketable Securities | 17,540         | --        | 7,055        | --        |
| Other                                                   | --             | --        | --           | --        |
| <b>Total</b>                                            | <b>17,540</b>  | <b>--</b> | <b>7,055</b> | <b>--</b> |

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

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

|                                                         | Current Period |           | Prior Period |           |
|---------------------------------------------------------|----------------|-----------|--------------|-----------|
|                                                         | TL             | FC        | TL           | FC        |
| Share Certificates                                      | --             | --        | --           | --        |
| Bonds, Treasury Bills and Similar Marketable Securities | --             | --        | 9,581        | --        |
| <b>Total</b>                                            | <b>--</b>      | <b>--</b> | <b>9,581</b> | <b>--</b> |

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

|                      | Current Period |              | Prior Period   |            |
|----------------------|----------------|--------------|----------------|------------|
|                      | TL             | FC           | TL             | FC         |
| Forward Transactions | 44,846         | --           | 15,877         | --         |
| Swap Transactions    | 319,598        | --           | 272,383        | --         |
| Futures Transactions | --             | --           | --             | --         |
| Options              | 106,512        | 8,069        | 126,479        | 265        |
| Other                | --             | --           | --             | --         |
| <b>Total</b>         | <b>470,956</b> | <b>8,069</b> | <b>414,739</b> | <b>265</b> |

**3. Information on Banks**

**3.1 Information on banks**

|                                   | Current Period |               | Prior Period |               |
|-----------------------------------|----------------|---------------|--------------|---------------|
|                                   | TL             | FC            | TL           | FC            |
| Banks                             |                |               |              |               |
| Domestic                          | 226,843        | 63,943        | 514          | 33,815        |
| Foreign                           | 851            | 32,982        | 598          | 23,137        |
| Foreign head-offices and branches | --             | --            | --           | --            |
| <b>Total</b>                      | <b>227,694</b> | <b>96,925</b> | <b>1,112</b> | <b>56,952</b> |

**3.2 Due from foreign banks**

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

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

**4.1 Financial assets available-for-sale 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 | 169,244        | 611,102        | 169,880        | 681,568        |
| Other                                                   | --             | --             | --             | --             |
| <b>Total</b>                                            | <b>169,244</b> | <b>611,102</b> | <b>169,880</b> | <b>681,568</b> |

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

|                            | Current Period | Prior Period   |
|----------------------------|----------------|----------------|
| Debt instruments           | 843,158        | 902,795        |
| Quoted on Stock Exchange   | 843,158        | 902,795        |
| Unquoted on Stock Exchange | --             | --             |
| Share certificates         | 1,590          | 1,019          |
| Quoted on Stock Exchange   | 1,590          | 1,019          |
| Unquoted on Stock Exchange | --             | --             |
| Impairment provision (-)   | 10,022         | 16,588         |
| <b>Total</b>               | <b>834,726</b> | <b>887,226</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           | Non-Cash | Cash         | Non-Cash |
| <b>Direct Loans to Shareholders</b>   | --             | --       | --           | --       |
| Corporate Shareholders                | --             | --       | --           | --       |
| Individual Shareholders               | --             | --       | --           | --       |
| <b>Indirect Loans to Shareholders</b> | --             | --       | --           | --       |
| <b>Loans to Employees</b>             | <b>4,020</b>   | --       | <b>3,630</b> | --       |
| <b>Total</b>                          | <b>4,020</b>   | --       | <b>3,630</b> | --       |

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

|                             | Standard Loans and Other Receivables |                                                  |       | Loans and Other Receivables under Close Monitoring |                                                  |                |
|-----------------------------|--------------------------------------|--------------------------------------------------|-------|----------------------------------------------------|--------------------------------------------------|----------------|
|                             | Loans and Other Receivables (Total)  | Loan and Receivables with Revised Contract Terms |       | Loans and Other Receivables (Total)                | Loan and Receivables with Revised Contract Terms |                |
|                             |                                      | Extension of Repayment Plan                      | Other |                                                    | Extension of Repayment Plan                      | Other          |
| <b>Cash Loans</b>           |                                      |                                                  |       |                                                    |                                                  |                |
| <b>Loans</b>                | <b>13,077,592</b>                    | <b>15,093</b>                                    | --    | <b>985,309</b>                                     | <b>456,583</b>                                   | <b>104,863</b> |
| Working Capital Loans       | --                                   | --                                               | --    | --                                                 | --                                               | --             |
| Export Loans                | 281,501                              | --                                               | --    | 13,219                                             | 12,686                                           | --             |
| Import Loans                | --                                   | --                                               | --    | --                                                 | --                                               | --             |
| Loans to Financial Sector   | 691,674                              | --                                               | --    | 1,451                                              | 65                                               | --             |
| Consumer Loans              | 523,694                              | 8                                                | --    | 60,659                                             | 5,503                                            | 1,831          |
| Credit Cards                | 102,292                              | --                                               | --    | 11,899                                             | --                                               | --             |
| Others                      | 11,478,431                           | 15,085                                           | --    | 898,081                                            | 438,329                                          | 103,032        |
| <b>Specialization Loans</b> | --                                   | --                                               | --    | --                                                 | --                                               | --             |
| <b>Other Receivables</b>    | --                                   | --                                               | --    | --                                                 | --                                               | --             |
| <b>Total</b>                | <b>13,077,592</b>                    | <b>15,093</b>                                    | --    | <b>985,309</b>                                     | <b>456,583</b>                                   | <b>104,863</b> |

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**5.2**

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

|                             | Current Period                       |                                                    | Prior Period                         |                                                    |
|-----------------------------|--------------------------------------|----------------------------------------------------|--------------------------------------|----------------------------------------------------|
|                             | Standard Loans and Other Receivables | Loans and Other Receivables under Close Monitoring | Standard Loans and Other Receivables | Loans and Other Receivables under Close Monitoring |
| <b>Number of Extensions</b> | <b>15,093</b>                        | <b>456,583</b>                                     | <b>9,356</b>                         | <b>474,112</b>                                     |
| 1 or 2 times                | 15,093                               | 449,973                                            | 9,356                                | 470,413                                            |
| 3, 4 or 5 times             | --                                   | 6,610                                              | --                                   | 3,699                                              |
| Over 5 times                | --                                   | --                                                 | --                                   | --                                                 |

|                          | Current Period                       |                                                    | Prior Period                         |                                                    |
|--------------------------|--------------------------------------|----------------------------------------------------|--------------------------------------|----------------------------------------------------|
|                          | Standard Loans and Other Receivables | Loans and Other Receivables under Close Monitoring | Standard Loans and Other Receivables | Loans and Other Receivables under Close Monitoring |
| <b>Extension Periods</b> | <b>15,093</b>                        | <b>456,583</b>                                     | <b>9,356</b>                         | <b>474,112</b>                                     |
| 0-6 months               | 972                                  | 41,106                                             | 2,012                                | 32,121                                             |
| 6 -12 months             | --                                   | 28,718                                             | 843                                  | 38,737                                             |
| 1 – 2 years              | 979                                  | 98,508                                             | 470                                  | 124,864                                            |
| 2 – 5 years              | 6,893                                | 152,474                                            | 4,095                                | 168,291                                            |
| 5 years and over         | 6,249                                | 135,777                                            | 1,936                                | 110,099                                            |

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

| <i>Current Period</i> | Commercial Loans | Consumer Loans | Total          |
|-----------------------|------------------|----------------|----------------|
| 1-30 days             | 156,996          | 7,708          | 164,704        |
| 31-60 days            | 88,818           | 19,852         | 108,670        |
| 61-90 days            | 152,629          | 15,358         | 167,987        |
| <b>Total</b>          | <b>398,443</b>   | <b>42,918</b>  | <b>441,361</b> |

| <i>Prior Period</i> | Commercial Loans | Consumer Loans | Total          |
|---------------------|------------------|----------------|----------------|
| 1-30 days           | 141,691          | 5,493          | 147,184        |
| 31-60 days          | 63,683           | 19,468         | 83,151         |
| 61-90 days          | 173,908          | 12,202         | 186,110        |
| <b>Total</b>        | <b>379,282</b>   | <b>37,163</b>  | <b>416,445</b> |

***Maturity analysis of cash loans***

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

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## 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>16,306</b> | <b>504,984</b>      | <b>521,290</b> |
| Real Estate Loans                               | 138           | 300,871             | 301,009        |
| Vehicle Loans                                   | --            | 5,303               | 5,303          |
| General Purpose Loans                           | 16,168        | 198,810             | 214,978        |
| Other                                           | --            | --                  | --             |
| <b>Consumer Loans-Indexed to FC</b>             | <b>--</b>     | <b>51,339</b>       | <b>51,339</b>  |
| Real Estate Loans                               | --            | 50,004              | 50,004         |
| Vehicle Loans                                   | --            | --                  | --             |
| General Purpose Loans                           | --            | 1,335               | 1,335          |
| Other                                           | --            | --                  | --             |
| <b>Consumer Loans-FC</b>                        | <b>--</b>     | <b>1,111</b>        | <b>1,111</b>   |
| Real Estate Loans                               | --            | 1,111               | 1,111          |
| Vehicle Loans                                   | --            | --                  | --             |
| General Purpose Loans                           | --            | --                  | --             |
| Other                                           | --            | --                  | --             |
| <b>Individual Credit Cards-TL</b>               | <b>6,078</b>  | <b>--</b>           | <b>6,078</b>   |
| With Installment                                | 933           | --                  | 933            |
| Without Installment                             | 5,145         | --                  | 5,145          |
| <b>Individual Credit Cards-FC</b>               | <b>24</b>     | <b>--</b>           | <b>24</b>      |
| With Installment                                | --            | --                  | --             |
| Without Installment                             | 24            | --                  | 24             |
| <b>Loans Given to Employees-TL</b>              | <b>331</b>    | <b>2,668</b>        | <b>2,999</b>   |
| Real Estate Loans                               | --            | 58                  | 58             |
| Vehicle Loans                                   | --            | --                  | --             |
| General Purpose Loans                           | 331           | 2,610               | 2,941          |
| Other                                           | --            | --                  | --             |
| <b>Loans Given to Employees - Indexed to FC</b> | <b>--</b>     | <b>--</b>           | <b>--</b>      |
| Real Estate Loans                               | --            | --                  | --             |
| Vehicle Loans                                   | --            | --                  | --             |
| General Purpose Loans                           | --            | --                  | --             |
| Other                                           | --            | --                  | --             |
| <b>Loans Given to Employees - FC</b>            | <b>--</b>     | <b>--</b>           | <b>--</b>      |
| Real Estate Loans                               | --            | --                  | --             |
| Vehicle Loans                                   | --            | --                  | --             |
| General Purpose Loans                           | --            | --                  | --             |
| Other                                           | --            | --                  | --             |
| <b>Personnel Credit Cards – TL</b>              | <b>1,019</b>  | <b>--</b>           | <b>1,019</b>   |
| With Installment                                | 320           | --                  | 320            |
| Without Installment                             | 699           | --                  | 699            |
| <b>Personnel Credit Cards – FC</b>              | <b>2</b>      | <b>--</b>           | <b>2</b>       |
| With Installment                                | --            | --                  | --             |
| Without Installment                             | 2             | --                  | 2              |
| <b>Overdraft Loans-TL (Real Persons)</b>        | <b>7,614</b>  | <b>--</b>           | <b>7,614</b>   |
| <b>Overdraft Loans-FC (Real Persons)</b>        | <b>--</b>     | <b>--</b>           | <b>--</b>      |
| <b>Total</b>                                    | <b>31,374</b> | <b>560,102</b>      | <b>591,476</b> |

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**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>824,138</b>   | <b>3,733,824</b>    | <b>4,557,962</b> |
| Real Estate Loans                                   | --               | 5,750               | 5,750            |
| Vehicle Loans                                       | 2,751            | 61,475              | 64,226           |
| General Purpose Loans                               | 821,387          | 3,666,599           | 4,487,986        |
| Other                                               | --               | --                  | --               |
| <b>Installment Commercial Loans – Indexed to FC</b> | <b>7,520</b>     | <b>179,178</b>      | <b>186,698</b>   |
| Real Estate Loans                                   | --               | 429                 | 429              |
| Vehicle Loans                                       | --               | 15,560              | 15,560           |
| General Purpose Loans                               | 7,520            | 163,189             | 170,709          |
| 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>107,018</b>   | <b>--</b>           | <b>107,018</b>   |
| With Installment                                    | 22,096           | --                  | 22,096           |
| Without Installment                                 | 84,922           | --                  | 84,922           |
| <b>Corporate Credit Cards – FC</b>                  | <b>50</b>        | <b>--</b>           | <b>50</b>        |
| With Installment                                    | --               | --                  | --               |
| Without Installment                                 | 50               | --                  | 50               |
| <b>Overdraft Loans-TL (Corporates)</b>              | <b>77,167</b>    | <b>--</b>           | <b>77,167</b>    |
| <b>Overdraft Loans-FC (Corporates)</b>              | <b>--</b>        | <b>--</b>           | <b>--</b>        |
| <b>Total</b>                                        | <b>1,015,893</b> | <b>3,913,002</b>    | <b>4,928,895</b> |

**5.5 Allocation of loans by customers**

|                | Current Period    | Prior Period      |
|----------------|-------------------|-------------------|
| Public Sector  | --                | --                |
| Private Sector | 14,062,901        | 11,312,803        |
| <b>Total</b>   | <b>14,062,901</b> | <b>11,312,803</b> |

**5.6 Allocation of domestic and foreign loans**

|                | Current Period    | Prior Period      |
|----------------|-------------------|-------------------|
| Domestic Loans | 13,681,262        | 10,938,052        |
| Foreign Loans  | 381,639           | 374,751           |
| <b>Total</b>   | <b>14,062,901</b> | <b>11,312,803</b> |

**5.7 Loans granted to subsidiaries and associates**

The Bank does not have any loans granted to subsidiaries and associates as of 30 September 2017 (31 December 2016: None).

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**5.8 Specific provisions for loans**

| Specific Provisions                                | Current Period | Prior Period  |
|----------------------------------------------------|----------------|---------------|
| Loans and Receivables with Limited Collectability  | 10,215         | 9,430         |
| Loans and Receivables with Doubtful Collectability | 43,932         | 23,399        |
| Uncollectible Loans and Receivables                | 117,619        | 51,341        |
| <b>Total</b>                                       | <b>171,766</b> | <b>84,170</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**

|                                            | Group III<br>Loans and<br>receivables<br>with limited<br>collectability | Group IV<br>Loans and<br>receivables with<br>doubtful<br>collectability | Group V<br>Uncollectible<br>loans and<br>receivables |
|--------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------|
| <b>Current Period</b>                      | <b>38</b>                                                               | <b>216</b>                                                              | <b>38</b>                                            |
| (Gross Amounts before Specific Provisions) | --                                                                      | --                                                                      | --                                                   |
| Restructured Loans and Other Receivables   | 38                                                                      | 216                                                                     | 38                                                   |
| Rescheduled Loans and Other Receivables    | --                                                                      | --                                                                      | --                                                   |
| <b>Prior Period</b>                        | <b>--</b>                                                               | <b>--</b>                                                               | <b>88</b>                                            |
| (Gross Amounts before Specific Provisions) | --                                                                      | --                                                                      | --                                                   |
| Restructured Loans and Other Receivables   | --                                                                      | --                                                                      | 88                                                   |
| Rescheduled Loans and Other Receivables    | --                                                                      | --                                                                      | --                                                   |

**5.9.2 Movement on non-performing loans**

|                                                             | Group III<br>Loans and<br>receivables<br>with limited<br>collectability | Group IV<br>Loans and<br>receivables with<br>doubtful<br>collectability | Group V<br>Uncollectible<br>loans and<br>receivables |
|-------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------|
| <b>Balances at Beginning of Period</b>                      | <b>71,154</b>                                                           | <b>62,682</b>                                                           | <b>78,803</b>                                        |
| Additions (+)                                               | 228,397                                                                 | 2,736                                                                   | 1,784                                                |
| Transfers from Other Categories of Non-Performing Loans (+) | --                                                                      | 201,099                                                                 | 122,362                                              |
| Transfers to Other Categories of Non-Performing Loans (-)   | 201,105                                                                 | 122,355                                                                 | --                                                   |
| Collections (-)                                             | 26,403                                                                  | 11,294                                                                  | 11,186                                               |
| Write-offs (-)(*)                                           | --                                                                      | 7,540                                                                   | 19,867                                               |
| Corporate and Commercial Loans                              | --                                                                      | 7,148                                                                   | 14,186                                               |
| Retail Loans                                                | --                                                                      | 26                                                                      | 3,786                                                |
| Credit Cards                                                | --                                                                      | 366                                                                     | 1,895                                                |
| Other                                                       | --                                                                      | --                                                                      | --                                                   |
| <b>Balances at End of the Period</b>                        | <b>72,043</b>                                                           | <b>125,328</b>                                                          | <b>171,896</b>                                       |
| Specific Provisions (-)                                     | 10,215                                                                  | 43,932                                                                  | 117,619                                              |
| <b>Net Balance on Balance Sheet</b>                         | <b>61,828</b>                                                           | <b>81,396</b>                                                           | <b>54,277</b>                                        |

(\*) TL 27,407 of loans were sold and transferred to asset management company and written off in June 2017.

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

|                                     | <b>Group III</b>                                           | <b>Group IV</b>                                             | <b>Group V</b>                            |
|-------------------------------------|------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|
|                                     | Loans and<br>receivables with<br>limited<br>collectability | Loans and<br>receivables with<br>doubtful<br>collectability | Uncollectible<br>loans and<br>receivables |
| <b>Current Period</b>               |                                                            |                                                             |                                           |
| Balance as of the Period End        | 3,282                                                      | 11,060                                                      | 28,537                                    |
| Specific Provisions (-)             | 164                                                        | 5,479                                                       | 11,306                                    |
| <b>Net Balance on Balance Sheet</b> | <b>3,118</b>                                               | <b>5,581</b>                                                | <b>17,231</b>                             |
| <b>Prior Period</b>                 |                                                            |                                                             |                                           |
| Balance as of the Period End        | 348                                                        | 4,057                                                       | 24,401                                    |
| Specific Provisions (-)             | 70                                                         | 2,029                                                       | 7,352                                     |
| <b>Net Balance on Balance Sheet</b> | <b>278</b>                                                 | <b>2,028</b>                                                | <b>17,049</b>                             |

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

|                                                      | <b>Group III</b>                                           | <b>Group IV</b>                                             | <b>Group V</b>                            |
|------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|
|                                                      | Loans and<br>receivables with<br>limited<br>collectability | Loans and<br>receivables with<br>doubtful<br>collectability | Uncollectible<br>loans and<br>receivables |
| <b>Current Period (Net)</b>                          | <b>61,828</b>                                              | <b>81,396</b>                                               | <b>54,277</b>                             |
| Loans Granted to Real Persons and Corporates (Gross) | 72,043                                                     | 125,328                                                     | 171,896                                   |
| Specific provisions (-)                              | 10,215                                                     | 43,932                                                      | 117,619                                   |
| Loans Granted to Real Persons and Corporates (Net)   | 61,828                                                     | 81,396                                                      | 54,277                                    |
| Banks (Gross)                                        | --                                                         | --                                                          | --                                        |
| Specific Provisions (-)                              | --                                                         | --                                                          | --                                        |
| Banks (Net)                                          | --                                                         | --                                                          | --                                        |
| Other Loan and Receivables (Gross)                   | --                                                         | --                                                          | --                                        |
| Specific Provisions (-)                              | --                                                         | --                                                          | --                                        |
| Other Loan and Receivables (Net)                     | --                                                         | --                                                          | --                                        |
| <b>Prior Period (Net)</b>                            | <b>61,724</b>                                              | <b>39,283</b>                                               | <b>27,462</b>                             |
| Loans Granted to Real Persons and Corporates (Gross) | 71,154                                                     | 62,682                                                      | 78,803                                    |
| Specific provisions (-)                              | 9,430                                                      | 23,399                                                      | 51,341                                    |
| Loans Granted to Real Persons and Corporates (Net)   | 61,724                                                     | 39,283                                                      | 27,462                                    |
| Banks (Gross)                                        | --                                                         | --                                                          | --                                        |
| Specific Provisions (-)                              | --                                                         | --                                                          | --                                        |
| Banks (Net)                                          | --                                                         | --                                                          | --                                        |
| Other Loan and Receivables (Gross)                   | --                                                         | --                                                          | --                                        |
| Specific Provisions (-)                              | --                                                         | --                                                          | --                                        |
| Other Loan and Receivables (Net)                     | --                                                         | --                                                          | --                                        |

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

The Bank allocates 100% provision for uncollectible loans. If the Bank has collateral, non-performing loans and other receivables are collected through both executive and legal attempts, as soon as possible by liquidation of these collaterals. In the absence of collateral, the Bank performs periodical market intelligence and tries to determine the assets acquired subsequently by the debtor and applies to the legal follow-up process.

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

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

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

The Bank has no held-to-maturity investments as of 30 September 2017.

**7. Information on associates**

The Bank has TL 4,897 investment in an associate as of 30 September 2017 (31 December 2016: None).

| Subsidiary              | Address (City / Country) | Bank's share– If different voting rights (%) | Bank's risk group share (%) |
|-------------------------|--------------------------|----------------------------------------------|-----------------------------|
| Kredi Garanti Fonu A.Ş. | Ankara                   | 1.54%                                        | 1.54%                       |

**8. Information on subsidiaries**

The Bank has TL 5,445 investment in a subsidiary as of 30 September 2017 (31 December 2016: TL 5,445).

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

| Total Assets | Shareholders' Equity | Total Fixed Assets (*) | Interest Income | Income on Securities Portfolio | Current Period Profit/Loss | Prior Period Profit/Loss | Company's Fair Value |
|--------------|----------------------|------------------------|-----------------|--------------------------------|----------------------------|--------------------------|----------------------|
| 5,708        | 5,454                | 3                      | 479             | --                             | 113                        | 23                       | 5,454                |

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

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**8. Information on subsidiaries (cont'd)**

*Movement of consolidated investment in subsidiary*

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

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

*Sectoral distribution of consolidated investments in subsidiary*

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

*Quoted consolidated investments in subsidiary*

None.

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

The Bank has no joint ventures as of 30 September 2017.

**10. Information on lease receivables**

The Bank has no leasing receivables as of 30 September 2017.

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

The fair value hedge accounting has been ceased by the Bank as of 30 September 2017 as it became ineffective. The cumulative fair value difference on the carrying value of the hedged loans amounting to TL 3,804 will be reflected to the income statement over the life of the hedged loans.

**12. Information on tangible assets**

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

**13. Information on intangible assets**

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

**14. Information on investment properties**

None.

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**15. Information on deferred tax asset**

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

As of 30 September 2017, the deferred tax asset amounting to TL 8,577 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2016: TL 1,374 deferred tax liability).

Deferred tax 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 are used in the computation of taxable profit. The deferred tax assets and liabilities are presented as net in the accompanying financial statements.

| <b>Current Period</b>                                   |                          |                                            |
|---------------------------------------------------------|--------------------------|--------------------------------------------|
|                                                         | <b>Deferred Tax Base</b> | <b>Deferred Tax Asset/<br/>(Liability)</b> |
| Financial Assets Valuation                              | 10,967                   | 2,193                                      |
| Unearned Commission Income/Prepaid Commission Expenses  | 20,183                   | 4,037                                      |
| Retirement Pay and Unused Vacation Provision            | 17,168                   | 3,434                                      |
| Tangible Assets Base Differences                        | (3,738)                  | (748)                                      |
| Other                                                   | (1,697)                  | (339)                                      |
| <b>Deferred Tax Asset/(Liability)</b>                   | <b>42,883</b>            | <b>8,577</b>                               |
| <b>Prior Period</b>                                     |                          |                                            |
|                                                         | <b>Deferred Tax Base</b> | <b>Deferred Tax Asset/<br/>(Liability)</b> |
| Financial Assets Valuation                              | (25,566)                 | (5,113)                                    |
| Unearned Commission Income/ Prepaid Commission Expenses | 1,559                    | 312                                        |
| Retirement Pay and Unused Vacation Provision            | 17,743                   | 3,549                                      |
| Tangible Assets Base Differences                        | (3,357)                  | (671)                                      |
| Other                                                   | 2,744                    | 549                                        |
| <b>Deferred Tax Asset/(Liability)</b>                   | <b>(6,877)</b>           | <b>(1,374)</b>                             |

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

|                                                                 | <b>1 January –<br/>30 September 2017</b> | <b>1 January –<br/>31 December 2016</b> |
|-----------------------------------------------------------------|------------------------------------------|-----------------------------------------|
| Deferred Tax Asset, 1 January                                   | (1,374)                                  | 1,653                                   |
| Deferred Tax Income / (Expense)                                 | 12,548                                   | (5,801)                                 |
| Deferred Tax Recognized Directly Under Equity                   | (2,597)                                  | 2,773                                   |
| <b>Deferred Tax Asset/(Liability), at the End of the Period</b> | <b>8,577</b>                             | <b>(1,374)</b>                          |

As of 30 September 2017, the Bank has no carry forward tax losses.

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

None.

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

None.

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

As of 30 September 2017, the Bank has TL 16,389 assets held for sale (31 December 2016: TL 3,817).

- 17.** **Information on other assets**

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

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

As of 30 September 2017, total prepaid expenses are TL 29,921 (31 December 2016: TL 24,074).

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

**1. Information on deposits**

**1.1 Information on maturity structure of deposits**

**Current Period**

|                                | Demand         | 7 Day Call<br>Accounts | Up to 1<br>Month | 1-3<br>Months    | 3-6<br>Months  | 6 Months<br>-1 Year | 1 Year<br>and Over | Cumulative<br>Deposit | Total             |
|--------------------------------|----------------|------------------------|------------------|------------------|----------------|---------------------|--------------------|-----------------------|-------------------|
| <b>Saving Deposits</b>         | <b>68,549</b>  | --                     | <b>429,749</b>   | <b>2,178,585</b> | <b>344,569</b> | <b>174,865</b>      | <b>96,298</b>      | --                    | <b>3,292,615</b>  |
| <b>Foreign Currency</b>        |                |                        |                  |                  |                |                     |                    |                       |                   |
| <b>Deposits</b>                | <b>329,230</b> | --                     | <b>433,938</b>   | <b>3,441,274</b> | <b>166,082</b> | <b>47,573</b>       | <b>129,321</b>     | --                    | <b>4,547,418</b>  |
| Residents in Turkey            | 314,266        | --                     | 401,285          | 3,422,951        | 165,211        | 46,256              | 45,511             | --                    | 4,395,480         |
| Residents Abroad               | 14,964         | --                     | 32,653           | 18,323           | 871            | 1,317               | 83,810             | --                    | 151,938           |
| <b>Public Sector Deposits</b>  | <b>45,956</b>  | --                     | --               | --               | --             | --                  | --                 | --                    | <b>45,956</b>     |
| <b>Commercial Deposits</b>     | <b>259,534</b> | --                     | <b>85,324</b>    | <b>1,865,364</b> | <b>121,026</b> | <b>221,243</b>      | <b>418,087</b>     | --                    | <b>2,970,578</b>  |
| <b>Other Ins. Deposits</b>     | <b>2,559</b>   | --                     | <b>807</b>       | <b>82,662</b>    | <b>39,783</b>  | <b>6,305</b>        | <b>79</b>          | --                    | <b>132,195</b>    |
| <b>Precious Metal Deposits</b> | <b>7,730</b>   | --                     | --               | --               | --             | --                  | --                 | --                    | <b>7,730</b>      |
| <b>Interbank Deposits</b>      | <b>116,696</b> | --                     | <b>484,647</b>   | <b>85,976</b>    | <b>7,438</b>   | --                  | --                 | --                    | <b>694,757</b>    |
| Central Bank of Turkey         | --             | --                     | 116,070          | --               | --             | --                  | --                 | --                    | 116,070           |
| Domestic Banks                 | 4,146          | --                     | 366,831          | 53,388           | 7,438          | --                  | --                 | --                    | 431,803           |
| Foreign Banks                  | 25,580         | --                     | 1,746            | 32,588           | --             | --                  | --                 | --                    | 59,914            |
| Special Finan.Inst.            | 86,970         | --                     | --               | --               | --             | --                  | --                 | --                    | 86,970            |
| Other                          | --             | --                     | --               | --               | --             | --                  | --                 | --                    | --                |
| <b>Total</b>                   | <b>830,254</b> | --                     | <b>1,434,465</b> | <b>7,653,861</b> | <b>678,898</b> | <b>449,986</b>      | <b>643,785</b>     | --                    | <b>11,691,249</b> |

**Prior Period**

|                                | Demand         | 7 Day Call<br>Accounts | Up to 1<br>Month | 1-3<br>Months    | 3-6<br>Months  | 6 Months<br>-1 Year | 1 Year<br>and Over | Cumulative<br>Deposit | Total            |
|--------------------------------|----------------|------------------------|------------------|------------------|----------------|---------------------|--------------------|-----------------------|------------------|
| <b>Saving Deposits</b>         | <b>56,397</b>  | --                     | <b>482,578</b>   | <b>2,032,327</b> | <b>325,157</b> | <b>354,068</b>      | <b>95,077</b>      | --                    | <b>3,345,604</b> |
| <b>Foreign Currency</b>        |                |                        |                  |                  |                |                     |                    |                       |                  |
| <b>Deposits</b>                | <b>265,625</b> | --                     | <b>90,370</b>    | <b>2,599,456</b> | <b>252,024</b> | <b>126,933</b>      | <b>95,198</b>      | --                    | <b>3,429,606</b> |
| Residents in Turkey            | 257,644        | --                     | 85,315           | 2,588,713        | 247,014        | 121,569             | 14,544             | --                    | 3,314,799        |
| Residents Abroad               | 7,981          | --                     | 5,055            | 10,743           | 5,010          | 5,364               | 80,654             | --                    | 114,807          |
| <b>Public Sector Deposits</b>  | <b>1</b>       | --                     | --               | <b>10</b>        | --             | --                  | --                 | --                    | <b>11</b>        |
| <b>Commercial Deposits</b>     | <b>172,450</b> | --                     | <b>311,657</b>   | <b>1,218,969</b> | <b>169,403</b> | <b>175,757</b>      | <b>220,118</b>     | --                    | <b>2,268,354</b> |
| <b>Other Ins. Deposits</b>     | <b>1,505</b>   | --                     | <b>1,522</b>     | <b>55,280</b>    | <b>18,590</b>  | <b>12,299</b>       | <b>15</b>          | --                    | <b>89,211</b>    |
| <b>Precious Metal Deposits</b> | <b>6,912</b>   | --                     | --               | --               | --             | --                  | --                 | --                    | <b>6,912</b>     |
| <b>Interbank Deposits</b>      | <b>114,714</b> | --                     | <b>332,421</b>   | <b>34,670</b>    | --             | --                  | --                 | --                    | <b>481,805</b>   |
| Central Bank of Turkey         | --             | --                     | --               | --               | --             | --                  | --                 | --                    | --               |
| Domestic Banks                 | 12             | --                     | 314,090          | 20,072           | --             | --                  | --                 | --                    | 334,174          |
| Foreign Banks                  | 17,263         | --                     | 18,331           | 14,598           | --             | --                  | --                 | --                    | 50,192           |
| Special Finan.Inst.            | 97,439         | --                     | --               | --               | --             | --                  | --                 | --                    | 97,439           |
| Other                          | --             | --                     | --               | --               | --             | --                  | --                 | --                    | --               |
| <b>Total</b>                   | <b>617,604</b> | --                     | <b>1,218,548</b> | <b>5,940,712</b> | <b>765,174</b> | <b>669,057</b>      | <b>410,408</b>     | --                    | <b>9,621,503</b> |

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

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

|                                                                             | Under the Guarantee<br>of Deposit<br>Insurance |                  | Exceeding the limit<br>of Deposit<br>Insurance |                  |
|-----------------------------------------------------------------------------|------------------------------------------------|------------------|------------------------------------------------|------------------|
|                                                                             | Current Period                                 | Prior Period     | Current Period                                 | Prior Period     |
| Saving Deposits                                                             | 1,158,426                                      | 937,362          | 2,114,820                                      | 2,380,080        |
| Foreign Currency Saving Deposits                                            | 309,698                                        | 188,315          | 2,279,719                                      | 2,163,704        |
| Other Deposits in the Form of<br>Saving Deposits                            | --                                             | --               | --                                             | --               |
| Foreign Branches' Deposits Under Insurance of<br>Foreign Authorities        | --                                             | --               | --                                             | --               |
| Off-shore Banking Regions' Deposits Under<br>Foreign Authorities' Insurance | --                                             | --               | --                                             | --               |
| <b>Total</b>                                                                | <b>1,468,124</b>                               | <b>1,125,677</b> | <b>4,394,539</b>                               | <b>4,543,784</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                                                                                    | 38,292         | 47,498       |
| Deposits of Chairman and Members of the Board of Directors and<br>Their Close Families                                                        | 13,388         | 8,032        |
| Deposits Obtained through Illegal Acts Defined in the 282nd Article<br>of the 5237 Numbered Turkish Criminal Code dated 26 September<br>2004. | --             | --           |
| Saving Deposits in Banks Established in Turkey Exclusively for Off<br>Shore Banking Activities                                                | --             | --           |

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

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

| Trading Purpose Derivative Financial Liabilities | Current Period |              | Prior Period   |            |
|--------------------------------------------------|----------------|--------------|----------------|------------|
|                                                  | TL             | FC           | TL             | FC         |
| Forward Transactions                             | 35,826         | --           | 16,986         | --         |
| Swap Transactions                                | 375,221        | --           | 239,985        | --         |
| Futures Transactions                             | --             | --           | --             | --         |
| Options                                          | 108,853        | 8,068        | 126,226        | 262        |
| Other                                            | --             | --           | --             | --         |
| <b>Total</b>                                     | <b>519,900</b> | <b>8,068</b> | <b>383,197</b> | <b>262</b> |

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

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

|                                            | Current Period |                  | Prior Period  |                  |
|--------------------------------------------|----------------|------------------|---------------|------------------|
|                                            | TL             | FC               | TL            | FC               |
| Loans from Central Bank of Turkey          | --             | --               | --            | --               |
| From Domestic Banks and Institutions       | 18,571         | 72,688           | 17,220        | 65,573           |
| From Foreign Banks, Institutions and Funds | --             | 1,700,392        | --            | 1,453,870        |
| <b>Total</b>                               | <b>18,571</b>  | <b>1,773,080</b> | <b>17,220</b> | <b>1,519,443</b> |

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

**3.2 Maturity analysis of borrowings**

|                      | Current Period |                  | Prior Period  |                  |
|----------------------|----------------|------------------|---------------|------------------|
|                      | TL             | FC               | TL            | FC               |
| Short-Term           | 17,662         | 206,926          | 17,220        | 45,031           |
| Medium and Long Term | 909            | 1,566,154        | --            | 1,474,412        |
| <b>Total</b>         | <b>18,571</b>  | <b>1,773,080</b> | <b>17,220</b> | <b>1,519,443</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 funds provided by deposits, money market funds, bank borrowings and bond/bill issuance.

**4. Informations related with issued instruments**

|            | Current Period |                      | Prior Period |                      |
|------------|----------------|----------------------|--------------|----------------------|
|            | TL             | FC                   | TL           | FC                   |
|            | Short-Term     | Medium and Long Term | Short-Term   | Medium and Long Term |
| Nominal    | 1,264,520      | --                   | --           | --                   |
| Book Value | 1,223,267      | --                   | --           | --                   |

|            | Current Period |                      | Prior Period |                      |
|------------|----------------|----------------------|--------------|----------------------|
|            | TL             | FC                   | TL           | FC                   |
|            | Short-Term     | Medium and Long Term | Short-Term   | Medium and Long Term |
| Nominal    | 1,015,580      | --                   | --           | --                   |
| Book Value | 991,975        | --                   | --           | --                   |

**5. Sundry creditors and other liabilities**

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

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

**6.1 Detailed information about changes in agreements and further commitments arising**

None.

**6.2 Obligations under financial leases**

|                   | Current Period |            | Prior Period |           |
|-------------------|----------------|------------|--------------|-----------|
|                   | Gross          | Net        | Gross        | Net       |
| Less than 1 Year  | 135            | 111        | 89           | 85        |
| Between 1-4 Years | 377            | 342        | --           | --        |
| More than 4 Years | --             | --         | --           | --        |
| <b>Total</b>      | <b>512</b>     | <b>453</b> | <b>89</b>    | <b>85</b> |

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**6.3 Information on operational leases and footnotes**

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

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

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

None.

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

None.

**8. Information on provisions**

**8.1 Information on general provisions**

|                                                                          | Current Period | Prior Period   |
|--------------------------------------------------------------------------|----------------|----------------|
| Loans and Receivables in Group 1                                         | 86,314         | 95,988         |
| - Additional Provision for Loan and Receivables with Extended Maturities | --             | --             |
| Loans and Receivables in Group 2                                         | 16,988         | 18,047         |
| - Additional Provision for Loan and Receivables with Extended Maturities | --             | --             |
| Non-Cash Loans                                                           | 10,233         | 7,252          |
| Others                                                                   | --             | --             |
| <b>Total</b>                                                             | <b>113,535</b> | <b>121,287</b> |

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

The foreign exchange losses on the foreign currency indexed loans as of 30 September 2017, amounting to TL 25 are netted off from the loans on the balance sheet(31 December 2016: TL 920).

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

As of 30 September 2017, the specific provision provided for unindemnified non cash loans is TL 1,889 (31 December 2016: TL 1,311).

**8.4 Explanation on other provisions**

**8.4.1 Provisions for probable losses**

|                                | Current Period | Prior Period |
|--------------------------------|----------------|--------------|
| Provisions for probable losses | 42,000         | 36,000       |

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

None.

**8.4.3 Explanations on reserves for employee benefits**

As of 30 September 2017, reserves for employee benefits amounting to TL 17,173 (31 December 2016: TL 16,894) comprise of TL 9,665 reserve for employee termination benefits (31 December 2016: TL 8,265), TL2,247 unused vacation pay liability (31 December 2016: TL 2,683) and TL 5,261 personnel premium accrual (31 December 2016: TL 5,946).

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

**9. Explanations on tax liabilities**

**9.1 Explanations on current tax liability**

**9.1.1 Explanations on tax provision**

As of 30 September 2017, the Bank's current tax liability is TL 35,279 (31 December 2016: TL 37,050), after netting the prepaid taxes, the remaining amount of Corporate Tax is TL 4,842 (31 December 2016: TL 6,714).

**9.1.2 Information on taxes payable**

|                                              | Current Period | Prior Period  |
|----------------------------------------------|----------------|---------------|
| Corporate taxes payable                      | 4,842          | 6,714         |
| Taxation on securities                       | 10,993         | 11,912        |
| Property tax                                 | 385            | 391           |
| Banking and Insurance Transaction Tax (BITT) | 11,754         | 9,228         |
| Taxes on foreign exchange transactions       | --             | --            |
| Value added taxes payable                    | 100            | 186           |
| Income tax ceased from wages                 | 3,194          | 2,640         |
| Other                                        | 357            | 349           |
| <b>Total</b>                                 | <b>31,625</b>  | <b>31,420</b> |

**9.1.3 Information on premiums**

|                                                       | Current Period | Prior Period |
|-------------------------------------------------------|----------------|--------------|
| Social Security Premiums- Employee                    | 1,559          | 2,426        |
| Social Security Premiums- Employer                    | 1,773          | 2,701        |
| Bank Social Aid Pension Fund Premium- Employee        | --             | --           |
| Bank Social Aid Pension Fund Premium- Employer        | --             | --           |
| Pension Fund Membership Fees and Provisions- Employee | --             | --           |
| Pension Fund Membership Fees and Provisions- Employer | --             | --           |
| Unemployment Insurance- Employee                      | 108            | 167          |
| Unemployment Insurance- Employer                      | 214            | 336          |
| Other                                                 | --             | --           |
| <b>Total</b>                                          | <b>3,654</b>   | <b>5,630</b> |

**9.2 Explanations on deferred tax liabilities**

None (31 December 2016: TL 1,374).

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

None.

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

**11. Explanations on subordinated loans**

|                             | Current Period |                  | Prior Period |                |
|-----------------------------|----------------|------------------|--------------|----------------|
|                             | TL             | FC               | TL           | FC             |
| Domestic Banks              | --             | --               | --           | --             |
| Domestic Other Institutions | --             | --               | --           | 360,657        |
| Foreign Banks               | --             | 36,101           | --           | 36,621         |
| Foreign Other Institutions  | --             | 1,067,184        | --           | --             |
| <b>Total</b>                | <b>--</b>      | <b>1,103,285</b> | <b>--</b>    | <b>397,278</b> |

**12. Information on shareholders' equity**

**12.1 Paid-in capital**

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

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

Registered share capital system is not applied.

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

None.

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

None.

**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.

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

**12. Information on shareholders' equity (cont'd)**

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

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

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

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

|                                                                                   | Current Period |                | Prior Period    |                 |
|-----------------------------------------------------------------------------------|----------------|----------------|-----------------|-----------------|
|                                                                                   | TL             | FC             | TL              | FC              |
| From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures) | --             | --             | --              | --              |
| Security Valuation Difference                                                     | (8,576)        | (1,292)        | (10,151)        | (10,103)        |
| Exchange Difference                                                               | --             | --             | --              | --              |
| <b>Total</b>                                                                      | <b>(8,576)</b> | <b>(1,292)</b> | <b>(10,151)</b> | <b>(10,103)</b> |

**12.10 Information on revaluation reserve**

None.

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

None.

**12.12 Information on legal reserves**

|                                              | Current Period | Prior Period |
|----------------------------------------------|----------------|--------------|
| Primary Legal Reserves                       | 13,535         | 7,790        |
| Secondary Legal Reserve                      | --             | --           |
| Other Legal Reserves Per Special Legislation | --             | --           |

**12.13 Information on extraordinary reserves**

|                                              | Current Period | Prior Period |
|----------------------------------------------|----------------|--------------|
| Reserves allocated by the General Assembly   | 229,749        | 120,579      |
| Retained Earnings                            | --             | --           |
| Accumulated Losses                           | --             | --           |
| Foreign Currency Capital Exchange Difference | --             | --           |

**13. Information on minority shares**

None.

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

**III. Explanations and disclosures related to the 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                           | 2,390,933        | 415,538        |
| Credit Card Limit Commitments                                 | 124,111          | 101,475        |
| Commitments for Credit Cards and Banking Services Promotions  | 1                | 1              |
| Commitments for Credit Allocation with the Guarantee of Usage | 282,144          | 171,368        |
| Export Commitments                                            | 4,370            | 4,230          |
| Commitment for Cheques                                        | 206,038          | 172,800        |
| Other Irrevocable Commitments                                 | 2,816            | 3,016          |
| <b>Total</b>                                                  | <b>3,010,413</b> | <b>868,428</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           | 612,058          | 439,122        |
| Letters of Guarantee FC           | 246,705          | 166,786        |
| Letters of Credit                 | 267,518          | 224,067        |
| Bills of Exchange and Acceptances | 209,355          | 67,051         |
| <b>Total</b>                      | <b>1,335,636</b> | <b>897,026</b> |

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

|                                       | Current Period | Prior Period   |
|---------------------------------------|----------------|----------------|
| Revocable Letters of Guarantee        | 52,439         | 34,534         |
| Irrevocable Letters of Guarantee      | 695,735        | 497,262        |
| Letters of Guarantee Given in Advance | 62,193         | 47,727         |
| Letters of Guarantee Given to Customs | 12,907         | 14,741         |
| Other Letters of Guarantee            | 35,489         | 11,644         |
| <b>Total</b>                          | <b>858,763</b> | <b>605,908</b> |

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

|                                                      | Current Period   | Prior Period   |
|------------------------------------------------------|------------------|----------------|
| Non-Cash Loans Given against Cash Loans              | 23,680           | 5,503          |
| With Original Maturity of 1 Year or Less Than 1 Year | 2,279            | --             |
| With Original Maturity of More Than 1 Year           | 21,401           | 5,503          |
| Other Non-Cash Loans                                 | 1,311,956        | 891,523        |
| <b>Total</b>                                         | <b>1,335,636</b> | <b>897,026</b> |

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

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

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

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

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

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

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

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

None.

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

As of balance sheet date, the Bank provided provision of TL 1,083 for the legal cases pending against the Bank where the cash out flows are highly probable (31 December 2016: TL 1,055).

**8. Custodian and intermediary services**

The Bank provides trading and safe keeping services in the name and account of third parties to meet their demands and those transactions are presented in off-balance sheet.

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

**1. Interest income**

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

|                                                          | Current Period   |                | Prior Period   |                |
|----------------------------------------------------------|------------------|----------------|----------------|----------------|
|                                                          | TL               | FC             | TL             | FC             |
| Interest on loans                                        | 1,017,072        | 188,259        | 756,845        | 137,925        |
| Short Term Loans                                         | 558,552          | 17,593         | 480,630        | 17,229         |
| Medium and Long Term Loans                               | 458,520          | 170,666        | 276,215        | 120,696        |
| Interest on Non-Performing Loans                         | 1,943            | --             | 2,663          | --             |
| Premiums received from Resource Utilization Support Fund | --               | --             | --             | --             |
| <b>Total</b>                                             | <b>1,019,015</b> | <b>188,259</b> | <b>759,508</b> | <b>137,925</b> |

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

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

|                                 | Current Period |            | Prior Period |            |
|---------------------------------|----------------|------------|--------------|------------|
|                                 | TL             | FC         | TL           | FC         |
| The Central Bank of Turkey      | 22,610         | --         | --           | 3          |
| Domestic Banks                  | 32,546         | 416        | 4,685        | 220        |
| Foreign Banks                   | --             | 238        | --           | 102        |
| Branches and Head Office Abroad | --             | --         | --           | --         |
| <b>Total</b>                    | <b>55,156</b>  | <b>654</b> | <b>4,685</b> | <b>325</b> |

**1.3 Interest received from marketable securities portfolio**

|                                                       | Current Period |               | Prior Period |               |
|-------------------------------------------------------|----------------|---------------|--------------|---------------|
|                                                       | TL             | FC            | TL           | FC            |
| Financial Assets Held for Trading                     | 1,189          | 166           | 880          | 140           |
| Financial Assets at Fair Value Through Profit or Loss | --             | --            | --           | --            |
| Financial Assets Available-for-Sale                   | 12,480         | 23,990        | 5,476        | 15,252        |
| Investment Securities Held-to-Maturity                | --             | --            | --           | --            |
| <b>Total</b>                                          | <b>13,669</b>  | <b>24,156</b> | <b>6,356</b> | <b>15,392</b> |

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

None.

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

**2. Interest expense****2.1 Information on interest on funds borrowed (\*)**

|                                 | Current Period |               | Prior Period |               |
|---------------------------------|----------------|---------------|--------------|---------------|
|                                 | TL             | FC            | TL           | FC            |
| <b>Banks</b>                    | <b>853</b>     | <b>22,618</b> | <b>759</b>   | <b>17,971</b> |
| The Central Bank of Turkey      | --             | --            | --           | --            |
| Domestic Banks                  | 845            | 3,799         | 759          | 2,354         |
| Foreign Banks                   | 8              | 18,819        | --           | 15,617        |
| Branches and Head Office Abroad | --             | --            | --           | --            |
| <b>Other Institutions</b>       | <b>--</b>      | <b>58,398</b> | <b>--</b>    | <b>25,706</b> |
| <b>Total</b>                    | <b>853</b>     | <b>81,016</b> | <b>759</b>   | <b>43,677</b> |

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

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

In the current period, total interest expense given to subsidiaries is TL 449 (1 January – 30 September 2016: TL 424)

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

|                                    | Current Period |    | Prior Period |    |
|------------------------------------|----------------|----|--------------|----|
|                                    | TL             | FC | TL           | FC |
| Interest Paid to Securities Issued | 100,707        | -- | 61,335       | -- |

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

| Account Description       | Time Deposits   |               |                |                |              |                 |                    | Total   |
|---------------------------|-----------------|---------------|----------------|----------------|--------------|-----------------|--------------------|---------|
|                           | Demand Deposits | Up to 1 Month | Up to 3 Months | Up to 6 Months | Up to 1 Year | 1 Year and Over | Cumulative Deposit |         |
| <i>Turkish Lira</i>       |                 |               |                |                |              |                 |                    |         |
| Bank Deposits             | --              | 6,586         | --             | --             | --           | --              | --                 | 6,586   |
| Saving Deposits           | --              | 35,482        | 204,466        | 29,726         | 25,204       | 8,099           | --                 | 302,977 |
| Public Sector Deposits    | --              | --            | --             | --             | --           | --              | --                 | --      |
| Commercial Deposits       | --              | 14,485        | 140,722        | 22,546         | 30,207       | 27,137          | --                 | 235,097 |
| Other                     | --              | 490           | 8,556          | 1,648          | 946          | 3               | --                 | 11,643  |
| 7 Day Call Accounts       | --              | --            | --             | --             | --           | --              | --                 | --      |
| Total                     | --              | 57,043        | 353,744        | 53,920         | 56,357       | 35,239          | --                 | 556,303 |
| <i>Foreign Currency</i>   |                 |               |                |                |              |                 |                    |         |
| Foreign Currency Deposits | --              | 8,171         | 79,679         | 4,244          | 2,059        | 2,926           | --                 | 97,079  |
| Bank Deposits             | --              | 5,603         | --             | --             | --           | --              | --                 | 5,603   |
| 7 Day Call Accounts       | --              | --            | --             | --             | --           | --              | --                 | --      |
| Precious Metal Deposits   | --              | --            | --             | --             | --           | --              | --                 | --      |
| Total                     | --              | 13,774        | 79,679         | 4,244          | 2,059        | 2,926           | --                 | 102,682 |
| Grand Total               | --              | 70,817        | 433,423        | 58,164         | 58,416       | 38,165          | --                 | 658,985 |

**3. Information on dividend income**

None.

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

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

|                                            | Current Period   | Prior Period   |
|--------------------------------------------|------------------|----------------|
| <b>Income</b>                              | <b>1,234,919</b> | <b>785,847</b> |
| Gains on Capital Market Operations         | 5,685            | 6,363          |
| Gains on Derivative Financial Instruments  | 628,794          | 393,098        |
| Foreign Exchange Gains                     | 600,440          | 386,386        |
| <b>Loss (-)</b>                            | <b>1,239,380</b> | <b>759,091</b> |
| Losses on Capital Market Operations        | 1,547            | 605            |
| Losses on Derivative Financial Instruments | 631,851          | 368,596        |
| Foreign Exchange Losses                    | 605,982          | 389,890        |
| <b>Net Trading Income / ( Loss )</b>       | <b>(4,461)</b>   | <b>26,756</b>  |

**5. Information on other operating income**

Other operating income consists of reversal of general and specific provisions, profit from sale of assets, commissions on cheques and notes and costs recharged.

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

|                                                                                                           | Current Period | Prior Period   |
|-----------------------------------------------------------------------------------------------------------|----------------|----------------|
| Specific Provisions on Loans and Other Receivables:                                                       | 118,702        | 78,680         |
| <i>III. Group Loans and Receivables</i>                                                                   | 4,170          | 4,003          |
| <i>IV. Group Loans and Receivables</i>                                                                    | 23,133         | 20,920         |
| <i>V. Group Loans and Receivables</i>                                                                     | 91,399         | 53,757         |
| General Loan Loss Provisions                                                                              | --             | 29,734         |
| Free Provision for Probable Risks                                                                         | 6,000          | 13,500         |
| Impairment Losses on Securities:                                                                          | --             | --             |
| <i>Financial Assets at Fair Value Through Profit or Loss</i>                                              | --             | --             |
| <i>Financial Assets Available-for-Sale</i>                                                                | --             | --             |
| Impairment Losses on Associates, Subsidiaries, Joint Ventures and Investment Securities Held to Maturity: | --             | --             |
| <i>Associates</i>                                                                                         | --             | --             |
| <i>Subsidiaries</i>                                                                                       | --             | --             |
| <i>Joint Ventures</i>                                                                                     | --             | --             |
| <i>Investments Held to Maturity</i>                                                                       | --             | --             |
| Other                                                                                                     | --             | --             |
| <b>Total</b>                                                                                              | <b>124,702</b> | <b>121,914</b> |

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

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

|                                                                   | <b>Current Period</b> | <b>Prior Period</b> |
|-------------------------------------------------------------------|-----------------------|---------------------|
| Personnel Expenses                                                | 146,517               | 110,235             |
| Provision for Employee Termination Benefits                       | 1,400                 | 1,350               |
| Provision for Bank's Social Aid Fund Deficit                      | --                    | --                  |
| Impairment Losses on Tangible Assets                              | --                    | --                  |
| Depreciation Charges of Tangible Assets                           | 9,434                 | 9,155               |
| Impairment Losses on Intangible Assets                            | --                    | --                  |
| Amortization Charges of Intangible Assets                         | 2,217                 | 2,847               |
| Impairment Losses on Investment Accounted for under Equity Method | --                    | --                  |
| Impairment of Assets to be Disposed                               | --                    | --                  |
| Depreciation of Assets to be Disposed                             | 55                    | 18                  |
| Impairment of Assets Held for Sale                                | --                    | --                  |
| Other Operating Expenses                                          | 65,870                | 60,048              |
| <i>Operational Leases Expenses</i>                                | 26,041                | 21,810              |
| <i>Repair and Maintenance Expenses</i>                            | 1,583                 | 1,169               |
| <i>Advertisement Expenses</i>                                     | 7,878                 | 7,128               |
| <i>Other Expenses</i>                                             | 30,368                | 29,941              |
| Losses on Sale of Assets                                          | 292                   | 14                  |
| Other                                                             | 37,966                | 36,595              |
| <b>Total</b>                                                      | <b>263,751</b>        | <b>220,262</b>      |

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

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

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

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

For the period ended 30 September 2017, current period taxation charge of the Bank is TL 40,261 (1 January – 30 September 2016 TL 33,483 tax charge) and deferred tax benefit of the Bank is TL 12,548 (1 January – 30 September 2016 deferred tax benefit is TL 944).

|                                | Current Period | Prior Period |
|--------------------------------|----------------|--------------|
| Deferred Tax Benefit/ (Charge) | 12,548         | 944          |
| Allowance for Deferred Taxes   | --             | --           |
| Net Deferred Tax Charge        | 12,548         | 944          |

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

| <i>Deferred tax benefit / (charge) arising from origination or reversal of temporary differences</i> | Current Period | Prior Period |
|------------------------------------------------------------------------------------------------------|----------------|--------------|
| Arising from Origination of Deductible Temporary Differences (+)                                     | 13,439         | 1,784        |
| Arising from Reversal of Deductible Temporary Differences (-)                                        | (547)          | (1,453)      |
| Arising from Origination of Taxable Temporary Differences (-)                                        | (2,662)        | (1,623)      |
| Arising from Reversal of Taxable Temporary Differences (+)                                           | 2,318          | 2,236        |
| Arising from Origination of Financial Losses (+)                                                     | --             | --           |
| Arising from Reversal of Financial Losses (-)                                                        | --             | --           |
| Arising from Origination of Tax Deductions and Exemptions (+)                                        | --             | --           |
| Arising from Reversal of Tax Deductions and Exemptions (-)                                           | --             | --           |
| <b>Total</b>                                                                                         | <b>12,548</b>  | <b>944</b>   |
| Allowance                                                                                            | --             | --           |
| <b>Net deferred tax benefit / (charge)</b>                                                           | <b>12,548</b>  | <b>944</b>   |

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

| Sources of deferred tax benefit/charge                                         | Current Period | Prior Period |
|--------------------------------------------------------------------------------|----------------|--------------|
| Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences | 12,892         | 331          |
| Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences    | (344)          | 613          |
| Arising from Origination (+)/ Reversal (-) of Tax Losses                       | --             | --           |
| Arising from Origination (+)/ Reversal (-) of Unused Tax Credits               | --             | --           |
| <b>Total</b>                                                                   | <b>12,548</b>  | <b>944</b>   |
| Allowance                                                                      | --             | --           |
| <b>Net deferred tax benefit / (charge)</b>                                     | <b>12,548</b>  | <b>944</b>   |

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

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

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

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

In the current and prior periods, the 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 income statement exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items**

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

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

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**V. Explanations and disclosures on the risk group of the 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 and Subsidiaries |          | Bank's Direct and Indirect Shareholders |          | Other Real Persons and Corporates in Risk Group |          |
|-----------------------------------------|-----------------------------|----------|-----------------------------------------|----------|-------------------------------------------------|----------|
|                                         | Cash                        | Non-Cash | Cash                                    | Non-Cash | Cash                                            | Non-Cash |
| Loans and Other Receivables (**)        |                             |          |                                         |          |                                                 |          |
| Balance at the Beginning of the Period  | --                          | --       | --                                      | 22       | 126,939                                         | 30,871   |
| Balance at the End of the Period        | --                          | --       | --                                      | 22       | 6,520                                           | 46,708   |
| Interest and Commission Income Received | --                          | --       | --                                      | --       | 3,429                                           | 67       |

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

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

**Prior Period**

| Bank's Risk Group (*)                   | Associates and Subsidiaries |          | Bank's Direct and Indirect Shareholders |          | Other Real Persons and Corporates in Risk Group |          |
|-----------------------------------------|-----------------------------|----------|-----------------------------------------|----------|-------------------------------------------------|----------|
|                                         | Cash                        | Non-Cash | Cash                                    | Non-Cash | Cash                                            | Non-Cash |
| Loans and Other Receivables(**)         |                             |          |                                         |          |                                                 |          |
| Balance at the Beginning of the Period  | --                          | --       | --                                      | 20       | 5,720                                           | 17,242   |
| Balance at the End of the Period        | --                          | --       | --                                      | 22       | 126,939                                         | 30,871   |
| Interest and Commission Income Received | --                          | --       | --                                      | --       | 441                                             | 230      |

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

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

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

| Bank's Risk Group (*)                  | Associates and Subsidiaries |              | Bank's Direct and Indirect Shareholders |              | Other Real Persons and Corporates in Risk Group |              |
|----------------------------------------|-----------------------------|--------------|-----------------------------------------|--------------|-------------------------------------------------|--------------|
|                                        | Current Period              | Prior Period | Current Period                          | Prior Period | Current Period                                  | Prior Period |
| Deposits                               |                             |              |                                         |              |                                                 |              |
| Balance at the Beginning of the Period | 4,767                       | 4,761        | 15,552                                  | 89,173       | 595,922                                         | 496,534      |
| Balance at the End of the Period       | 4,875                       | 4,767        | 138,247                                 | 15,552       | 532,704                                         | 595,922      |
| Deposit Interest Expense               | 449                         | 424          | 17,151                                  | 7,956        | 31,776                                          | 23,651       |

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

**1.3 Information on funds obtained from Bank's risk group**

As of 30 September 2017, the amount of funds obtained from other real persons and corporates in Bank's risk group is TL 150,160 and provided from IFC and EBRD in the form of borrowings (31 December 2016: TL 523,313; TL 162,656 is from IFC and EBRD in the form of borrowings and TL 360,657 is from Fiba Holding A.Ş. through the issuance of subordinated bonds).

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

| Bank's Risk Group (*)                                   | Associates and Subsidiaries |              | Bank's Direct and Indirect Shareholders |              | Other Real Persons and Corporates 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                  | --                          | --           | --                                      | --           | 863,016                                         | 344,668      |
| Balance at the End of the Period                        | --                          | --           | --                                      | --           | 775,824                                         | 863,016      |
| Total Income/Loss                                       | --                          | --           | --                                      | --           | (20,535)                                        | (4,741)      |
| Transactions for Hedging Purposes:                      |                             |              |                                         |              |                                                 |              |
| Balance at the Beginning of the Period                  | --                          | --           | --                                      | --           | --                                              | --           |
| Balance at the End of the Period                        | --                          | --           | --                                      | --           | --                                              | --           |
| Total Income/Loss                                       | --                          | --           | --                                      | --           | --                                              | --           |

(\*) As described in the Article 49 of Banking Act numbered 5411.

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

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

Transactions with the risk group are made on arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law. Adopted Bank policy is that assets and liabilities will not be dominated by the risk group and the balances with the risk group will have a reasonable share in the total balance sheet.

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

As of 30 September 2017, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 0.04% (31 December 2016: 1.10%), and the ratio of the deposits of entities of risk group to total deposits is 5.78% (31 December 2016: 6.40%). The ratio of the borrowings from real persons and corporates in the Bank's risk group to total borrowings is 5.2% (31 December 2016: 27.1%). Dispersion of 5.2% is; 5% IFC and 0.2% EBRD.

In current period benefits provided to the key management is TL 11,787 (1 January – 30 September 2016: TL 7,051).

**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.

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**VI. 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                   | 80     | 1,692               |                           |              |                         |
|                                   |        |                     | Country of Incorporations |              |                         |
| Foreign Representation Office     |        |                     | 1-                        |              |                         |
|                                   |        |                     | 2-                        |              |                         |
|                                   |        |                     | 3-                        |              |                         |
|                                   |        |                     |                           | Total Assets | Statutory Share Capital |
| Foreign Branch                    |        |                     | 1-                        |              |                         |
|                                   |        |                     | 2-                        |              |                         |
|                                   |        |                     | 3-                        |              |                         |
| Off-shore Banking Region Branches |        |                     | 1-                        |              |                         |
|                                   |        |                     | 2-                        |              |                         |
|                                   |        |                     | 3-                        |              |                         |

**VII. Events after balance sheet date**

None.

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

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

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

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**SECTION SIX**

**EXPLANATIONS ON AUDITORS' LIMITED REVIEW REPORT**

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

The Bank's publicly available financial statements and footnotes have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Ernst&Young Global Limited) and the auditors' limited review report is presented before the financial statements.

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

None.

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**SECTION SEVEN****Interim activity report regarding evaluations of the chairman of the board of directors and the general manager****1. Brief History of Fibabanka A.Ş. and its Shareholder Structure**

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

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

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

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

In 2013, capital was increased in the total amount of TL 123,350, provided from inflation adjustment difference TL 17,415, from the profit from the sale of real estate TL 9,502 and cash from Fiba Holding TL 96,432.

On 31 March 2015, according to BOD's decision as of 5 March 2015, share capital was increased from TL 550,000 to TL 678,860 while TL 127,045 of the increase was provided by the subordinated loan granted by Fiba Holding A.Ş. which had been approved to be converted to capital and TL 1,815 of total capital was paid in cash by the other shareholders, capital increase was recognised in financial statements following the completion of the legal procedures on 7 May 2015.

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

The Bank's paid-in capital of TL 847,515 was increased by TL 93,646 on 7 September 2016 all by TurkFinance B.V. to reach TL 941,161. In addition, TL 55,299 was recorded to equities as share premium.

As of 30 September 2017, the Bank's paid-in capital is TL 941,161.

**As of 30 September 2017, The Bank's Shareholder Structure:**

| Commercial Title                                 | Share Amount (Full basis TL) | Share Ratios (%) |
|--------------------------------------------------|------------------------------|------------------|
| Fiba Holding A.Ş.                                | 673,147,386.04               | 71.52%           |
| Turk Finance B.V.                                | 93,645,475.05                | 9.95%            |
| International Finance Corporation                | 84,327,750.28                | 8.96%            |
| European Bank for Reconstruction and Development | 84,327,750.28                | 8.96%            |
| Other                                            | 5,712,191.60                 | 0.61%            |
| <b>TOTAL</b>                                     | <b>941,160,553.25</b>        | <b>100.00%</b>   |

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

| Name                  | Duty                                              | Responsibility Area                              | Date of Appointment | Educational Status | Professional Experience |
|-----------------------|---------------------------------------------------|--------------------------------------------------|---------------------|--------------------|-------------------------|
| Hüsnü Mustafa Özyeğin | Chairman of the Board of Directors                |                                                  | 27.12.2010          | Graduate           | 42 years                |
| Fevzi Bozer           | Vice Chairman of the Board of Directors           |                                                  | 27.12.2010          | Graduate           | 34 years                |
| İsmet Kaya Erdem      | Member of the Board of Directors                  |                                                  | 11.02.2013          | Undergraduate      | 66 years                |
| Mehmet Güleşci        | Member of the Board of Directors                  |                                                  | 27.12.2010          | Graduate           | 33 years                |
| Mevlüt Hamdi Aydın    | Member of the Board of Directors                  |                                                  | 24.01.2013          | Undergraduate      | 34 years                |
| Memduh Aslan Akçay    | Member of the Board of Directors                  |                                                  | 13.04.2016          | Graduate           | 26 years                |
| Selçuk Yorgancıoğlu   | Member of the Board of Directors                  |                                                  | 22.09.2016          | Graduate           | 25 years                |
| Hülya Kefeli          | Member of the Board of Directors                  |                                                  | 15.05.2017          | Undergraduate      | 32 years                |
| Ömer Mert             | Member of the Board of Directors, General Manager |                                                  | 19.01.2017          | Graduate           | 22 years                |
| Elif Alsev Utku Özbey | Deputy General Manager                            | Financial Control and Reporting                  | 07.01.2011          | Graduate           | 23 years                |
| Adem Aykın            | Assistant General Manager                         | Information Technologies                         | 01.07.2011          | Undergraduate      | 29 years                |
| Esra Osmanağaoglu     | Assistant General Manager                         | Banking Operations                               | 29.02.2012          | Undergraduate      | 29 years                |
| Ahu Dolu              | Assistant General Manager                         | Financial Institutions                           | 01.12.2015          | Undergraduate      | 20 years                |
| Turgay Hasdiker       | Assistant General Manager                         | Credits                                          | 01.12.2015          | Undergraduate      | 26 years                |
| Kerim Lokman Kuriş    | Assistant General Manager                         | Corporate and Commercial Banking                 | 01.12.2015          | Undergraduate      | 19 years                |
| Orhan Hatipoğlu       | Assistant General Manager                         | ADC and Supporting Services                      | 02.01.2017          | Undergraduate      | 25 years                |
| Ömer Rifat Gencal     | Assistant General Manager                         | Treasury                                         | 02.02.2015          | Undergraduate      | 25 years                |
| Sezin Erken           | Assistant General Manager                         | Consumer Banking and Funding Resource Management | 10.08.2017          | Graduate           | 16 years                |
| Gerçek Önal           | Chief Legal Counsel                               | Legal Affairs                                    | 01.02.2016          | Graduate           | 17 years                |
| Ahmet Cemil Borucu    | Department Head                                   | Board of Inspection                              | 07.02.2011          | Graduate           | 19 years                |
| Ayşe Tulgar Ayça      | Department Head                                   | Risk Management                                  | 15.03.2011          | Undergraduate      | 18 years                |
| Serdal Yıldırım       | Department Head                                   | Legislation and Compliance                       | 06.04.2011          | Graduate           | 20 years                |
| Kansu Pulular         | Department Head                                   | Internal Control & Operational Risk              | 02.01.2017          | Graduate           | 13 years                |

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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

| <b>Unconsolidated Balance Sheet Summary</b>                 |                   |                   |                                 |
|-------------------------------------------------------------|-------------------|-------------------|---------------------------------|
| (Thousands TL)                                              | <u>30/09/17</u>   | <u>31/12/16</u>   | <u>Increase/<br/>Decrease %</u> |
| Cash and Balances with the Central Bank                     | 2,300,321         | 1,937,934         | 19%                             |
| Financial Assets at Fair Value Through Profit or Loss (Net) | 542,627           | 497,685           | 9%                              |
| Due from Banks                                              | 324,619           | 58,064            | >100%                           |
| Financial Assets Available for Sale (Net)                   | 834,726           | 887,226           | (6%)                            |
| Loans to Customers (Net)                                    | 14,260,402        | 11,441,272        | 25%                             |
| <b>Total Assets</b>                                         | <b>18,670,044</b> | <b>15,393,509</b> | <b>21%</b>                      |
| Deposits                                                    | 11,691,249        | 9,621,503         | 22%                             |
| Derivative Financial Liabilities Held for Trading           | 527,968           | 383,459           | 38%                             |
| Funds Borrowed                                              | 1,791,651         | 1,536,663         | 17%                             |
| Money Market Funds                                          | 493,084           | 683,828           | (28%)                           |
| Securities Issued (Net)                                     | 1,223,267         | 991,975           | 23%                             |
| Subordinated Debts                                          | 1,103,285         | 397,278           | >100%                           |
| Shareholder's Equity                                        | 1,410,343         | 1,289,866         | 9%                              |
| <b>Total Liabilities</b>                                    | <b>18,670,044</b> | <b>15,393,509</b> | <b>21%</b>                      |

| <b>Consolidated Balance Sheet Summary</b>                   |                   |                   |                                 |
|-------------------------------------------------------------|-------------------|-------------------|---------------------------------|
| (Thousands TL)                                              | <u>30/09/17</u>   | <u>31/12/16</u>   | <u>Increase/<br/>Decrease %</u> |
| Cash and Balances with the Central Bank                     | 2,300,321         | 1,937,934         | 19%                             |
| Financial Assets at Fair Value Through Profit or Loss (Net) | 542,627           | 497,685           | 9%                              |
| Due from Banks                                              | 324,933           | 58,380            | >100%                           |
| Financial Assets Available for Sale (Net)                   | 834,726           | 887,226           | (6%)                            |
| Loans to Customers (Net)                                    | 14,260,402        | 11,441,272        | 25%                             |
| <b>Total Assets</b>                                         | <b>18,665,429</b> | <b>15,388,872</b> | <b>21%</b>                      |
| Deposits                                                    | 11,686,372        | 9,616,738         | 22%                             |
| Derivative Financial Liabilities Held for Trading           | 527,968           | 383,459           | 38%                             |
| Funds Borrowed                                              | 1,791,651         | 1,536,663         | 17%                             |
| Money Market Funds                                          | 493,084           | 683,828           | (28%)                           |
| Securities Issued (Net)                                     | 1,223,267         | 991,975           | 23%                             |
| Subordinated Debts                                          | 1,103,285         | 397,278           | >100%                           |
| Shareholder's Equity                                        | 1,410,351         | 1,289,761         | 9%                              |
| <b>Total Liabilities</b>                                    | <b>18,665,429</b> | <b>15,388,872</b> | <b>21%</b>                      |

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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

**Unconsolidated Income Statement Summary**

| (Thousands TL)                                         | <u>30/09/2017</u> | <u>30/09/2016</u> | <u>Increase/<br/>Decrease %</u> |
|--------------------------------------------------------|-------------------|-------------------|---------------------------------|
| Net Interest Income                                    | 465,883           | 372,145           | 25%                             |
| Net Fees and Commission Income                         | 31,836            | 19,343            | 65%                             |
| Trading Income/ Loss (Net)                             | (4,461)           | 26,756            | (117%)                          |
| Other Operating Revenues                               | 32,999            | 38,762            | (15%)                           |
| <b>Total Operating Income</b>                          | <b>526,257</b>    | <b>457,006</b>    | <b>15%</b>                      |
| Provision for Losses and Other Receivables (-)         | 124,702           | 121,914           | 2%                              |
| Other Operating Expenses (-)                           | 263,751           | 220,262           | 20%                             |
| <b>Net Operating Income / Loss</b>                     | <b>137,804</b>    | <b>114,830</b>    | <b>20%</b>                      |
| <b>Profit/Loss on Continuing Operations Before Tax</b> | <b>137,804</b>    | <b>114,830</b>    | <b>20%</b>                      |
| Tax Provision for Continuing Operations                | (27,713)          | (32,539)          | (15%)                           |
| <b>Net Period Profit / Loss</b>                        | <b>110,091</b>    | <b>82,291</b>     | <b>34%</b>                      |

**Consolidated Income Statement Summary**

| (Thousands TL)                                         | <u>30/09/2017</u> | <u>30/09/2016</u> | <u>Increase/<br/>Decrease %</u> |
|--------------------------------------------------------|-------------------|-------------------|---------------------------------|
| Net Interest Income                                    | 466,359           | 372,588           | 25%                             |
| Net Fees and Commission Income                         | 33,052            | 20,219            | 63%                             |
| Trading Income/ Loss (Net)                             | (4,461)           | 26,771            | (117%)                          |
| Other Operating Income                                 | 32,851            | 38,623            | (15%)                           |
| <b>Total Operating Income</b>                          | <b>527,801</b>    | <b>458,201</b>    | <b>15%</b>                      |
| Provision for Losses and Other Receivables (-)         | 124,702           | 121,914           | 2%                              |
| Other Operating Expenses (-)                           | 265,153           | 221,428           | 20%                             |
| <b>Net Operating Income / Loss</b>                     | <b>137,946</b>    | <b>114,859</b>    | <b>20%</b>                      |
| <b>Profit/Loss on Continuing Operations Before Tax</b> | <b>137,946</b>    | <b>114,859</b>    | <b>20%</b>                      |
| Tax Provision for Continuing Operations                | (27,742)          | (32,545)          | (15%)                           |
| <b>Net Period Profit / Loss</b>                        | <b>110,204</b>    | <b>82,314</b>     | <b>34%</b>                      |

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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

As of first nine-month of 2017, Fibabanka has increased its loan portfolio by 39% compared to the same period of year 2016 and the loan portfolio has increased 25% by reaching TL 14.3 billion compared to the end of 2016. Growth was achieved especially in corporate, commercial and SME loans, performing loan portfolio has reached TL 13.5 billion by an increase of 41%. In the same period, share of corporate, commercial and SME loans in performing loan portfolio is approximately 96%.

Despite the increase in the loan portfolio, the share of non-performing loans in total loans has been realized as 2.56% well below the sector.

Our Bank, has funded its growing loan portfolio with customer deposits also in 2017. In this period, customer deposits constitutes 59% of total liabilities and with amount of TL 11.0 billion. In 2017, for the purpose of diversifying the funding resources, securities have been issued with nominal value of TL 2.3 billion during the first nine months of the year.

In addition to the issuance of domestic securities, the first bond issuance in the form of contribution capital, compliant with Basel III, was made through public offering abroad on May 2017. The issuance amounted USD 300 Million, including resale of subordinated bonds of USD 100 Million which was sold in March 2016. This issuance, which is a first for Fibabanka, was completed successfully. The demand from England and Europe, Asia, Far East, and the Gulf Countries, which is well above the issued amount, is a very important indicator of the confidence that international investors have in Fibabanka, Turkish Banking System and Turkey. This bond issuance will enable Fibabanka to grow and maintain its support to Turkish economy increasingly by strengthening its capital structure.

In 2017, while loan volume has been increased, loans are diversified both in terms of maturity and sectors, portfolio was targeted with higher return and increasing commission income by increasing customers. In addition, the Bank's profit has been achieved a steady growth with sustainable profit by keeping operating expenses under full control. As a result, the Bank's profit before tax increased by 20% to TL 137.8 million and net profit after tax amounting to TL 110.1 million. As of 30 September 2017, consolidated capital adequacy ratio of the Bank is 17.52%.

Our bank continues to perform its structural organizational goals within its plans as well as financial goals and as of 30 September 2017 offers services to our customers with 80 branches and 1,692 employees.

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

Best regards,

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

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY – 30 SEPTEMBER 2017**

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

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

As of 30 September 2017, the Bank serves with 80 domestic branches and 1,692 employees.

As of third quarter of 2017, total assets of Fibabanka have increased by 39% when compared to the same period of year 2016 and by 21% when compared to the end of year 2016 and realised as TL 18,665,429 on consolidated basis and as TL 18,670,044 on unconsolidated basis.

According to the consolidated and unconsolidated financial statements, the loan volume, which used to be TL 11,441,272 at the end of 2016, reached to TL 14,260,402 as of third quarter of 2017. Share of the loans in total assets has been realised as 76%.

Credit worthiness of loans and other receivables are monitored systematically in accordance with related laws and regulations. For new credits opened, the Bank complies with the limits determined under the Banking Laws and Regulations. Collaterals are taken for the loans disbursed in order to reduce risk. According to consolidated and unconsolidated financial statements, as of third quarter of 2017, NPLs have been realised as TL 369,267 and provisions in the amount of TL 171,766 have been set aside relating to these loans. Non-performing loan ratio is 2.56% for the period.

According to the unconsolidated financial statements, securities portfolio held for trading is amounted to TL 63,602 and securities portfolio available for sale is amounted to TL 834,726. Ratio of securities portfolio to total assets has been realised as 5%.

As of third quarter of 2017, consolidated deposit volume has been realised as TL 11,686,372 and the unconsolidated deposit volume has been realised as TL 11,691,249.

According to the consolidated financial statements, while third quarter of 2016 closed with TL 82,314 net profit, in third quarter of 2017 net profit has been realised as TL 110,204 with an increase of 34%.

According to the consolidated financial statements, net interest income of the Bank in the first nine months of 2017 increased by 25% compared to the previous year and realised as TL 466,359. Net commission income for the third quarter of 2017 was realised as TL 33,052. Total operating income of the Bank increased by 15% compared to the previous year and realised as TL 527,801, parallel to the growth of the Bank, and other operating expenses has been realised as TL 265,153 by increasing 20%.

As of 30 September 2017, the Bank’s unconsolidated and consolidated capital adequacy ratios are both 17.52%.