

Fibabanka Anonim Şirketi

Unconsolidated Financial Statements
as of and for the Nine-Month Period Ended
30 September 2019

With Independent Auditor's
Review Report Thereon

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

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

Independent Auditors' Review Report On Interim Financial Information

To the Board of Directors of Fibabanka Anonim Şirketi,

Introduction

We have reviewed the unconsolidated statement of financial position of Fibabanka A.Ş. ("the Bank") as at 30 September 2019 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the nine month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The Bank Management is responsible for the preparation and fair presentation of these unconsolidated interim financial information in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by the aforementioned legislations. Our responsibility is to express a conclusion on these unconsolidated interim financial information based on our review.

Scope of Review

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

Basis for Qualified Conclusion

The accompanying unconsolidated interim financial information as at 30 September 2019 includes a general reserve of total of TL 170.000 thousands of which TL 105.000 thousands was recognized as expense within the current period and TL 65.000 thousands was recognized as expense in prior periods; with a deferred tax asset amounting to TL 37.400 thousands of which TL 23.100 thousands was recognized within the current period and TL 14.300 thousands was recognized in prior periods; for the possible effects of the negative circumstances which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Reporting Legislation.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information do not present fairly, in all material respects, its unconsolidated financial position of Fibabanka A.Ş. as at 30 September 2019 and its unconsolidated financial performance and unconsolidated cash flows for the nine month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Other Matter

The unconsolidated financial statements of the Bank as at and for the year ended 31 December 2018 and as at and for the nine-month period ended 30 September 2018 were audited and reviewed by another auditor who expressed a qualified opinion and a qualified conclusion due to general reserve provided by the Bank on 8 February 2019 and 30 October 2018, respectively.

Report on Other Regulatory Requirements

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of KPMG International Cooperative

Alper Güvenç, SMMM
Partner

8 November 2019
İstanbul, Turkey

**THE UNCONSOLIDATED FINANCIAL REPORT OF
FİBABANKA A.Ş.
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019**

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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
- 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.

 Hüsnü Mustafa Özyeğin Chairman of the Board of Directors	 Fevzi Bozer Deputy Chairman of the Board of Directors and Chairman of the Audit Committee	 Mevlüt Hamdi Aydın Member of the Audit Committee	 Ömer Mert General Manager and Member of the Board of Directors	 Elif Alsev Utku Özbey Deputy General Manager	 Ayşe Akdaş Director Financial Control and Reporting
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Information related to personnel to whom questions related to this financial report may be directed:

Name-Surname/Title : **Ayşe Akdaş** / Financial Control and Reporting Director
Telephone Number : (212) 381 84 88
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**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY- 30 SEPTEMBER 2019**

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

SECTION ONE

GENERAL INFORMATION

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

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

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

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

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

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

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

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

Credit Europe Bank N.V.'s share of capital increased from 95% to 97,6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97,6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2,4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. There were sales of equity shares to the management of the Bank in 2013. As of 30 September 2019 the total shares held by the Bank's Management represent 0,56% of the Bank's Capital.

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY- 30 SEPTEMBER 2019

(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 (Continued)

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

As of 30 September 2019, 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>Assignment Date</u>
<i>Board of Directors (*)</i>		
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
Hülya Kefeli	Member	15-May-17
Faik Onur Umut	Member	23-Jan-19
Ömer Mert	General Manager - Member	18-Jan-17
<i>Audit Committee</i>		
Fevzi Bozer	Member	27-Dec-10
Mevlüt Hamdi Aydın	Member	24-Jan-13
<i>Assistant General Managers</i>		
Elif Alsev Utku Özbey	Deputy GM - Financial Control & Reporting	07-Jan-11
Sezin Erken	AGM - Consumer Banking & Funding Resource Management	10-Aug-17
Kerim Lokman Kuriş	AGM - Corporate & Commercial Banking	01-Dec-15
Turgay Hasdiker	AGM - Credits	01-Dec-15
Ahu Dolu	AGM - Financial Institutions and Project Finance	01-Dec-15
Orhan Hatipoğlu (**)	AGM - Information Technologies, Banking Operations & Supporting Services	02-Jan-17
Ömer Rıfat Gencal(***)	AGM -Treasury	01-May-17
Gerçek Önal	AGM - Chief Legal Officer	01-Feb-16

(*) Mr. Selçuk Yorgancıoğlu has resigned as of 30 September 2019.

(**) Mr. Adem Aykın has resigned as of 31 July 2019. Mr. Orhan Hatipoğlu has been assigned as Assistant General Manager in charge of Information Technologies, Banking Operations & Supporting Services as of 1 August 2019.

(***) Mr. Ömer Rıfat Gencal has resigned as of 11 October 2019.

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

FİBABANKA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 30 SEPTEMBER 2019

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

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

Name Surname/ Commercial Title	Share Amount (Nominal)	Share Ratios	Paid in Capital (Nominal)	Unpaid Shares
Fiba Holding A.Ş.	673.573	71,57%	673.573	--
Hüsnü Mustafa Özyeğin (*)	666.856	70,85%	666.856	--

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

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

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 30 September 2019, the Bank serves with 66 domestic branches and 1.566 employees.

VI. Other Information

The Bank's Commercial Title	: Fibabanka Anonim Şirketi
The Bank's General Directorate Address	: Esentepe Mah. Büyükdere Caddesi No:129 Şişli 34394 İstanbul
The Bank's Phone and Fax Numbers	: Telephone : (0212) 381 82 82 Fax : (0212) 258 37 78
The Bank's Web Site Address	: www.fibabanka.com.tr
The Bank's E-Mail Address	: malikontrol@fibabanka.com.tr
Reporting Period	: 1 January 2019 - 30 September 2019

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

VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Parent Bank and Its Subsidiaries

None.

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

FİBABANKA A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2019

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

ASSETS	Footnotes	CURRENT PERIOD (30/09/2019)			PRIOR PERIOD (31/12/2018)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		4.074.927	3.168.680	7.243.607	4.485.205	2.323.300	6.808.505
1.1 Cash and Cash Equivalents	(5.1.1)	1.509.989	2.288.608	3.798.597	1.440.777	1.595.013	3.035.790
1.1.1 Cash and Balances at Central Bank		223.453	2.199.498	2.422.951	403.654	1.360.908	1.764.562
1.1.2 Banks	(5.1.3)	686.906	89.110	776.016	731.408	234.105	965.513
1.1.3 Money Market Placements		600.267	-	600.267	306.208	-	306.208
1.1.4 Expected Credit Loss (-)		637	-	637	493	-	493
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	1.751.038	57.379	1.808.417	1.582.306	5.315	1.587.621
1.2.1 Government Debt Securities		23.544	1.281	24.825	22.097	3.986	26.083
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		1.727.494	56.098	1.783.592	1.560.209	1.329	1.561.538
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	11.394	791.935	803.329	7.399	696.939	704.338
1.3.1 Government Debt Securities		11.394	163.464	174.858	7.399	16.376	23.775
1.3.2 Equity Securities		-	3.314	3.314	-	2.713	2.713
1.3.3 Other Financial Assets		-	625.157	625.157	-	677.850	677.850
1.4 Derivative Financial Assets	(5.1.2)	802.506	30.758	833.264	1.454.723	26.033	1.480.756
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		802.506	30.758	833.264	1.454.723	26.033	1.480.756
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(5.1.6)	6.790.716	6.619.607	13.410.323	7.729.631	5.237.999	12.967.630
2.1 Loans	(5.1.5)	7.230.526	6.264.744	13.495.270	8.096.236	5.063.831	13.160.067
2.2 Lease Receivables	(5.1.10)	-	-	-	-	-	-
2.3 Factoring Receivables	(5.1.5)	3.170	-	3.170	14.311	-	14.311
2.4 Financial Assets Measured at Amortised Cost	(5.1.6)	247.784	354.863	602.647	188.864	174.168	363.032
2.4.1 Government Debt Securities		184.416	354.863	539.279	188.864	174.168	363.032
2.4.2 Other Financial Assets		63.368	-	63.368	-	-	-
2.5 Expected Credit Losses (-)		690.764	-	690.764	569.780	-	569.780
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	154.114	-	154.114	215.235	-	215.235
3.1 Assets Held for Sale		154.114	-	154.114	215.235	-	215.235
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		31.842	-	31.842	31.842	-	31.842
4.1 Investments in Associates (Net)		4.897	-	4.897	4.897	-	4.897
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		4.897	-	4.897	4.897	-	4.897
4.2 Investments in Subsidiaries (Net)	(5.1.8)	26.945	-	26.945	26.945	-	26.945
4.2.1 Unconsolidated Financial Subsidiaries		5.445	-	5.445	5.445	-	5.445
4.2.2 Unconsolidated Non-financial Subsidiaries		21.500	-	21.500	21.500	-	21.500
4.3 Joint Ventures (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(5.1.12)	319.828	-	319.828	256.817	-	256.817
VI. INTANGIBLE ASSETS (Net)	(5.1.13)	56.346	-	56.346	35.001	-	35.001
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		56.346	-	56.346	35.001	-	35.001
VII. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		17.052	-	17.052	47	-	47
IX. DEFERRED TAX ASSET	(5.1.15)	54.827	-	54.827	79.305	-	79.305
X. OTHER ASSETS	(5.1.17)	235.617	21.817	257.434	206.049	17.840	223.889
TOTAL ASSETS		11.735.269	9.810.104	21.545.373	13.039.132	7.579.139	20.618.271

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

FİBABANKA A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2019

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

LIABILITIES	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(30/09/2019)			(31/12/2018)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	6.951.328	6.265.887	13.217.215	6.314.694	4.998.532	11.313.226
II. FUNDS BORROWED	(5.II.3)	12.575	946.284	958.859	10.298	1.328.914	1.339.212
III. MONEY MARKET FUNDS		-	711.294	711.294	-	495.936	495.936
IV. SECURITIES ISSUED (Net)	(5.II.4)	417.579	1.255.639	1.673.218	503.729	1.338.856	1.842.585
4.1 Bills		417.579	-	417.579	480.459	-	480.459
4.2 Asset Backed Securities		-	-	-	23.270	-	23.270
4.3 Bonds		-	1.255.639	1.255.639	-	1.338.856	1.338.856
V. FUNDS		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(5.II.2)	705.026	30.552	735.578	1.490.186	26.067	1.516.253
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		705.026	30.552	735.578	1.490.186	26.067	1.516.253
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5.II.6)	65.645	5.808	71.453	-	463	463
X. PROVISIONS	(5.II.8)	214.967	-	214.967	109.511	-	109.511
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		24.985	-	24.985	23.259	-	23.259
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		189.982	-	189.982	86.252	-	86.252
XI. CURRENT TAX LIABILITIES	(5.II.9)	51.420	-	51.420	39.376	-	39.376
XII. DEFERRED TAX LIABILITIES		-	-	-	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	(5.II.11)	-	1.531.003	1.531.003	-	1.596.143	1.596.143
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	1.531.003	1.531.003	-	1.596.143	1.596.143
XV. OTHER LIABILITIES	(5.II.5)	570.738	207.492	778.230	691.043	352.651	1.043.694
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	1.599.029	3.107	1.602.136	1.348.081	(26.209)	1.321.872
16.1 Paid-in Capital		941.161	-	941.161	941.161	-	941.161
16.2 Capital Reserves		214.917	-	214.917	128.678	-	128.678
16.2.1 Equity Share Premium		128.678	-	128.678	128.678	-	128.678
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		86.239	-	86.239	-	-	-
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	(5.743)	(5.743)	-	(5.743)	(5.743)	-	(5.743)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		2.732	3.107	5.839	(363)	(26.209)	(26.572)
16.5 Profit Reserves		284.348	-	284.348	410.286	-	410.286
16.5.1 Legal Reserves		31.719	-	31.719	21.886	-	21.886
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		252.629	-	252.629	388.400	-	388.400
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or Loss		161.614	-	161.614	(125.938)	-	(125.938)
16.6.1 Prior Periods' Profit or Loss		-	-	-	(322.597)	-	(322.597)
16.6.2 Current Period Net Profit or Loss		161.614	-	161.614	196.659	-	196.659
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10.588.307	10.957.066	21.545.373	10.506.918	10.111.353	20.618.271

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

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

AS AT 30 SEPTEMBER 2019

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

	Footnotes	CURRENT PERIOD (30/09/2019)			PRIOR PERIOD (31/12/2018)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS(I+II+III)		9.147.863	25.342.098	34.489.961	14.192.074	28.752.316	42.944.390
I. GUARANTIES AND WARRANTIES	(5.III.1)	385.993	532.261	918.254	419.636	451.914	871.550
1.1. Letters of guarantee		385.993	273.639	659.632	419.207	266.723	685.930
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		385.993	273.639	659.632	419.207	266.723	685.930
1.2. Bank Acceptances		-	161.825	161.825	429	128.996	129.425
1.2.1. Import Letter of Acceptances		-	161.825	161.825	429	128.996	129.425
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	96.797	96.797	-	56.195	56.195
1.3.1. Documentary Letters of Credit		-	96.797	96.797	-	56.195	56.195
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(5.III.1)	1.391.607	872.989	2.264.596	2.090.036	1.909.177	3.999.213
2.1. Irrevocable Commitments		1.391.607	872.989	2.264.596	2.090.036	1.909.177	3.999.213
2.1.1. Asset Purchase Commitments		272.911	872.989	1.145.900	1.168.457	1.909.177	3.077.634
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		883.104	-	883.104	615.901	-	615.901
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		182.162	-	182.162	199.635	-	199.635
2.1.8. Tax and Fund Liabilities from Export Commitments		5.507	-	5.507	6.502	-	6.502
2.1.9. Commitments for Credit Card Limits		33.251	-	33.251	85.881	-	85.881
2.1.10. Commitments for Credit Cards and Banking Services Promotions		2	-	2	1	-	1
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		14.670	-	14.670	13.659	-	13.659
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.III.5)	7.370.263	23.936.848	31.307.111	11.682.402	26.391.225	38.073.627
3.1. Hedging Derivative Financial Instruments		951.119	1.075.229	2.026.348	503.405	427.169	930.574
3.1.1. Fair Value Hedges		951.119	1.075.229	2.026.348	503.405	427.169	930.574
3.1.2. Cash Flow Hedges		-	-	-	-	-	-
3.1.3. Foreign Net Investment Hedges		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		6.419.144	22.861.619	29.280.763	11.178.997	25.964.056	37.143.053
3.2.1. Forward Foreign Currency Buy/Sell Transactions		886.762	3.843.914	4.730.676	1.468.168	3.893.850	5.362.018
3.2.1.1. Forward Foreign Currency Transactions - Buy		392.551	1.963.238	2.355.789	622.317	2.048.015	2.670.332
3.2.1.2. Forward Foreign Currency Transactions - Sell		494.211	1.880.676	2.374.887	845.851	1.845.835	2.691.686
3.2.2. Swap Transactions Related to Foreign Currency and Interest		2.874.298	14.939.104	17.813.402	7.002.428	17.823.279	24.825.707
3.2.2.1. Foreign Currency Swap- Buy		1.419.641	7.258.134	8.677.775	2.669.515	9.553.843	12.223.358
3.2.2.2. Foreign Currency Swap- Sell		1.404.657	7.115.060	8.519.717	4.282.913	7.743.346	12.026.259
3.2.2.3. Interest Rate Swap- Buy		25.000	282.955	307.955	25.000	263.045	288.045
3.2.2.4. Interest Rate Swap- Sell		25.000	282.955	307.955	25.000	263.045	288.045
3.2.3. Foreign Currency, Interest Rate and Securities Options		2.658.084	3.048.759	5.706.843	2.700.476	3.545.849	6.246.325
3.2.3.1. Foreign Currency Options- Buy		1.263.492	1.589.666	2.853.158	1.258.568	1.853.870	3.112.438
3.2.3.2. Foreign Currency Options- Sell		1.394.592	1.459.093	2.853.685	1.441.908	1.691.979	3.133.887
3.2.3.3. Interest Rate Options- Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options- Sell		-	-	-	-	-	-
3.2.3.5. Securities Options- Buy		-	-	-	-	-	-
3.2.3.6. Securities Options- Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		-	-	-	5.484	-	5.484
3.2.4.1. Foreign Currency Futures- Buy		-	-	-	5.484	-	5.484
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		-	1.029.842	1.029.842	2.441	701.078	703.519
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		131.085.158	61.951.313	193.036.471	119.227.962	57.297.849	176.525.811
IV. ITEMS HELD IN CUSTODY		2.399.304	385.324	2.784.628	1.499.164	299.350	1.798.514
4.1. Customer Fund and Portfolio Balances		1.176.503	-	1.176.503	260.501	-	260.501
4.2. Investment Securities Held in Custody		306.857	210.007	516.864	270.090	124.099	394.189
4.3. Cheques Received for Collection		459.792	158.161	617.953	469.250	161.039	630.289
4.4. Commercial Notes Received for Collection		119.289	17.156	136.445	141.021	14.212	155.233
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		336.863	-	336.863	358.302	-	358.302
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		128.685.854	61.565.989	190.251.843	117.728.798	56.998.499	174.727.297
5.1. Marketable Securities		285.344	82.936	368.280	245.559	330	245.889
5.2. Guarantee Notes		263.391	170.215	433.606	183.471	203.345	386.816
5.3. Commodity		-	43.285	43.285	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Immovables		9.335.542	10.257.420	19.592.962	9.339.825	8.405.100	17.744.925
5.6. Other Pledged Items		118.801.577	51.012.133	169.813.710	107.959.943	48.389.724	156.349.667
5.7. Pledged Items - Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS(A+B)		140.233.021	87.293.411	227.526.432	133.420.036	86.050.165	219.470.201

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

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 1 JANUARY 2019-30 SEPTEMBER 2019

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

INCOME AND EXPENSE ITEMS		Footnotes	CURRENT PERIOD (01/01/2019 - 30/09/2019)	PRIOR PERIOD (01/01/2018 - 30/09/2018)	CURRENT PERIOD (01/07/2019 - 30/09/2019)	PRIOR PERIOD (01/07/2018 - 30/09/2018)
I.	INTEREST INCOME	(5.IV.1)	1.943.751	1.835.442	679.425	702.307
1.1	Interest on Loans		1.739.571	1.657.919	609.533	628.187
1.2	Interest on Reserve Deposits		24.501	23.221	7.378	8.374
1.3	Interest on Banks		99.614	105.658	31.954	44.530
1.4	Interest on Money Market Placements		11.128	4.044	7.113	2.119
1.5	Interest on Marketable Securities Portfolio		67.624	44.147	22.914	18.891
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		3.024	2.156	1.018	859
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		32.470	30.379	9.790	14.039
1.5.3	Financial Assets Measured at Amortized Cost		32.130	11.612	12.106	3.993
1.6	Financial Lease Income		-	-	-	-
1.7	Other Interest Income		1.313	453	533	206
II.	INTEREST EXPENSE (-)		1.325.156	1.250.206	453.305	496.967
2.1	Interest on Deposits	(5.IV.2)	1.010.541	856.359	354.417	329.564
2.2	Interest on Funds Borrowed	(5.IV.2)	138.654	172.053	43.283	78.585
2.3	Interest on Money Market Placements		17.307	12.043	4.801	5.709
2.4	Interest on Securities Issued	(5.IV.2)	145.598	209.375	46.352	83.098
2.5	Interest on Leasing Expenses		12.378	19	4.437	10
2.6	Other Interest Expenses		678	357	15	1
III.	NET INTEREST INCOME (I - II)		618.595	585.236	226.120	205.340
IV.	NET FEES AND COMMISSIONS INCOME		154.002	52.408	41.780	17.420
4.1	Fees and Commissions Received		179.146	84.810	49.755	27.246
4.1.1	Non-cash Loans		9.823	10.808	2.873	3.815
4.1.2	Other	(5.IV.12)	169.323	74.002	46.882	23.431
4.2	Fees and Commissions Paid (-)		25.144	32.402	7.975	9.826
4.2.1	Non-cash Loans		185	85	53	29
4.2.2	Other	(5.IV.12)	24.959	32.317	7.922	9.797
V	DIVIDEND INCOME	(5.IV.3)	-	-	-	-
VI.	TRADING INCOME / LOSS (Net)	(5.IV.4)	73.755	157.070	(26.966)	145.429
6.1	Trading Gain / Loss on Securities		56.987	10.702	11.430	7.656
6.2	Gain / Loss on Derivative Financial Transactions		(10.376)	145.337	(15.133)	145.730
6.3	Foreign Exchange Gain / Loss		27.144	1.031	(23.263)	(7.957)
VII.	OTHER OPERATING INCOME	(5.IV.5)	119.913	193.810	18.465	25.232
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		966.265	988.524	259.399	393.421
IX.	EXPECTED CREDIT LOSS (-)	(5.IV.6)	299.613	339.515	89.735	146.355
X.	OTHER PROVISION EXPENSES (-)		105.081	101.534	(18.975)	37.864
XI.	PERSONNEL EXPENSES (-)		191.510	172.278	62.196	54.228
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.7)	184.076	162.621	62.579	57.636
XIII.	NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)		185.985	212.576	63.864	97.338
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XV.	INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-	-	-
XVI.	GAIN / LOSS ON NET MONETARY POSITION		-	-	-	-
XVII.	P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	(5.IV.8)	185.985	212.576	63.864	97.338
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(24.371)	(33.341)	(11.539)	2.607
18.1	Current Tax Provision		(7.455)	(3)	10.628	-
18.2	Deferred Tax Expense Effect (+)		(16.916)	(33.338)	(22.167)	2.607
18.3	Deferred Tax Income Effect (-)		-	-	-	-
XIX.	NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	(5.IV.10)	161.614	179.235	52.325	99.945
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income From Non-current Assets Held for Sale		-	-	-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Income From Other Discontinued Operations		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expenses on Non-current Assets Held for Sale		-	-	-	-
21.2	Losses from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Expenses From Other Discontinued Operations		-	-	-	-
XXII.	PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
XXIV.	NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXII-XXIII)		-	-	-	-
XXV.	NET PROFIT / LOSS (XIX+XXIV)	(5.IV.11)	161.614	179.235	52.325	99.945
	Earnings per share		0,00172	0,00190	0,00056	0,00106

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

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE PERIOD BETWEEN 1 JANUARY 2019-30 SEPTEMBER 2019**

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

	CURRENT PERIOD (01/01/2019 - 30/09/2019)	PRIOR PERIOD (01/01/2018 - 30/09/2018)
I. CURRENT PERIOD PROFIT / LOSS	161.614	179.235
II. OTHER COMPREHENSIVE INCOME	32.411	(40.895)
2.1 Other income/expense items not to be reclassified to profit or loss	-	-
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurements Gain/Loss	-	-
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.2 Other income/expense items to be reclassified to profit or loss	32.411	(40.895)
2.2.1 Foreign Currency Conversion Differences	-	-
Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other		
2.2.2 Comprehensive Income	39.973	(51.499)
2.2.3 Cash Flow Hedge Income/Loss	-	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(7.562)	10.604
III. TOTAL COMPREHENSIVE INCOME (I+II)	194.025	138.340

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

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE PERIOD BETWEEN 1 JANUARY 2019-30 SEPTEMBER 2019

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss									
					Paid-in Capital	Share Premium	Share Certificate	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss
(30/09/2018)																	
I. Balances at beginning of the period	941.161	128.678	-	-	-	(4.636)	(10.899)	-	-	-	243.284	-	167.002	1.464.590	-	1.464.590	
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	(322.597)	-	(322.597)	-	(322.597)	
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	(322.597)	-	(322.597)	-	(322.597)	
III. Adjusted balances at beginning of the period (I+II)	941.161	128.678	-	-	-	(4.636)	(10.899)	-	-	-	243.284	(322.597)	167.002	1.141.993	-	1.141.993	
IV. Total Comprehensive Income	-	-	-	-	-	-	(40.895)	-	-	-	-	-	179.235	138.340	-	138.340	
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Subordinated Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	167.002	-	(167.002)	-	-	-	
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	167.002	-	(167.002)	-	-	-	
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	-	-	(4.636)	(51.794)	-	-	-	410.286	(322.597)	179.235	1.280.333	-	1.280.333	
CURRENT PERIOD (30/09/2019)																	
I. Prior period ending balance	941.161	128.678	-	-	-	(5.743)	-	-	(26.572)	-	410.286	(322.597)	196.659	1.321.872	-	1.321.872	
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Adjusted balance (I+II)	941.161	128.678	-	-	-	(5.743)	-	-	(26.572)	-	410.286	(322.597)	196.659	1.321.872	-	1.321.872	
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	32.411	-	-	-	161.614	194.025	-	194.025	
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertable Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Subordinated Debt (*)	-	-	-	86.239	-	-	-	-	-	-	-	-	-	86.239	-	86.239	
X. Increase / decrease due to other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	(125.938)	322.597	(196.659)	-	-	-	
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	(125.938)	322.597	(196.659)	-	-	-	
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	86.239	-	(5.743)	-	-	5.839	-	284.348	-	161.614	1.602.136	-	1.602.136	

(*) Bank has classified the additional tier-1 of TL 100.000 nominal and its interest expense, which has a capital stock character, under "other subordinated debt" according to the "TAS 32 Financial Instruments: Presentation" Standards ("TAS 32").

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

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

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN 1 JANUARY 2019-30 SEPTEMBER 2019

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

	Footnotes	CURRENT PERIOD (01/01/2019 - 30/09/2019)	PRIOR PERIOD (01/01/2018 - 30/09/2018)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		206.063	(1.066.884)
1.1.1 Interest received (+)		1.787.351	1.880.315
1.1.2 Interest paid (-)		(1.352.950)	(1.215.310)
1.1.3 Dividend received (+)		-	-
1.1.4 Fees and commission received (+)		178.948	81.377
1.1.5 Other income (+)		207.020	2.863
1.1.6 Collections from previously written off loans and other receivables (+)		125.399	3.234
1.1.7 Cash payments to personnel and service suppliers (-)		(338.196)	(333.849)
1.1.8 Taxes paid (-)		(22.941)	(93.189)
1.1.9 Other (+/-)		(378.568)	(1.392.325)
1.2 Changes in Operating Assets and Liabilities		791.058	360.497
1.2.1 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		(220.863)	602.101
1.2.2 Net (increase) / decrease in due from banks (+/-)		(34.968)	756.174
1.2.3 Net (increase) / decrease in loans (+/-)		(418.459)	(947.955)
1.2.4 Net (increase) / decrease in other assets (+/-)		(70.739)	(208.909)
1.2.5 Net (increase) / decrease in bank deposits (+/-)		(158.310)	(209.369)
1.2.6 Net (increase) / decrease in other deposits (+/-)		2.044.883	(1.254.028)
1.2.7 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-)		-	(3.664)
1.2.8 Net (increase) / decrease in funds borrowed (+/-)		(361.583)	481.088
1.2.9 Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-)		11.097	1.145.059
I. Net Cash Provided from Banking Operations (+/-)		997.121	(706.387)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Flow Provided from Investment Activities (+/-)		(144.138)	(286.820)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		-	(5.000)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		-	-
2.3 Cash paid for the purchase of tangible and intangible assets (-)		63.910	(20.911)
2.4 Cash obtained from the sale of tangible and intangible assets (+)		136.205	-
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		-	(219.440)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		(71.312)	-
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		(239.615)	(20.207)
2.8 Cash obtained from the sale of financial assets at amortised cost (+)		-	-
2.9 Other (+/-)		(33.326)	(21.262)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities (+/-)		(60.569)	1.725.147
3.1 Cash obtained from funds borrowed and securities issued (+)		131.167	1.872.386
3.2 Cash outflow from funds borrowed and securities issued (-)		(274.094)	(147.239)
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for financial leases liabilities (-)		-	-
3.6 Other (+/-)		82.358	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		(63.385)	678.972
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		729.029	1.410.912
VI. Cash and Cash Equivalents at the Beginning of the Period (+)		2.087.857	1.295.951
VII. Cash and Cash Equivalents at the End of the Period (V+VI)		2.816.886	2.706.863

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

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

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

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.

Explanations about Leases Standard TFRS 16

The Bank has began to prepare its unconsolidated financial statements for the first time by 1st of January, 2019, according to “TFRS 16 Leasing Standard” published in the Official Gazette dated April 2018 with no 29826 and became valid as of 1 January 2019. Practices and effects of TFRS 16 transition has been explained in Notes XXVII of Section III.

Prior period financial statements were adopted to new format in accordance with “Communique on Change on Communique on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” published in the Official Gazette dated 1 February 2019 with no 30673.

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

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

The Bank applied “partial conversion approach” which led to equalization of beneficial property and leasing liabilities, during the first transition to TFRS 16, by taking all benefits of easing conditions. Accordingly, comparative informations presented in the context of TAS 17 and related comments were not rearranged for year 2018.

II. Explanations on the usage strategy of financial instruments and on foreign currency transactions**1. Usage strategy of the financial instruments**

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

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

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

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

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

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

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

	30 September 2019	31 December 2018
US Dollar	5,6591	5,2609
Euro	6,1836	6,0280

III. Explanations on Equity Investments

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

IV. Explanations on forward transactions, options and derivative instruments

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

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

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

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

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

Explanations on derivative financial instruments held for hedging

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

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

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

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

V. Explanations on interest income and expenses

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

VI. Explanations on fee and commission income and expenses

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

VII. Explanations on financial assets

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

1. Financial assets at fair value through profit or loss

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

1. Financial assets at fair value through profit or loss (continued)

profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the statement of profit or loss.

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

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

2. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. Financial assets at fair value through other comprehensive income are recognized by adding transaction costs to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to statement of profit or loss. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the statement of profit or loss of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are recognized in the statement of profit or loss.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and/or whose fair values can be reliably measured are carried at fair value.

3. Financial assets measured at amortized cost

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

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

In prior periods, the Bank has classified financial assets at fair value through other comprehensive income amounting to TL 153.266 which were classified as available-for-sale financial assets to designated at “Financial assets measured at amortized cost” as of January 2018.

4. Loans

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

VIII. Explanations on expected credit loss

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

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

Calculation of expected credit loss

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

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

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

Stage 1

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

Stage 2

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

Stage 3

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

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

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

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

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

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

VIII. Explanations on expected credit loss (continued)

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

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

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

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

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

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

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

Also, credit risk with an overdue period between 30 and 90 days is classified as Stage 2.

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

IX. Explanations on offsetting financial instruments

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

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

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

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

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

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

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

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

The Bank does not have any discontinued operations.

XII. Explanations on goodwill and other intangible assets

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

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

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

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

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:

XIII. Explanations on tangible assets (continued)

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

XIV. Explanations on leasing transactions

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

XV. Explanations on provisions and contingent liabilities

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

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

XVI. Explanations on contingent assets

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

XVII. Explanations on liabilities for employee benefits

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

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

- Calculation is based on discount rate of 13,50%, inflation rate of 6,00% and real rate of rise in salary of 0,00%.
- Effective as of 31 December 2018, ceiling salary amount is considered as TL 5.434,42 (full TL).
- Individuals’ earliest retirement age is considered as retirement age.
- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There are no employee foundation fund or similar institutions.

XVIII. Explanations on taxation**1. Current Tax**

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

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

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

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

XVIII. Explanations on taxation (continued)**2. Deferred Tax**

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

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

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

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

As of 30 September 2019, the deferred tax asset is TL 54.827 (31 December 2018: TL 79.305 the deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within "Deferred Tax expense effect" in the statement of profit or loss; deferred tax income for the current period is TL 16.916 (1 January - 30 September 2018: TL 33.338 expense). Deferred tax effects of the transactions and events recognized directly in the shareholders' equity are also recognized directly in the shareholders' equity which is TL 7.562 expense (1 January -30 September 2018: TL 10.604 income).

3. Transfer Pricing

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

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

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

XIX. Additional explanations on borrowings

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

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

Additional Tier I Capital

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

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 Note VII of Section Four.

XXIV. Profit reserves and distribution of the profit

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

Legal reserves are consisted of first and second reserves as determined in Turkish Commercial Code (TCC). First legal reserve, is appropriated by TCC at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of 10% of distributions in excess of 5% of issued and fully paid-in share capital, but Holding companies are not subject to such transaction.

According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

In the Ordinary General Assembly Meeting of the Bank, which was held on 27 March 2019, it was decided to set off the accumulated loss to extraordinary legal reserve; and to allocate the 2018 net profit amounting TL 196.659 as legal reserve of TL 9.833 and as extraordinary reserves of TL 186.826.

XXV. Earnings Per Share

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

	30 September 2019	30 September 2018
Net Profit / (Loss) distributable to Common Shares	161.614	179.235
Average Number of Issued Common Shares (Thousand)	94.116.055	94.116.055
Earnings Per Share (Amounts presented as full TL)	0,00172	0,00190

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

There are no bonus shares issued by the Bank in 2019 (31 December 2018: None).

XXVI. Cash and Cash Equivalent Assets

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

XXVII. Explanation on TFRS 16 Leases standard

The Bank has adopted new standard, changes and commands, which are valid as of 1 January 2019, in line with the “TFRS 16 Leases” standard’s first time applying transition commands.

TFRS 16 “Lease” Standard

The Bank as a lessee according to “Lease” Standard:

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

Existence of right to use:

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

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

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

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

Lease obligations:

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

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

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

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

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

First Transition to TFRS 16 Leasing Standard

“TFRS 16 Leases” Standard was promulgated in Official Gazette No. 29826, dated 16 April 2018 to be applied in the accounting period starting after 31 December 2018. The Bank applied TFRS 16 “Leasing” standard, which replaced TAS 17 “Leasing”, as of 1 January 2019, the date of first implementation.

The Bank, as a lessee, reflected its right and liability to use the asset pertaining to the lease to its financial tables. The new accounting principles is similar with the prior principles for the leaser.

Bank applied “partial conversion approach” which led to equalization of beneficial property and leasing liabilities, during the first transition to TFRS 16, by taking all benefits of easing conditions. According to this, comparative informations presented in the context of TAS 17 and related comments were not rearranged.

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XXVII. Explanation on TFRS 16 Leases standard (continued)

The classifications and adjustments related with the first appliance to TFRS 16 Leases Standard as of 1 January 2019 can be seen below:

	31 December 2018	TFRS 16 Classification Effect	TFRS16 Transition Effect	1 January 2019	30 September 2019
Tangible Assets (Net) (*)(**)	256.817	1.557	75.901	334.275	342.509
Intangible Assets (Net)	--	--	--	--	--
Other Assets (Net) (**)	223.889	(1.557)	--	222.332	222.332
Finance Lease Liabilities (Net) (***)	463	--	75.901	76.364	84.598

(*) TL 75.901 of right and liability to use the asset pertaining to the lease, which were previously classified as financial leasing according to TAS 17, were reflected to Bank's financials according to TFRS 16 as of 1 January 2019.

(**) The Bank classified TL 1.557 as right to use asset under tangible asset according to TFRS 16 as of 1 January 2019, which were prepaid lease before.

(***) The weighted average of interest rates applied by the Bank as of 1 January 2019, to the lease liabilities in TL and EUR were 23,9% and 1,7% respectively.

SECTION FOUR

INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT

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

As of 30 September 2019, the Bank’s total capital has been calculated as TL 3.402.086 and the capital adequacy ratio is 19,35% (As of 31 December 2018, the Bank’s total capital amounted to TL 3.215.081 and the capital adequacy ratio was 19,47%).

I. Information related to the components of shareholders’ equity:

	Current Period (30/09/2019) Amount	1/1/2014 Amount as per the regulation before *
TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	941.161	
Share Premium	128.678	
Reserves (**)	518.380	
Other comprehensive income according to TAS	5.839	
Profit	161.614	
Current period profit	161.614	
Prior period profit	--	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
Tier I Capital Before Deductions	1.755.672	
Deductions From Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (-)	19.504	--
Improvement costs for operational leasing (-)	10.137	--
Goodwill and other intangible assets and related deferred taxes (-)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	56.346	--
Excess amount arising from deferred tax assets from temporary differences	37.400	--
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	--	--
Paid-in capital to be entitled for compensation after all creditors	--	--

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

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	Current Period (30/09/2019) Amount	1/1/2014 Amount as per the regulation before *
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital (-)	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law (-)	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital (-)	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital (-)	--	--
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital (-)	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences (-)	--	--
Other items to be defined by the BRSA	--	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
Total Deductions From Common Equity Tier I Capital	123.387	--
Total Common Equity Tier I Capital	1.632.285	--
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in Tier I capital and the related share premiums	--	--
Debt instruments and the related issuance premiums defined by the BRSA	100.000	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
Additional Core Capital before Deductions	100.000	--
Deductions from Additional Core Capital	--	--
Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)	--	--

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	Current Period (30/09/2019) Amount	1/1/2014 Amount as per the regulation before *
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)	--	--
Other items to be defined by the BRSA (-)	--	--
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--	--
Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	--	--
Total Deductions from Additional Tier I Capital	--	--
Total Additional Tier I Capital	100.000	--
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	1.732.285	--
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.528.778	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	141.033	--
Tier II Capital before Deductions	1.669.811	--
Deductions from Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	--	--
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	10	--
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 (-)	--	--
Total Deductions from Tier II Capital	10	
Total Tier II Capital	1.669.801	
Total Equity (Total Tier I and Tier II Capital)	3.402.086	

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	Current Period (30/09/2019) Amount	1/1/2014 Amount as per the regulation before *
Total Tier I Capital and Tier II Capital (Total Equity)		
Loans granted against the Articles 50 and 51 of the Banking Law (-)	--	--
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years (-)	--	--
Other items to be defined by the BRSA (-)	--	--
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	--	--
EQUITY	3.402.086	
Total Capital (Total of Tier I Capital and Tier II Capital)	3.402.086	--
Total Risk Weighted Assets	17.583.791	--
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	9,28	--
Tier I Capital Adequacy Ratio (%)	9,85	--
Capital Adequacy Ratio (%)	19,35	--
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,57	
a)Capital Conservation Buffer Requirement (%)	2,50	--
b)Bank-specific Counter-Cyclical Buffer Requirement(%)	0,07	--
c) Systemically Important Banks Buffer Requirement Ratio (%)	--	--

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	Current Period (30/09/2019) Amount	1/1/2014 Amount as per the regulation before *
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets	3,85	--
Amounts lower than Excesses as per Deduction Rules	--	--
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	--	--
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	--	--
Remaining mortgage servicing rights	--	--
Net deferred tax assets arising from temporary differences	--	--
Limits for Provisions Used in Tier II Capital Calculation	--	--
General reserves for standard based receivables (before tenthousandtwentyfive limitation)	298.174	--
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	141.033	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets	--	--
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)	--	--
Upper limit for Additional Tier I Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	--	--
Upper limit for Additional Tier II Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	--	--

* The amounts to be considered under the transitional provisions

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	Prior Period (31/12/2018) Amount	Amount as per the regulation before 1/1/2014 (*)
TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	941.161	--
Share premium	128.678	
Reserves	410.286	
Other comprehensive income according to TAS	--	
Profit	196.659	
Current period profit	196.659	
Prior period profit	--	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
Tier I Capital Before Deductions	1.676.784	
Deductions From Tier I Capital		
Valuation adjustments calculated as per the Article 9 (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (-) (**)	42.871	--
Improvement costs for operational leasing (-)	12.059	--
Goodwill and other intangible assets and related deferred taxes (-)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	35.001	--
Excess amount arising from deferred tax assets from temporary differences	13.000	--
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains		

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

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	Prior Period (31/12/2018) Amount	Amount as per the regulation before 1/1/2014
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital (-)	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law (-)	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital (-)	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital (-)	--	--
Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital (-)	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences (-)	--	--
Other items to be defined by the BRSA	--	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
Total Deductions From Common Equity Tier I Capital	102.931	--
Total Common Equity Tier I Capital	1.573.853	--
ADDITIONAL TIER I CAPITAL	--	--
Preferred stock not included in Tier I capital and the related share premiums	--	--
Debt instruments and the related issuance premiums defined by the BRSA	--	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
Additional Core Capital before Deductions	--	--
Deductions from Additional Core Capital	--	--
Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)	--	--

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	Prior Period (31/12/2018) Amount	Amount as per the regulation before 1/1/2014
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)	--	--
Other items to be defined by the BRSA (-)	--	--
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--	--
Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	--	--
Total Deductions from Additional Tier I Capital	--	--
Total Additional Tier I Capital	--	--
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	1.573.853	--
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.563.671	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	77.804	--
Tier II Capital before Deductions	1.641.475	--
Deductions from Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	--	--
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	245	--
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 (-)	--	--
Total Deductions from Tier II Capital	245	
Total Tier II Capital	1.641.230	
Total Equity (Total Tier I and Tier II Capital)	3.215.083	

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	Prior Period (31/12/2018) Amount	Amount as per the regulation before 1/1/2014
Total Tier I Capital and Tier II Capital (Total Equity)		
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 (-)	2	--
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank Owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	--	--
EQUITY		
Total Capital (Total of Tier I Capital and Tier II Capital)	3.215.081	--
Total Risk Weighted Assets	16.511.062	--
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	9,53	--
Tier I Capital Adequacy Ratio (%)	9,53	--
Capital Adequacy Ratio (%)	19,47	--
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	1,95	
a)Capital Conservation Buffer Requirement (%)	1,88	--
b)Bank-specific Counter-Cyclical Buffer Requirement(%)	0,07	--
c)Systemically Important Banks Buffer Requirement Ratio (%)	--	--

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	Prior Period (31/12/2018) Amount	Amount as per the regulation before 1/1/2014*
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to risk weighted assets	3,53	--
Amounts lower than Excesses as per Deduction Rules	--	--
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	--	--
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	--	--
Remaining mortgage servicing rights	--	--
Net deferred tax assets arising from temporary differences	--	--
Limits for Provisions Used in Tier II Capital Calculation	--	--
General reserves for standard based receivables (before tenthousandtwentyfive limitation)	288.131	--
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	77.804	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	--	--
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)	--	--
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	--	--
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	--	--
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	--	--
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	--	--

* The amounts to be considered under the transitional provisions

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

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

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

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

Debt instruments included in shareholder's equity calculation:

Issuer	Fibabanka A.Ş.	Fibabanka A.Ş.
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	TRSFIBA10016
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"
Consideration Status in Shareholders' Equity Calculation		
Situation of being subject to practice of being taken into consideration with 10% deduction after 1/1/2015	No	No
Eligible at unconsolidated / consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Security	Subordinated Security
Recognized amount in shareholders' equity calculation (As of the most recent reporting date - Thousand TL)	1.528.778	86.239
Nominal value of debt instrument (Thousand TL)	1.697.730	100.000
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity
Issuing date of debt instrument	24/03/16-10/05/17	20/03/19
Maturity structure of debt instrument (Demand/Time)	Time	Demand
Initial term of of debt instrument	11 years	--
Issuer call subject to prior BRSA approval	Has repayment right	Has repayment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million
Subsequent call date, if any	None	At the end of every 5th year following

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

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Explanations on TFRS9 Transition Process

	T-1	T-2	T-3	T-4
EQUITY ITEMS				
Common Equity	1.632.285	1.554.274	1.476.263	1.398.253
Common Equity if transition process not implemented ^a	1.398.253	1.398.253	1.398.253	1.398.253
Tier 1 Capital	1.732.285	1.654.274	1.576.263	1.498.253
Tier 1 Capital if transition process not implemented ^b	1.498.253	1.498.253	1.498.253	1.498.253
Total Capital	3.402.086	3.374.235	3.299.302	3.221.292
Equity if transition process not implemented ^c	3.221.292	3.221.292	3.221.292	3.221.292
TOTAL RISK WEIGHTED AMOUNTS				
Total Risk Weighted Amounts	17.583.791	17.583.791	17.583.791	17.583.791
CAPITAL ADEQUACY RATIO				
Common Equity Adequacy Ratio (%)	9,28	8,84	8,40	7,95
Common Equity Ratio if transition process not implemented ^d (%)	7,95	7,95	7,95	7,95
Tier 1 Capital Adequacy Ratio (%)	9,85	9,41	8,96	8,52
2Tier 1 Capital Adequacy Ratio if transition process not implemented	8,52	8,52	8,52	8,52
Capital Adequacy Ratio (%)	19,35	19,19	18,76	18,32
Capital Adequacy Ratio if transition process not implemented ^d (%)	18,32	18,32	18,32	18,32
LEVERAGE				
Leverage Ratio Total Risk Amount	27.148.058	27.148.058	27.148.058	27.148.058
Leverage (%)	6,38	6,09	5,81	5,52
Leverage Ratio if transition process not implemented ^e (%)	5,52	5,52	5,52	5,52

^a Common Equity if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

^b Tier 1 Capital if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

^c Equity if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

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

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

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

II. Explanations on Risk Management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about RWA flow statements of credit risk exposures under IRB Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables which prepared annually basis have not been presented as of 30 September 2019:

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

a. Overview of Risk Weighted Amounts

	Risk Weighted Amounts		Minumum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	14.896.925	13.601.866	1.191.754
2 Of which standardised approach (SA)	14.896.925	13.601.866	1.191.754
3 Of which internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	544.794	850.549	43.584
5 Of which standardised approach for counterparty credit risk (SA-CCR)	544.794	850.549	43.584
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	99.928	35.620	7.994
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	561.263	911.638	44.901
17 Of which standardised approach (SA)	561.263	911.638	44.901
18 Of which internal model approaches (IMM)	--	--	--
19 Operational risk	1.480.881	1.111.389	118.470
20 Of which basic indicator approach	1.480.881	1.111.389	118.470
21 Of which standardised approach	--	--	--
22 Of which advanced measurement approach	--	--	--
23 Amounts below the thresholds for deduction from capital (subject to 250% risk \	--	--	--
24 Floor adjustment	--	--	--
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	17.583.791	16.511.062	1.406.703

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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 material foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

As of 30 September 2019, the Bank's net long position is TL 7.410 (31 December 2018: TL 193.034 net long position) resulting from short position on the balance sheet amounting to TL 1.018.478 (31 December 2018: TL 2.327.903 short position) and long position on the off-balance amounting to TL 1.025.888 (31 December 2018: TL 2.520.937 long position). The Bank uses "Standard Method" in legal reporting to measure the foreign exchange risk.

The announced foreign exchange buying rates of the Bank at 30 September 2019 and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 5,6591
Euro purchase rate as at the balance sheet date	TL 6,1836

Date	USD	EURO
24 September 2019	5,7183	6,2819
25 September 2019	5,6743	6,2381
26 September 2019	5,6882	6,2544
27 September 2019	5,6659	6,1982
30 September 2019	5,6591	6,1836

The US Dollar buying rate is TL 5,7128 and EUR buying rate is TL 6,2925 in full TL amounts according to simple arithmetic average on September 2019.

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III. Explanations on currency risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT	946.178	1.023.948	229.372	2.199.498
Due From Banks	40.545	31.182	17.383	89.110
Financial Assets at Fair Value through Profit/Loss (*)	356	57.023	--	57.379
Money Market Placements	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	149.045	642.890	--	791.935
Loans and Receivables(**)	4.649.462	1.749.121	11.741	6.410.324
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	--	--	--	--
Financial Assets Measured at Amortized Cost	354.863	--	--	354.863
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	1.072	742	6	1.820
Total Assets	6.141.521	3.504.906	258.502	9.904.929
Liabilities				
Bank Deposits	83.958	286.213	20.331	390.502
Foreign Currency Deposits	819.825	4.975.121	80.439	5.875.385
Money Market Borrowings	275.126	436.168	--	711.294
Funds Provided from Other Financial Institutions	346.510	598.336	1.438	946.284
Securities Issued(****)	--	2.786.642	--	2.786.642
Sundry Creditors	26.789	154.215	941	181.945
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(*****)	23.596	7.143	616	31.355
Total Liabilities	1.575.804	9.243.838	103.765	10.923.407
Net Bilanço Pozisyonu	4.565.717	(5.738.932)	154.737	(1.018.478)
Net Off-Balance Sheet Position	(4.585.305)	5.764.766	(153.573)	1.025.888
Financial Derivative Assets (*****)	3.012.823	9.493.257	411.218	12.917.298
Financial Derivative Liabilities (*****)	7.598.128	3.728.491	564.791	11.891.410
Non-Cash Loans (*****)	308.460	223.225	576	532.261
Prior Period				
Total Assets	4.435.491	3.063.703	284.398	7.783.592
Total Liabilities	1.247.226	8.791.657	72.612	10.111.495
Net Balance Sheet Position	3.188.265	(5.727.954)	211.786	(2.327.903)
Net Off-Balance Sheet Position	(3.178.584)	5.939.735	(240.214)	2.520.937
Financial Derivative Assets (*****)	4.413.738	10.667.639	329.291	15.410.668
Financial Derivative Liabilities (*****)	7.592.322	4.727.904	569.505	12.889.731
Non-Cash Loans (*****)	247.144	204.723	47	451.914

(*) Accruals of trading derivative financial assets amounting to TL 30.758 are not included.

(**) Includes foreign currency indexed loans and accruals amounting to TL 145.580.

(***) TL 19.997 of prepaid expenses are not included.

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

(*****) TL 30.552 of accruals of derivative financial liabilities are not included.

(***** In the current period, foreign currency purchase commitments within the financial derivative assets amounted to TL 405.827 (31 December 2018: TL 912.202), foreign currency sale commitments within the derivative financial liabilities amounted to TL 467.163 (31 December 2018: TL 996.974).

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

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

Current Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.588.686	--	--	--	--	834.265	2.422.951
Banks	674.790	--	--	--	--	101.226	776.016
Financial Assets at Fair Value Through Profit or Loss	68.044	--	294.709	562.384	751	--	925.888
Interbank Money Market Placements	600.267	--	--	--	--	--	600.267
Financial Assets Measured at Fair Value through Other Comprehensive Income	51.461	--	114.563	620.532	13.459	3.314	803.329
Loans(*)	2.579.816	3.657.847	2.813.277	4.260.446	1.154.586	57.579	14.523.551
Financial Assets Measured at Amortized Cost	63.367	--	20.664	140.241	378.293	--	602.565
Other Assets(**)	--	--	--	--	--	890.806	890.806
Total Assets	5.626.431	3.657.847	3.243.213	5.583.603	1.547.089	1.887.190	21.545.373
Liabilities							
Bank Deposits	385.873	--	--	--	--	116.363	502.236
Other Deposits	8.734.597	1.746.100	609.778	7.730	--	1.616.774	12.714.979
Interbank Money Market Received	243.559	347.875	119.860	--	--	--	711.294
Sundry Creditors	--	--	--	--	--	469.455	469.455
Marketable Securities Issued(***)	103.874	313.705	15.969	2.770.673	--	--	3.204.221
Funds Borrowed From Other Institutions	85.128	422.947	165.215	285.569	--	--	958.859
Other Liabilities(****)	71.128	30	134.717	601.156	--	2.177.298	2.984.329
Total Liabilities	9.624.159	2.830.657	1.045.539	3.665.128	--	4.379.890	21.545.373
Balance Sheet Long Position	--	827.190	2.197.674	1.918.475	1.547.089	--	6.490.428
Balance Sheet Short Position	(3.997.728)	--	--	--	--	(2.492.700)	(6.490.428)
Off-Balance Sheet Long Position	--	--	--	307.955	--	16.014.943	16.322.898
Off-Balance Sheet Short Position	--	--	--	(307.955)	--	(15.822.158)	(16.130.113)
Total Position	(3.997.728)	827.190	2.197.674	1.918.475	1.547.089	(2.299.915)	192.785

(*) Non-performing loans (TL 748.261), net-off related provision for expected loss of stage 3 loans (TL 400.738) and expected losses for stage 1 (TL 101.140) and stage 2 (TL 188.804) are presented in "non-interest bearing" column.

(**) Non-interest bearing column includes TL 31.842 associations, TL 319.828 tangible assets, TL 56.346 intangible assets, TL 71.879 tax asset, TL 154.114 assets held for sale and TL 257.434 other assets and -TL 637 of financial assets provisions for expected losses.

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

(****) Non-interest bearing column includes TL 1.602.136 shareholders' equity, TL 308.775 other liabilities, TL 214.967 provisions and TL 51.420 tax liabilities.

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IV. Explanations on interest rate risk (continued)

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

Prior Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.031.089	--	--	--	--	733.473	1.764.562
Banks	724.480	--	--	--	--	241.033	965.513
Financial Assets at Fair Value Through Profit or Loss	148.980	60.461	242.369	1.096.763	2.992	--	1.551.565
Interbank Money Market Placements	306.208	--	--	--	--	--	306.208
Financial Assets Measured at Fair Value through Other Comprehensive Income	--	--	179.034	525.659	326	2.713	707.732
Loans(*)	3.036.288	3.849.812	2.920.235	3.762.600	500.399	52.083	14.121.417
Financial Assets Measured at Amortized Cost	20.635	--	--	104.133	238.331	--	363.099
Other Assets(**)	--	--	--	--	--	838.175	838.175
Total Assets	5.267.680	3.910.273	3.341.638	5.489.155	742.048	1.867.477	20.618.271
Liabilities							
Bank Deposits	538.394	12.950	--	--	--	88.411	639.755
Other Deposits	5.636.092	3.165.001	1.121.893	46.253	--	704.232	10.673.471
Interbank Money Market Received	16.694	434.228	45.014	--	--	--	495.936
Sundry Creditors	--	--	--	--	--	699.054	699.054
Marketable Securities Issued(***)	204.462	365.965	--	2.868.301	--	--	3.438.728
Funds Borrowed From Other Institutions	195.549	627.885	515.778	--	--	--	1.339.212
Other Liabilities(****)	106.774	52.553	114.431	1.241.850	645	1.815.862	3.332.115
Total Liabilities	6.697.965	4.658.582	1.797.116	4.156.404	645	3.307.559	20.618.271
Balance Sheet Long Position	--	--	1.544.522	1.332.751	741.403	--	3.618.676
Balance Sheet Short Position	(1.430.285)	(748.309)	--	--	--	(1.440.082)	(3.618.676)
Off-Balance Sheet Long Position	--	--	--	288.045	--	20.330.867	20.618.912
Off-Balance Sheet Short Position	--	--	--	(288.045)	--	(20.244.305)	(20.532.350)
Total Position	(1.430.285)	(748.309)	1.544.522	1.332.751	741.403	(1.353.520)	86.562

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

(**) Non-interest bearing column includes TL 31.842 investments in associates, TL 256.817 tangible assets, TL 35.001 intangible assets, TL 79.352 tax assets, TL 215.235 non-current assets held for sale and TL 223.889 other assets.

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

(****) Non-interest bearing column includes TL 1.321.872 shareholders' equity, TL 348.730 other liabilities, TL 463 finance lease liabilities, TL 109.511 provisions and TL 39.376 tax liabilities.

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

Current Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	5,00
Banks	--	--	--	15,43
Financial Assets at Fair Value Through Profit/ Loss	2,43	6,30	--	28,55
Interbank Money Market Placements	--	--	--	16,26
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,27	5,45	--	8,65
Loans	6,19	6,69	--	21,25
Financial Assets Measured at Amortized Cost	5,22	--	--	13,99
Liabilities				
Bank Deposits	--	2,21	--	15,21
Other Deposits	0,62	2,97	--	17,89
Interbank Money Market Received	0,47	3,74	--	--
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	6,97	--	18,53
Funds Borrowed from Other Financial Institutions	3,20	4,64	--	15,78

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

Prior Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	2,00	--	13,00
Banks	--	--	--	23,89
Financial Assets at Fair Value Through Profit/ Loss	2,04	5,34	--	24,37
Interbank Money Market Placements	--	--	--	24,81
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,43	5,39	--	8,38
Loans	6,25	7,91	--	24,82
Financial Assets Measured at Amortized Cost	--	--	--	8,96
Liabilities				
Bank Deposits	--	2,45	--	22,46
Other Deposits	1,66	4,65	--	23,96
Interbank Money Market Received	0,80	4,53	--	--
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	6,95	--	24,76
Funds Borrowed from Other Financial Institutions	3,15	4,00	--	10,76

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

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

The Bank has no position risk of equity shares as of 30 September 2019 (31 December 2018: None).

VI. Explanations on liquidity risk and liquidity coverage ratio

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

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

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

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

Information on the use of stress testing

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

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

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

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VI. Explanations on liquidity risk and liquidity coverage ratio (continue)

Current Period	Total Unweighted Value *		Total Weighted Value *	
	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)			2.653.529	2.230.583
CASH OUTFLOWS				
2 Deposits from natural persons and retail deposits	9.229.822	4.423.222	863.998	442.319
3 Stable deposits	1.179.586	--	59.040	--
4 Less stable deposits	8.050.236	4.423.222	804.958	442.319
5 Unsecured funding except for retail deposits and deposits from natural persons, of which:	3.448.348	1.488.584	1.900.424	958.322
6 Operational deposits	--	--	--	--
7 Non-Operational deposits	1.970.378	908.168	788.325	363.196
8 Other unsecured funding	1.477.970	580.416	1.112.099	595.126
9 Secured funding	--	--	129.855	129.855
10 Other cash outflows	2.237.980	826.121	524.480	327.198
11 Outflows related to derivative exposures and other collateral requirements	301.985	271.248	301.765	271.013
12 Outflows related to restructured financial instruments	--	--	--	--
13 Payment commitments granted for debts to financial markets and other off-balance sheet commitments	1.935.994	554.873	222.715	56.185
14 Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15 Other irrevocable or conditionally revocable off-balance sheet obligations	39.842	35	39.844	36
16 TOTAL CASH OUTFLOWS			3.458.600	1.857.730
CASH INFLOWS				
17 Secured receivables	20.104	20.104	14.099	14.099
18 Unsecured receivables	2.021.157	435.625	1.416.499	289.026
19 Other cash inflows	83.689	53.104	83.737	53.139
20 TOTAL CASH INFLOWS	2.124.950	508.833	1.514.335	356.264
21 TOTAL HQLA			2.653.529	2.230.583
22 TOTAL NET CASH OUTFLOWS			1.944.265	1.501.466
23 LIQUIDITY COVERAGE RATIO (%)			136,48	148,56

* 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 (continue)

Prior Period	Total Unweighted Value *		Total Weighted Value *	
	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)			2.322.158	1.931.358
CASH OUTFLOWS				
2 Deposits from natural persons and retail deposits	7.929.540	3.318.673	751.133	331.758
3 Stable deposits	835.702	--	41.777	--
4 Less stable deposits	7.093.838	3.318.673	709.356	331.758
5 Unsecured funding except for retail deposits and deposits from natural persons, of which:	3.617.398	1.884.445	2.405.586	1.398.972
6 Operational deposits	--	--	--	--
7 Non-Operational deposits	1.608.133	629.016	642.227	251.933
8 Other unsecured funding	2.009.265	1.255.429	1.763.359	1.147.039
9 Secured funding	--	--	180.986	180.986
10 Other cash outflows	1.935.006	614.944	371.324	157.352
11 Outflows related to derivative exposures and other collateral requirements	181.684	108.085	183.395	109.160
12 Outflows related to restructured financial instruments	--	--	--	--
13 Payment commitments granted for debts to financial markets and other off-balance sheet commitments	1.753.322	506.859	187.929	48.192
14 Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15 Other irrevocable or conditionally revocable off-balance sheet obligations	33.761	110	33.903	110
16 TOTAL CASH OUTFLOWS			3.742.933	2.069.177
CASH INFLOWS				
17 Secured receivables	35.572	34.572	29.038	29.038
18 Unsecured receivables	3.228.634	801.540	2.185.439	702.364
19 Other cash inflows	185.132	148.759	186.439	149.854
20 TOTAL CASH INFLOWS	3.448.338	984.872	2.400.916	881.256
21 TOTAL HQLA			2.322.158	1.931.358
22 TOTAL NET CASH OUTFLOWS			1.342.017	1.187.921
23 LIQUIDITY COVERAGE RATIO (%)			173,03	162,58

* 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 (continue)

The table below shows the lowest, highest and average Liquidity Cover Ratio in the last 3 months of the 1 January - 30 September 2019 period.

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	197,88%	29/07/2019	113,76%	01/07/2019	137,58%
FC	237,90%	31/07/2019	108,32%	19/09/2019	153,60%
Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	255,22%	09/11/2018	133,07%	30/11/2018	174,10%
FC	264,40%	09/11/2018	114,14%	31/12/2018	166,86%

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

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VI. Explanations on liquidity risk and liquidity coverage ratio (continue)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated	Total
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	969.457	1.453.494	--	--	--	--	--	2.422.951
Banks	101.226	674.790	--	--	--	--	--	776.016
Financial Assets at Fair Value Through Profit or Loss	--	67.785	--	271.909	585.443	751	--	925.888
Interbank Money Market Placements	--	600.267	--	--	--	--	--	600.267
Financial Assets Available-for-Sale	3.314	49.186	--	114.563	620.532	15.734	--	803.329
Loans (*)	--	1.847.171	2.239.938	5.297.072	4.430.504	651.287	57.579	14.523.551
Financial Assets Measured at Amortized Cost	--	63.367	--	--	140.241	398.957	--	602.565
Other Assets(**)	--	--	--	--	--	--	890.806	890.806
Total Assets	1.073.997	4.756.060	2.239.938	5.683.544	5.776.720	1.066.729	948.385	21.545.373
Liabilities								
Bank Deposits	116.363	385.873	--	--	--	--	--	502.236
Other Deposits	1.616.774	8.734.597	1.746.100	609.778	7.730	--	--	12.714.979
Funds Borrowed from Other Financial Institutions	--	86.135	202.701	242.891	427.132	--	--	958.859
Interbank Money Market Received	--	243.559	347.875	119.860	--	--	--	711.294
Marketable Securities Issued(***)	--	103.874	82.871	246.803	1.241.895	1.528.778	--	3.204.221
Sundry Creditors	--	469.455	--	--	--	--	--	469.455
Other Liabilities(****)	--	267.970	12.629	163.456	650.414	738	1.889.122	2.984.329
Total Liabilities	1.733.137	10.291.463	2.392.176	1.382.788	2.327.171	1.529.516	1.889.122	21.545.373
Net Liquidity Surplus / (Gap)	(659.140)	(5.535.403)	(152.238)	4.300.756	3.449.549	(462.787)	(940.737)	--
Net Off-Balance Sheet Position								
Derivative Financial Assets	--	20.098	75.976	26.002	70.769	--	--	192.845
Derivative Financial Liabilities	--	3.748.872	5.005.461	2.637.307	4.358.338	--	--	15.749.978
Non-Cash Loans	--	90.577	153.148	324.861	77.551	272.117	--	918.254
Prior Period								
Total Assets	974.091	5.218.850	2.366.949	5.260.928	5.354.771	552.424	890.258	20.618.271
Total Liabilities	792.643	7.740.990	4.236.091	2.041.090	2.801.581	1.564.578	1.441.298	20.618.271
Net Liquidity Gap	181.448	(2.522.140)	(1.869.142)	3.219.838	2.553.190	(1.012.154)	(551.040)	--
Net Off-Balance Sheet Position	--	(11.408)	(23.834)	127.481	(6.816)	(350)	--	85.073
Derivative Financial Assets	--	7.823.307	1.934.703	2.438.061	6.878.019	5.260	--	19.079.350
Derivative Financial Liabilities	--	7.834.715	1.958.537	2.310.580	6.884.835	5.610	--	18.994.277
Non-Cash Loans	--	63.245	70.059	379.523	77.337	281.386	--	871.550

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

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

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

(****) 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 (continue)

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

Bank's unconsolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 6,38%. The decrease in the ratio is due to the increase in total risk. Minimum leverage ratio has to be 3% according to the regulation.

	Balance sheet assets	Current Period(*)	Prior Period(*)
1	Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	21.479.315	19.228.962
2	(Assets deducted in determining Tier 1 capital)	(125.108)	(399.525)
3	Total balance sheet risks (sum of lines 1 and 2)	21.354.207	18.829.437
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative financial instruments and credit derivatives	232.688	534.882
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	286.207	383.359
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	518.895	918.241
	Securities or commodity financing transactions (SCFT)		
7	Risks from SCFT assets (except for on-balance sheet)	1.211.853	607.250
8	Risks from brokerage activities related exposures	--	--
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	1.211.853	607.250
	Off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	3.066.038	4.313.214
11	(Adjustments for conversion to credit equivalent amounts)	--	--
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	3.066.038	4.313.214
	Capital and total risks		
13	Tier 1 capital	1.708.957	1.593.630
14	Total risks (sum of lines 3, 6, 9 and 12)	26.150.993	24.668.142
	Leverage ratio		
15	Leverage ratio	6,54	6,48

(*)Represents three-month average amounts.

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VII. Explanations on segment reporting

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

	Retail Banking(*)	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period -1 Ocak - 30 Eylül 2019				
Operating Income	173.680	630.809	161.776	966.265
Operating Profit	(105.423)	309.839	(18.431)	185.985
Taxation				(24.371)
Net Profit/(Loss) for the Period				161.614
Current Period -30 Eylül 2019				
Segment Assets	2.022.623	12.443.349	7.079.401	21.545.373
Total Assets				21.545.373
Segment Liabilities	9.993.107	2.721.872	7.228.258	19.943.237
Shareholders' Equity				1.602.136
Total Liabilities				21.545.373

(*) January and February performance of SME segment, which has been reclassified as commercial segment as of March 2019, has been reported under Retail Banking column.

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period -1 Ocak - 30 Eylül 2018				
Operating Income	214.789	451.757	321.978	988.524
Operating Profit	(55.935)	178.887	89.624	212.576
Taxation				(33.341)
Net Profit/(Loss) for the Period				179.235
Prior Period -31 Aralık 2018				
Segment Assets	3.528.275	10.541.060	6.548.936	20.618.271
Total Assets				20.618.271
Segment Liabilities	8.020.416	2.653.055	8.622.928	19.296.399
Shareholders' Equity				1.321.872
Total Liabilities				20.618.271

FIFTH SECTION

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosure related to the assets

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	41.615	149.533	37.341	100.990
Balances with the Central Bank of Turkey	181.838	2.049.965	366.313	1.259.918
Other	--	--	--	--
Total	223.453	2.199.498	403.654	1.360.908

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	174.460	603.847	80.959	511.053
Unrestricted Time Deposits	7.378	463.770	285.354	--
Restricted Time Deposits	--	982.348	--	748.865
Total	181.838	2.049.965	366.313	1.259.918

According to the communiqué No: 2005/1 on "Reserve Deposits" of CBRT, banks operating in Turkey are required to keep reserve deposit at the rates varying from 1% - 7% (31 December 2018: 1,5%-8%) for TL liabilities and at the rates 5% - 21% (31 December 2018: 4%-20%) for FC liabilities, especially USD and EUR, depending on maturities of liabilities.

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable	23.301	--	21.934	--
Total	23.301	--	21.934	--

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

As of 30 September 2019, financial assets at fair value through profit or loss not given as collateral or not blocked is TL 69.323 (31 December 2018: TL 48.868).

Loans recognized at fair value through profit or loss

As of 30 September 2019, loans recognized at fair value through profit or loss is TL 1.715.793 (31 December 2018: TL 1.516.819).

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

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

None.

2.3 Positive differences relating to derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	73.032	--	98.585	--
Swap Transactions	457.170	--	1.015.077	--
Futures Transactions	--	--	--	--
Options	184.077	30.758	341.061	26.033
Other	--	--	--	--
Total	714.279	30.758	1.454.723	26.033

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

3. Information on Banks
3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	685.088	797	731.127	339
Foreign	1.818	88.313	281	233.766
Foreign head-offices and branches	--	--	--	--
Total	686.906	89.110	731.408	234.105

3.2 Due from foreign banks

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable	11.394	774.164	7.399	642.487
Other	--	--	--	--
Total	11.394	774.164	7.399	642.487

As of 30 September 2019, financial assets valued at fair value through other comprehensive income that are not given as collateral or not blocked is TL 17.771 (31 December 2018: TL 54.452).

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

	Current Period	Prior Period
Debt instruments	802.635	729.908
Quoted on Stock Exchange	802.635	729.908
Unquoted on Stock Exchange	--	--
Share certificates	3.314	2.713
Quoted on Stock Exchange	3.314	2.713
Unquoted on Stock Exchange	--	--
Impairment provision (-)	2.620	28.283
Total	803.329	704.338

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans to Shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	4.689	--	4.695	--
Total	4.689	--	4.695	--

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

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Non-restructured	Restructured	
			Revised Contract Terms	Refinanced
Loans	12.362.486	1.084.233	878.838	140.415
Working Capital Loans	6.438.007	483.624	331.061	89.724
Export Loans	--	--	2.898	697
Import Loans	--	--	--	--
Loans to Financial Sector	247.797	831	90	--
Consumer Loans	1.363.611	66.194	4.671	940
Credit Cards	28.134	9.638	--	--
Others	4.284.937	523.946	540.118	49.054
Specialization Loans	--	--	--	--
Other Receivables	--	--	--	--
Total (*)	12.362.486	1.084.233	878.838	140.415

(*) Amounting to TL 3.170 factoring receivables and TL 1.175.793 financial loans at fair value through profit or loss are also included.

Current Period	Standart Krediler	Yakın İzlemedeki Krediler
12-month Expected Credit Losses	101.140	--
Significant Increase in Credit Risk	--	188.804
Total	101.140	188.804

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

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

5.2 *Information on Loans under Close Monitoring that are restructured with Standard Loans and Close Monitoring Loans (continue)**The overdue analysis of close monitoring loans*

Current Period	Commercial Loans	Consumer Loans	Total
1-30 days	298.807	4.712	303.519
31-60 days	115.415	27.779	143.194
61-90 days	188.930	23.458	212.388
Total	603.152	55.949	659.101

Prior Period	Commercial Loans	Consumer Loans	Total
1-30 days	386.041	10.253	396.294
31-60 days	389.118	30.760	419.878
61-90 days	194.827	23.645	218.472
Total	969.986	64.658	1.034.644

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

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

	Short-Term	Medium or Long	Total
Consumer Loans-TL	587.345	803.018	1.390.363
Real Estate Loans	--	338.492	338.492
Vehicle Loans	--	1.251	1.251
General Purpose Loans	587.345	463.275	1.050.620
Other	--	--	--
Consumer Loans-Indexed to FC	--	14.354	14.354
Real Estate Loans	--	13.893	13.893
Vehicle Loans	--	--	--
General Purpose Loans	--	461	461
Other	--	--	--
Consumer Loans-FC	--	700	700
Real Estate Loans	--	700	700
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	6.930	--	6.930
With Installment	1.026	--	1.026
Without Installment	5.904	--	5.904
Individual Credit Cards-FC	52	--	52
With Installment	--	--	--
Without Installment	52	--	52
Loans Given to Employees-TL	428	3.456	3.884
Real Estate Loans	--	763	763
Vehicle Loans	--	--	--
General Purpose Loans	428	2.693	3.121
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Personnel Credit Cards - TL	796	--	796
With Installment	194	--	194
Without Installment	602	--	602
Personnel Credit Cards - FC	9	--	9
With Installment	--	--	--
Without Installment	9	--	9
Overdraft Loans-TL (Real Persons)	26.115	--	26.115
Overdraft Loans-FC (Real Persons)	--	--	--
Total	621.675	821.528	1.443.203

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I. Explanations and disclosure related to the assets (continued)
5.4 Information on commercial loans with installments and corporate credit cards

	Short-Term	Medium or Long Term	Total
Installment Commercial Loans - TL	481.789	2.876.278	3.358.067
Real Estate Loans	--	1.250	1.250
Vehicle Loans	6.499	60.955	67.454
General Purpose Loans	475.290	2.814.073	3.289.363
Other	--	--	--
Installment Commercial Loans - Indexed to FC	321	111.633	111.954
Real Estate Loans	--	56	56
Vehicle Loans	--	12.927	12.927
General Purpose Loans	321	98.650	98.971
Other	--	--	--
Installment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	29.985	--	29.985
With Installment	3.088	--	3.088
Without Installment	26.897	--	26.897
Corporate Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Legal Entities)	55.761	--	55.761
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	567.856	2.987.911	3.555.767

5.5 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	14.465.972	14.069.334
Total (*)	14.465.972	14.069.334

(*) Amounting to TL 3.170 factoring receivables (31 December 2018: TL 14.311) and TL 1.175.793 financial loans at fair value through profit or loss are also included (31 December 2018: TL 1.516.819).

5.6 Allocation of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	14.072.917	13.663.328
Foreign Loans	393.055	406.006
Total (*)	14.465.972	14.069.334

(*) Amounting to TL 3.170 factoring receivables (31 December 2018: TL 14.311) and TL 1.175.793 financial loans at fair value through profit or loss are also included (31 December 2018: TL 1.516.819).

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

The Bank does not have any loans granted to subsidiaries and associates as of 30 September 2019 (31 December 2018: None).

5.8 Provisions provided against loans (third stage)

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	103.167	107.976
Loans and Receivables with Doubtful Collectability	96.622	66.127
Uncollectible Loans and Receivables	200.949	121.732
Total	400.738	295.835

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

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period	391	1.718	3.399
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	391	1.718	3.399
Prior Period	89	4.308	14
Gross Amounts before Specific Provisions	--	--	--
Restructured Loans and Other Receivables	89	4.308	14

5.9.2 Movement on non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Balances at the End of Prior Period	203.821	167.547	250.495
Additions (+)	404.504	4.133	16.852
Transfers from Other Categories of Non-Performing Loans (+)	--	376.436	303.120
Transfers to Other Categories of Non-Performing Loans (-)	379.088	300.468	--
Collections (-)	36.366	29.989	59.043
Write-offs (-)	--	--	13.022
Sold (-) (*) (*)	16.875	70.252	73.544
Corporate and Commercial Loans	16.706	69.135	56.470
Retail Loans	35	144	8.459
Credit Cards	134	973	8.615
Other	--	--	--
Balances at End of the Period	175.996	147.407	424.858
Provisions (-)	103.167	96.622	200.949
Net Balance on Balance Sheet	72.829	50.785	223.909

(*) The loan amounting to TL 160.671 has been written off from assets by transferring to asset management company in 2019.

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I. Explanations and disclosure related to the assets (continued)
5.9.3 Information on non-performing loans and other receivables in foreign currencies

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Balance as of Period End	33.490	6.305	94.416
Provisions (-)	16.701	4.765	33.829
Net Balance on Balance Sheet	16.789	1.540	60.587
Prior Period			
Balance as of Period End	50.101	46.335	40.260
Provisions (-)	12.756	5.526	9.989
Net Balance on Balance Sheet	37.345	40.809	30.271

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	72.829	50.785	223.909
Loans Granted to Real Persons and Legal Entities (Gross)	175.996	147.407	424.858
Provisions (-)	103.167	96.622	200.949
Loans Granted to Real Persons and Legal Entities (Net)	72.829	50.785	223.909
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)	95.845	101.420	128.763
Loans Granted to Real Persons and Legal Entities (Gross)	203.821	167.547	250.495
Provisions (-)	107.976	66.127	121.732
Loans Granted to Real Persons and Legal Entities (Net)	95.845	101.420	128.763
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

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

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

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I. Explanations and disclosure related to the assets (continued)
6. Information on financial assets measured at amortized cost
6.1 Information on securities subject to repurchase agreement and given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable	184.416	354.863	188.864	90.518
Other	--	--	--	--
Total	184.416	354.863	188.864	90.518

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	184.416	354.863	188.864	174.168
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
Total	184.416	354.863	188.864	174.168

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt instruments	602.647	363.032
Quoted on Stock Exchange	602.647	363.032
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	602.647	363.032

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

	Current Period	Prior Period
Balance at the beginning of period	363.032	--
Foreign Exchange Difference in Monetary	--	--
Purchases during the year (*)	239.615	363.032
Disposals through Sales and Redemptions	--	--
Impairment provision (-)	--	--
Total	602.647	363.032

(*) According to TFRS 9 transaction, the related amount classified as “Financial Assets at Fair Value Through Other Comprehensive Income” to “Financial Assets Measured at Amortized Cost”.

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

I. Explanations and disclosure related to the assets (continued)**7. Information on associates**

The Bank has an investment amounting to TL 4.897 in an associate as of 30 September 2019 (31 December 2018: TL 4.897).

Company Name	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 26.945 investment in subsidiaries as of 30 September 2019 (31 December 2018: TL 26.945).

Non-financial subsidiaries

The Bank has TL 21.500 investment in a non-financial subsidiary as of 30 September 2019 (31 December 2018: TL 21.500).

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

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

Financial subsidiaries

The Bank has TL 5.445 investment in a financial subsidiary as of 30 September 2019 (31 December 2018: TL 5.445).

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

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

The information on financial subsidiaries as of 30 September 2019 is given below:

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
8.526	7.691	472	51	--	1.869	311	--

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

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I. Explanations and disclosure related to the assets (continued)**8. Information on subsidiaries (continued)**

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

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

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

Quoted consolidated investments insubsidiaries

None.

9. Information on entities under common control

The Bank does not have investments in entities under common control as of 30 September 2019.

10. Information on lease receivables

The Bank does not have lease receivables as of 30 September 2019.

11. Information on derivative financial assets held for hedging purposes

The Bank has TL 88.227 investment in derivative financial assets held for hedging purposes as of 30 September 2019 (31 December 2018: TL 201.839 liability).

The Bank's Asset Liability Committee aims to hedge the interest risk through hedging its TL denominated fixed rate credit portfolio with cross currency swaps by linking the high correlated part of the fair value changes of hedging instruments after prospective tests.

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

15. Information on deferred tax asset

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

As of 30 September 2019, the deferred tax assets amounting to TL 54.827 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2018: TL 79.305 deferred tax asset).

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

Current Period		
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	(233.671)	(49.293)
Unearned Commission Income/Prepaid Commission Expenses	6.583	1.448
Retirement Pay and Unused Vacation Provision	24.985	5.213
Tangible Assets Base Differences	(22.025)	(4.405)
Provisions	470.598	101.340
Other	2.033	524
Deferred Tax Asset/(Liability)	248.503	54.827
Prior Period		
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Loss	105.405	23.189
Financial Assets Valuation	(108.312)	(26.047)
Unearned Commission Income/Prepaid Commission Expenses	20.772	4.570
Retirement Pay and Unused Vacation Provision	23.259	4.895
Tangible Assets Base Differences	(17.841)	(3.568)
Provisions	353.131	75.366
Other	4.182	900
Deferred Tax Asset/(Liability)	380.596	79.305

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

	1 January - 30 September 2019	1 January - 31 December 2018
Deferred Tax Asset, 1 January	79.305	9.472
Deferred Tax Income / (Expense)	(16.916)	(41.161)
Deferred Tax Recognized Directly Under Equity	(7.562)	110.994
Deferred Tax Asset/(Liability) , Period End Balance	54.827	79.305

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I. Explanations and disclosure related to the assets (continued)**15.2 Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet**

None.

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 2019, the Bank has TL 154.114 assets held for sale (31 December 2018: TL 215.235).

17. Information on other assets

	Current Period	Prior Period
Receivables from clearing transactions	146.719	165.709
Prepaid Expenses	35.140	30.544
Sundry Debtors	20.760	16.472
Other	54.815	11.164
Total	257.434	223.889

17.1 Information on prepaid expenses, tax and similar items

As of 30 September 2019, total prepaid expenses are TL 35.140 (31 December 2018: TL 30.544).

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II. Explanations and disclosures related to liabilities

1. Information on deposits

1.1 Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	172.778	--	2.776.930	1.710.834	202.441	190.785	343.286	--	5.397.054
Foreign Currency Deposits	812.474	--	1.994.438	2.375.719	227.558	398.353	32.914	--	5.841.456
Residents in Turkey	739.486	--	1.985.665	2.369.365	227.255	397.926	32.834	--	5.752.531
Residents Abroad	72.988	--	8.773	6.354	303	427	80	--	88.925
Public Sector Deposits	408.144	--	--	--	--	--	--	--	408.144
Commercial Deposits	187.600	--	70.763	584.847	93.695	5.419	68.192	--	1.010.516
Other Ins. Deposits	1.853	--	4.070	17.379	13	233	336	--	23.884
Precious Metal Deposits	33.925	--	--	--	--	--	--	--	33.925
Interbank Deposits	116.363	--	259.581	126.292	--	--	--	--	502.236
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	65	--	237.774	--	--	--	--	--	237.839
Foreign Banks	47.694	--	21.807	126.292	--	--	--	--	195.793
Special Finan.Inst.	68.604	--	--	--	--	--	--	--	68.604
Other	--	--	--	--	--	--	--	--	--
Total	1.733.137	--	5.105.782	4.815.071	523.707	594.790	444.728	--	13.217.215

Prior Period

	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	96.239	--	738.810	1.592.139	1.257.139	478.607	321.611	--	4.484.545
Foreign Currency Deposits	395.655	--	883.617	2.656.753	216.034	123.331	197.448	--	4.472.838
Residents in Turkey	370.154	--	875.647	2.648.053	215.735	122.674	73.312	--	4.305.575
Residents Abroad	25.501	--	7.970	8.700	299	657	124.136	--	167.263
Public Sector Deposits	459	--	--	293	--	--	--	--	752
Commercial Deposits	197.452	--	341.316	690.137	169.870	90.089	124.025	--	1.612.889
Other Ins. Deposits	2.057	--	4.354	29.074	16.278	95	38.221	--	90.079
Precious Metal Deposits	12.368	--	--	--	--	--	--	--	12.368
Interbank Deposits	88.410	--	465.589	82.830	2.926	--	--	--	639.755
Central Bank of Turkey	--	--	273.793	--	--	--	--	--	273.793
Domestic Banks	14.938	--	157.837	--	2.926	--	--	--	175.701
Foreign Banks	37.903	--	33.959	82.830	--	--	--	--	154.692
Special Finan.Inst.	35.569	--	--	--	--	--	--	--	35.569
Other	--	--	--	--	--	--	--	--	--
Total	792.640	--	2.433.686	5.051.226	1.662.247	692.122	681.305	--	11.313.226

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II. Explanations and disclosures related to liabilities (continued)
1.2 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	2.461.868	1.208.164	2.915.887	3.253.366
Foreign Currency Saving Deposits	944.460	391.384	3.501.994	2.840.835
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
Total	3.406.328	1.599.548	6.417.881	6.094.201

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	24.938	37.448
Deposits of Chairman and Members of the Board of Directors and their Close		
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	26.444	21.379
Saving Deposits in Banks Established in Turkey Exclusively for Off	--	--
Shore Banking Activities	--	--

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	73.231	--	101.503	--
Swap Transactions	322.806	--	846.126	--
Futures Transactions	--	--	--	--
Options	184.408	30.552	340.718	26.067
Other	--	--	--	--
Total	580.445	30.552	1.288.347	26.067

(*) Derivatives for hedging purpose are excluded.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	--	--	--	--
From Domestic Banks and Institutions	12.575	551.756	10.298	255.075
From Foreign Banks, Institutions and Funds	--	394.528	--	1.073.839
Total	12.575	946.284	10.298	1.328.914

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1 JANUARY 2019-30 SEPTEMBER 2019**

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

II. Explanations and disclosures related to liabilities (continued)
3.2 Maturity analysis of borrowing

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	12.575	15.751	10.298	66.671
Medium and Long Term	--	930.533	--	1.262.243
Total	12.575	946.284	10.298	1.328.914

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

In the scope of normal banking operations, the Bank funds itself through the funds provided in the form of deposits, bank borrowings and bond issuance.

4. Information related with issued instruments

Current Period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	418.380	--	--	1.241.895
Book Value	417.579	--	--	1.255.639
Prior period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	519.481	--	--	1.304.630
Book Value	503.729	--	--	1.338.856

5. Other Liabilities

	Current Period	Prior Period
Sundry Creditors	469.455	699.054
Payables from clearing transactions	249.655	298.401
Other	59.120	46.239
Total	778.230	1.043.694

6. Obligations under financial lease

With the "TFRS 16 Leases" standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the "Lease Payables" as liability by lessees. Implementation and impacts on transition of TFRS 16 are presented in Note XXVII of Section Three.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	32.032	36.466	194	171
Between 1-4 Years	57.344	34.007	313	292
More than 4 Years	3.884	980	--	--
Total	93.260	71.453	507	463

II. Explanations and disclosures related to liabilities (continued)**7. Information on derivative financial liabilities for hedging purposes**

As of 30 September 2019, derivative financial liabilities for hedging purposes is TL 124.581 (31 December 2018: TL 201.839).

8. Information on provisions**8.1 Foreign exchange losses on the foreign currency indexed loans and finance lease receivables**

The foreign exchange losses on foreign currency indexed loans are netted off from the loans on the balance sheet. As of 30 September 2019, foreign exchange losses on the foreign currency indexed loans is TL 5 (31 December 2018: None).

8.2 The specific provisions provided for unindemnified non cash loans

As of 30 September 2019, the specific provision provided for unindemnified non cash loans is TL 11.094 (31 December 2018: TL 5.215).

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

	Current Period	Prior Period
Provisions for Possible Losses	170.000	65.000

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

None.

8.3.3 Explanations on reserves for employee benefits

As of 30 September 2019, reserves for employee benefits amounting to TL 24.985 (31 December 2018: TL 23.259) comprise of TL 14.188 reserve for employee termination benefits (31 December 2018: TL 11.116), TL 3.892 unused vacation pay liability (31 December 2018: TL 3.238) and TL 6.905 personnel premium accrual (31 December 2018: TL 8.905).

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

II. Explanations and disclosures related to liabilities (continued)**9. Explanations on Tax Liability****9.1 Explanations on current tax liability****9.1.1 Explanations on tax provision**

As of 30 September 2019, the Bank's current tax liability is TL 51.420 (31 December 2018: TL 39.376).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	3.573	--
Taxation on securities	22.814	14.434
Property tax	392	366
Banking and Insurance Transaction Tax (BITT)	14.309	15.265
Taxes on foreign exchange transactions	465	--
Value added taxes payable	697	815
Income tax ceased from wages	3.895	3.759
Other	490	660
Total	46.635	35.299

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	2.033	1.725
Social Security Premiums- Employer	2.328	1.991
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	141	120
Unemployment Insurance- Employer	283	241
Other	--	--
Total	4.785	4.077

9.2 Explanations on deferred tax liabilities

There are no deferred tax liabilities after netting of deferred tax assets (31 December 2018: None).

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

None (31 December 2018: None).

11. Explanations on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments subject to common equity	86.239	--	--	--
Subordinated loans	--	--	--	--
Subordinated debt instruments* (*)	86.239	--	--	--
Debt instruments subject to Tier 2 equity	--	1.531.003	--	1.596.143
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	1.531.003	--	1.596.143
Total	86.239	1.531.003	--	1.596.143

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

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

II. Explanations and disclosures related to liabilities (continued)

12. Information on shareholders' equity

12.1 *Paid-in capital*

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

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

Registered share capital system is not applied.

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

None.

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

None.

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

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

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

None.

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

The Bank does not have any preferred shares.

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

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

	Current Period	Prior Period
Number of Shares (Thousand)	26.230.098	26.230.098
Number of Privileged Shares	--	--
Share Premium	128.678	128.678
Share Cancellation Profits	--	--
Other Equity Instruments	--	--

12. Information on shareholders' equity (continued)

12.9 *Information on marketable securities value increase fund*

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	2.732	3.107	(363)	(26.209)
Exchange Difference	--	--	--	--
Total	2.732	3.107	(363)	(26.209)

II. Explanations and disclosures related to liabilities (continued)**12.10 Information on other capital reserves**

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

The first call date of the debt instrument is 13 March 2024. Currently the annual interest rate is 23,6% (with quarterly coupon payments). The Bank has the option of not paying any interest. If the Bank uses this option, the Bank has no obligation of paying this amount in following periods.

12.11 Information on revaluation reserve

None.

12.12 Bonus shares of subsidiaries, associates and joint ventures

None.

12.13 Information on legal reserves

	Current Period	Prior Period
Legal Reserves	31.719	21.886
Special Reserves	--	--

12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	252.629	388.400
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

In the Ordinary General Assembly Meeting of the Bank, which was held on 27 March 2019, it was decided to set off the accumulated loss to extraordinary legal reserve.

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III. Explanations and disclosures related to off-balance sheet contingencies and commitments**1. Information on off-balance sheet commitments****1.1 Nature and amount of irrevocable loan commitments**

	Current Period	Prior Period
Asset Sale and Purchase Commitments	1.145.900	3.077.634
Credit Card Limit Commitments	33.251	85.881
Credit Card and Bank Trans. Promo. Guarantee	2	1
Commitments for Credit Allocation with the Guarantee of Usage	883.104	615.901
Export Commitments	5.507	6.502
Commitment for Cheques	182.162	199.635
Other Irrevocable Commitments	14.670	13.659
Total	2.264.596	3.999.213

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	385.993	419.207
Letters of Guarantee FC	273.639	266.723
Letters of Credit	96.797	56.195
Bills of Exchange and Acceptances	161.825	129.425
Total	918.254	871.550

The Bank has set aside TL 12.127 of expected credit loss allowance for non-cash loans.

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	26.624	1.811
Irrevocable Letters of Guarantee	588.511	623.944
Letters of Guarantee Given in Advance	24.796	36.898
Letters of Guarantee Given to Customs	876	2.209
Other Letters of Guarantee	18.825	21.068
Total	659.632	685.930

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	7.763	14.403
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	7.763	14.403
Other Non-Cash Loans	910.491	857.147
Total	918.254	871.550

- III. Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)**
- 3. Information on sectoral risk concentrations of non-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”.
- 4. Information on the first and second group of non-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”.
- 5. Information related to derivative financial instruments**
- 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”.
- 6. Credit derivatives and risk exposures on credit derivatives**
- None.
- 7. Explanations on contingent liabilities and assets**
- The bank recognised a provision of TL 2.222 for the legal cases pending against the Bank where the cash out flows are probable (31 December 2018: TL 2.156).
- 8. Custodian and intermediary services**
- The Bank provides trading and safe keeping services in the name and account of third parties. Such transactions are presented in off-balance statements.

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

IV. Explanations and disclosures related to the statement of profit or loss
1. Interest income
1.1 Information on interest on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans(*)	1.441.157	290.911	1.359.174	295.511
Short Term Loans	859.086	66.736	833.887	38.775
Medium and Long Term Loans	582.071	224.175	525.287	256.736
Interest on Non-Performing Loans	7.503	--	3.234	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	1.448.660	290.911	1.362.408	295.511

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

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	4.670	--	54.270	--
Domestic Banks	93.224	335	50.437	679
Foreign Banks	--	1.385	--	272
Branches and Head Office Abroad	--	--	--	--
Total	97.894	1.720	104.707	951

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	2.967	57	1.944	212
Financial Assets at Fair Value Through Other Comprehensive Income	672	31.798	1.776	28.603
Financial Assets Measured at Amortized Cost	19.498	12.632	11.612	--
Total	23.137	44.487	15.332	28.815

1.4 Information on interest income received from associates and subsidiaries

None (30 September 2018: None).

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

IV. Explanations and disclosures related to the statement of profit or loss (continued)
2. Interest expense
2.1 Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	1.060	25.822	1.001	52.555
The Central Bank of Turkey	--	--	--	--
Domestic Banks	1.060	15.451	993	8.628
Foreign Banks	--	10.371	8	43.927
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	111.772	--	118.497
Total	1.060	137.594	1.001	171.052

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

2.2 Information on interest expenses to associates and subsidiaries

Total interest expense given to subsidiaries is TL 121 (1 January - 30 September 2018: TL 859).

2.3 Information on interest expenses to marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	86.569	59.029	148.140	61.235

2.4 Information maturity structure of deposits

Account Description	Demand Deposits	Time Deposits					Cumulati ve	Total
		Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 6 Year	1 Year and Over		
Turkish Lira								
Bank Deposits	--	14.854	--	--	--	--	--	14.854
Saving Deposits	--	236.273	219.021	66.928	56.059	58.819	--	637.100
Public Sector Deposits	--	101	24	--	--	--	--	125
Commercial Deposits	--	31.713	146.039	12.044	9.379	13.546	--	212.721
Other	--	534	7.509	598	35	794	--	9.470
7 Days Notice	--	--	--	--	--	--	--	--
Total	--	283.475	372.593	79.570	65.473	73.159	--	874.270
Foreign Currency								
Foreign Currency Deposits	--	32.108	78.615	5.375	7.865	5.156	--	129.119
Bank Deposits	--	7.152	--	--	--	--	--	7.152
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
Total	--	39.260	78.615	5.375	7.865	5.156	--	136.271
Grand Total	--	322.735	451.208	84.945	73.338	78.315	--	1.010.541

3. Information on dividend income

None (30 September 2018: None).

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IV. Explanations and disclosures related to the statement of profit or loss (continued)
4. Information on net trading income / loss

	Current Period	Prior Period
Income	1.212.485	3.705.225
Gains on Capital Market Operations	59.631	12.349
Gains on Derivative Financial Instruments	772.284	2.311.653
Foreign Exchange Gains	380.570	1.381.223
Loss (-)	1.138.730	3.548.155
Losses on Capital Market Operations	2.644	1.647
Losses on Derivative Financial Instruments	782.660	2.166.316
Foreign Exchange Losses	353.426	1.380.192
Net Trading Income / (Loss)	73.755	157.070

5. Information on other operating income

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

6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	299.613	339.515
12 Month Expected Credit Losses (Stage 1)	4	13.076
Significant Increase In Credit Risk (Stage 2)	19.335	67.228
Impaired Credits (Stage 3)	280.274	259.211
Impairment Losses on Marketable Securities	--	--
Financial Assets Valued at Fair Value Through Profit or Loss	--	--
Financial Assets Valued at Fair Value Through Other Comprehensive Income	--	--
Impairment Losses on Associates, Subsidiaries and Joint Ventures	--	--
Associates	--	--
Subsidiaries	--	--
Joint-Ventures	--	--
Other (*)	105.081	101.534
Total	404.694	441.049

(*) TL 105.000 of the total amount consists of provisions for possible losses. (30 September 2018: TL 91.500)

7. Information related to other operational expenses

	Current Period	Prior Period
Provision for Employee Termination Benefits	3.072	2.250
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	30.120	9.081
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	8.980	4.006
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	138
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	81.661	93.487
Operational leases expenses related with TFRS 16 exceptions (*) (*)	701	30.354
Repair and Maintenance Expenses	2.246	2.176
Advertisement Expenses	6.790	11.244
Other Expenses	71.924	49.713
Losses on Sale of Assets	1.579	475
Other	58.664	53.184
Total	184.076	162.621

(*) 30 September 2018 amounts include all operational leases expenses.

IV. Explanations and disclosures related to the statement of profit or loss (continued)**8. Information on profit/loss before tax from continued and discontinued operations**

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

9. Explanations on tax provision for resumed operations and discontinued operations**9.1 Current period taxation income or expense and deferred tax income or expense**

As of 30 September 2019, the Bank provided current tax expense of TL 7.455 (1 January - 30 September 2018: TL 3 expense).

The deferred tax expense of the Bank is TL 16.916 (1 January - 30 September 2018: TL 33.338 deferred tax expense).

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

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

11. Information on net profit/loss for the period**11.1 *The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period***

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

11.2 *Changes in estimations made by the Bank with respect to the financial statement items do not have a material effect on profit/loss***11.3 *As there is no minority share in shareholders' equity, there is no profit or loss attributable to the minority shares*****12. If “other” lines of the statement of profit or loss exceeds 10% of the period profit/loss, information on components making up at least 20% of “other” items**

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

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

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

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, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	20	402.272	55.468
Balance at the End of the Period	--	--	--	20	402.792	56.125
Interest and Commission Income Received	--	--	--	--	27.019	82

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

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

Prior period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	22	11.556	48.284
Balance at the End of the Period	--	--	--	20	402.272	55.468
Interest and Commission Income Received	--	--	--	--	35.222	105

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

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

1.2 Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	1.859	4.840	80.750	300.055	460.871	409.339
Balance at the End of the Period	5.539	1.859	16.312	80.750	283.015	460.871
Deposit Interest Expense	121	859	18.469	5.738	41.963	34.878

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

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

V. Explanations and disclosures on the risk group of the Bank (continued)**1.3 Information on funds obtained from the Bank's risk group**

As of 30 September 2019, there are no funds other than deposit obtained from Bank's risk group (31 December 2018: TL 210.925 fund amount other than deposit ; that fund amount other than deposit has obtained from IFC and EBRD in the form of borrowings).

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	780.609	899.553
Balance at the End of the Period	--	--	--	--	839.190	780.609
Total Income/Loss	--	--	--	--	(33.559)	(25.764)
Transactions for Hedging Purposes:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

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

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

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

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

As of 30 September 2019, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 2,77% (31 December 2018: 2,68%) and the ratio of the deposits of entities of risk group to total deposits is 2,31% (31 December 2018: 4,80%). There are no funds obtained from entities of risk group (31 December 2018:7,4%).

In current period benefits; such as salaries and bonuses; provided to the key management is TL 12.112 (1 January - 30 September 2018: TL 10.104).

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	66	1.566			
			Country of Incorporations		
Foreign Reprasantation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

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**

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

SECTION SIX

DISCLOSURES ON REVIEW REPORT

I. Disclosures on review report

The unconsolidated financial statements of the Bank as of 30 September 2019, have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (The Turkish member firm of KPMG International Cooperative) and a review report is presented before the accompanying financial statements.

II. Disclosures and footnotes prepared by independent auditors
None.

SECTION SEVEN**Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager****1. Brief History of Fibabanka A.Ş. and its Shareholder Structure**

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

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

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

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

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

On 31 March 2015, according to BOD's decision as of 5 March 2015, share capital was increased from TL 550.000 to TL 678.860 while TL 127.045 of the increase was provided by the subordinated loan granted by Fiba Holding A.Ş. which had been approved to be converted to capital and TL 1.815 of total capital was paid in cash by the other shareholders. Capital increase was recognised in financial statements following the completion of the legal procedures on 7 May 2015.

According to the Subscription Agreement signed on the date of 23 October 2015, by and between the Bank and International Finance Corporation ("IFC") and European Bank for Reconstruction and Development ("EBRD"), IFC and EBRD have separately subscribed an amount of including the share premium of TL 121.017 (TL 84.328 of said amount is the share capital; TL 36.689 is the share premium), which makes a total amount of TL 242.034 in the share capital of the Bank by way of capital increase.

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

As of 30 September 2019, the Bank's paid-in capital is TL 941.161 million.

As of 30 September 2019, The Bank's Shareholder Structure:

Commercial Title	Share Amount (Full basis TL)	Share Ratios (%)
Fiba Holding A.Ş.	673.573.216,14	71,57%
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	5.286.361,50	0,56%
TOTAL	941.160.553,25	100,00%

FİBABANKA A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2019-30 SEPTEMBER 2019**

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

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

Name	Duty	Responsibility Area	Date of Appointment	Educational Status	Professional Experience
Hüsnü Mustafa Özyeğin	Chairman of the Board of Directors		27 -Dec- 10	Graduate	44 years
Fevzi Bozer	Vice Chairman of the Board of Directors		27 -Dec- 10	Graduate	36 years
İsmet Kaya Erdem	Member of the Board of Directors		11 -Feb- 13	Undergraduate	68 years
Mehmet Güleşçi	Member of the Board of Directors		27 -Dec- 10	Graduate	35 years
Mevlüt Hamdi Aydın	Member of the Board of Directors		24 -Jan- 13	Undergraduate	36 years
Memduh Aslan Akçay	Member of the Board of Directors		13 -Apr- 16	Graduate	28 years
Hülya Kefeli	Member of the Board of Directors		15 -May-17	Undergraduate	34 years
Faik Onur Umut	Member of the Board of Directors		23 -Jan- 19	Undergraduate	34 years
Ömer Mert	General Manager, Member of the Board of Directors		18 -Jan- 17	Graduate	24 years
Elif Alsev Utku Özbey	Deputy General Manager	Financial Control and Financial Reporting	7 -Jan- 11	Graduate	25 years
Ahu Dolu	Assistant General Manager	Financial Institutions and Project Finance	1 -Dec- 15	Undergraduate	22 years
Turgay Hasdiker	Assistant General Manager	Credits	1 -Dec- 15	Undergraduate	28 years
Kerim Lokman Kuriş	Assistant General Manager	Corporate and Commercial Banking	1 -Dec- 15	Undergraduate	21 years
Orhan Hatipoğlu (**)	Assistant General Manager	Information Technologies, Banking Operations & Supporting Services	2 -Jan- 17	Undergraduate	27 years
Ömer Rifat Gencal (***)	Assistant General Manager	Treasury	1 -May-17	Undergraduate	27 years
Sezin Erken	Assistant General Manager	Consumer Banking & Funding Resource Management	10 -Agu- 17	Graduate	18 years
Gerçek Önal	Assistant General Manager	Chief Legal Officer	1 -Feb- 16	Graduate	19 years
Ahmet Cemil Borucu	Director	Board of Inspection	7 -Feb- 11	Graduate	21 years
Ayşe Tulgar Ayça	Director	Risk Management	15 -Mar-11	Graduate	20 years
Serdal Yıldırım	Director	Legislation and Compliance	6 -Apr- 11	Graduate	22 years
Kansu Pulular	Director	Internal Control & Operational Risk	2 -Jan- 17	Graduate	15 years

(*) Mr. Selçuk Yorgancıoğlu has resigned as of 30 September 2019.

(**) Mr. Adem Aykın has resigned as of 31 July 2019. Mr. Orhan Hatipoğlu has been assigned as Assistant General Manager in charge of Information Technologies, Banking Operations & Supporting Services as of 1 August 2019.

(***) Mr. Ömer Rifat Gencal has resigned as of 11 October 2019.

FİBABANKA A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2019-30 SEPTEMBER 2019**

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

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

Summary of Unconsolidated Balance Sheet		
(Thousand TL)	30/09/2019	31/12/2018
Cash and Cash Equivalents	3.798.597	3.035.790
Financial Assets Valued at Fair Value Through Profit or Loss	1.808.417	1.587.621
Financial Assets Valued at Fair Value Through Other Comprehensive Income	803.329	704.338
Derivative Financial Assets	833.264	1.480.756
Financial Assets Measured at Amortized Cost (Net)	13.410.323	12.967.630
Financial Assets Available for Sale (Net)	154.114	215.235
Investments in Associates, Subsidiaries and Joint Ventures	31.842	31.842
Tangible Assets (Net)	319.828	256.817
Intangible Assets (Net)	56.346	35.001
Current Tax Assets	17.052	47
Deffered Tax Assets	54.827	79.305
Other Assets	257.434	223.889
Total Assets	21.545.373	20.618.271
Deposits	13.217.215	11.313.226
Funds Borrowed	958.859	1.339.212
Money Market Funds	711.294	495.936
Securities Issued (Net)	1.673.218	1.842.585
Derivative Financial Liabilities	735.578	1.516.253
Lease Liabilities (Net)	71.453	463
Provisions	214.967	109.511
Current Tax Liabilities	51.420	39.376
Deffered Tax Liabilities	--	--
Subordinated Debts	1.531.003	1.596.143
Other Liabilities	778.230	1.043.694
Shareholders' Equity	1.602.136	1.321.872
Total Liabilities	21.545.373	20.618.271

FİBABANKA A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2019-30 SEPTEMBER 2019**

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

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

Summary of Unconsolidated Statement of Profit or Loss		
(Thousand TL)	<u>30/09/2019</u>	<u>30/09/2018</u>
Net Interest Income	618.595	585.236
Net Fees and Commission Income	154.002	52.408
Trading Income/ Loss (Net)	73.755	157.070
Other Operating Revenues	119.913	193.810
Total Operating Income	966.265	988.524
Expected Credit Losses (-)	299.613	339.515
Other Provision Expenses (-)	105.081	101.534
Personnel Expenses (-)	191.510	172.278
Other Operating Expenses (-)	184.076	162.621
Net Operating Income / Loss	185.985	212.576
Profit/Loss on Continuing Operations Before Tax	185.985	212.576
Tax Provision for Continuing Operations	(24.371)	(33.341)
Net Period Profit / Loss	161.614	179.235

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

As of September 2019, Fibabanka loan portfolio is TL 14,5 billion.

The Bank has funded its loan portfolio mainly by customer deposits in 2019. In this period, customer deposits amounting to TL 12,7 billion constitutes 59% of total liabilities. Besides customer deposits, efforts have been made to create alternative funding sources to deposit in order to diversify the funding structure, and TL-denominated securities with a total nominal value of TL 2,0 billion were issued in Turkey in the third quarter of the year. Also the Bank issued a TL-denominated debt instrument with a nominal amount of TL 100 million, which has Tier I capital characteristics to strengthen its equity base.

In the third quarter of 2019, by taking care of asset quality, it is aimed to continue having an efficient loan portfolio and higher non-interest income together with higher number of customers. In addition, by keeping the operating expenses under control, the Bank's profit has been achieved a steady growth. As a result the Bank's net profit in the first nine month of 2019 is TL 161,6 million. As an indicator of Bank's strong capital structure, unconsolidated capital adequacy ratio is 19,35% as of 30 September 2019.

Besides its financial targets, the Bank, with 66 branches and 1.566 employees, aims to offer increasingly new innovations through alternative distribution channels like internet and mobile banking with its operational targets like digitalization and inclusion.

In 2019, the Bank will continue its agile, efficient and customer focused growth by keeping its prudent and deliberate attitude against asset quality. In this sense, with the motto "agile thinking, agile solutions" and a personal attention to the customers, our main goals for the future are to increase our service quality by keeping our innovating and enterprising approach in all areas and to increase customer loyalty by being by side in all needs of our customers.

Hereby, we would like to thank our valued employees who work with dedication in our Bank and are the main architect of our business also in 2019, our valued partners, and our valued customers who have contributed to the strength of our Bank.

Best regards,

Hüsnü Mustafa Özyeğin
Chairman of the Board of Directors

Ömer Mert
General Manager and Member of the Board of Directors

5. Evaluations Relating to the Bank's Financial Situation

As of 30 September 2019, the Bank serves with 66 domestic branches and 1.566 employees.

Total assets of Fibabanka, as of the third quarter of 2019 realised as TL 21.545.373 on unconsolidated basis.

According to unconsolidated financial statements, the loan volume, which was TL 14.121.417 at the end of 2018, has been realised as TL 14.523.551 as of the third quarter of the year. Share of the loans in total assets has been realised as 67%.

Credit worthiness of loans and other receivables are monitored continuously in accordance with related laws and regulations. For new credits disbursed, the Bank complies with the limits determined under the Banking Laws and Regulations. Collaterals are taken for the loans disbursed in order to mitigate risk. According to unconsolidated financial statements, as of the third quarter of 2019, NPLs have been realised as TL 748.261 and provisions provided in the amount of TL 400.378.

According to unconsolidated financial statements, financial assets valued at fair value through profit or loss have been realised as TL 92.624, financial assets valued at fair value through other comprehensive income have been realised as TL 803.329 and financial assets measured at amortized cost have been realised as TL 602.565. Ratio of total securities portfolio to total assets is 7%.

As of third quarter of 2019, the unconsolidated deposit volume has been realised as TL 13.217.215.

According to the unconsolidated financial statements, in the third quarter of 2019 net profit is TL 161.614.

As of 30 September 2019, the Bank's unconsolidated capital adequacy ratio is 19,35%.