

Fibabanka Anonim Őirketi

Unconsolidated Financial Statements
as of and for the Nine-Month Period Ended
30 September 2020

With Independent Auditors'
Review Report Thereon

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

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

To the Board of Directors of Fibabanka Anonim Şirketi,

Introduction

We have reviewed the unconsolidated statement of financial position of Fibabanka A.Ş. (“the Bank”) as at 30 September 2020 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 this 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 Agency and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 “Interim Financial Reporting” for the matters not regulated by the aforementioned regulations (together referred as “BRSA Accounting and Financial Reporting Legislation”). Our responsibility is to express a conclusion on this 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 2020 includes a general reserve of total of TL 170.000 thousands of which TL 125.500 thousands was recognized as expense within the current period and TL 44.500 thousands had been recognized as expense in prior periods; with a deferred tax asset amounting to TL 37.400 thousands of which TL 27.610 thousands was recognized within the current period and TL 9.790 thousands had been recognized in prior periods; for the possible effects of the negative circumstances which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Financial Reporting Legislation.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information does not present fairly, in all material respects, the unconsolidated financial position of Fibabanka A.Ş. as at 30 September 2020 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.

Report on Other Regulatory Requirements Arising From Legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the interim activity report in Section VII of the accompanying unconsolidated 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

10 November 2020
İstanbul, Turkey


**THE UNCONSOLIDATED FINANCIAL REPORT OF
FİBABANKA A.Ş.
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

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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 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 reviewed and presented as attached.

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

Information related to personnel to whom questions related to this financial report may be directed:
Name-Surname/Title : **Ayşe Akdaş** / Financial Control and Reporting Director
Telephone Number : (212) 381 84 88
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FİBABANKA A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2020 - 30 SEPTEMBER 2020

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

SECTION ONE

GENERAL INFORMATION

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

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

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

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

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

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

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

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

Credit Europe Bank N.V.’s share of capital increased from 95% to 97,6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97,6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2,4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. There were sales of equity shares to the management of the Bank in 2013. As of 30 September 2020 the total shares held by the Bank’s Management represent 0,54% of the Bank’s Capital.

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

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

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

As of 30 September 2020, paid-in capital of the Bank is TL 941.161 and all paid in.

FİBANKA A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2020 - 30 SEPTEMBER 2020

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

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

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

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

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

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

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

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

FİBABANKA A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2020 - 30 SEPTEMBER 2020

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

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

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

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

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

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 30 September 2020, the Bank serves with 58 domestic branches and 1.663 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 2020 - 30 September 2020

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

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

None.

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

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

AS AT 30 SEPTEMBER 2020

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

ASSETS	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(30/09/2020)			(31/12/2019)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		1.799.809	4.881.510	6.681.319	3.399.454	3.418.554	6.818.008
1.1 Cash and Cash Equivalents	(5.1.1)	589.117	3.835.856	4.424.973	633.116	2.595.084	3.228.200
1.1.1 Cash and Balances at Central Bank		270.948	3.338.220	3.609.168	200.986	2.506.889	2.707.875
1.1.2 Banks	(5.1.3)	187.547	251.177	438.724	402.621	88.195	490.816
1.1.3 Money Market Placements		131.546	246.459	378.005	30.010	-	30.010
1.1.4 Expected Credit Loss (-)		924	-	924	501	-	501
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	100.558	7.844	108.402	2.037.723	718	2.038.441
1.2.1 Government Debt Securities		26.491	4	26.495	24.835	706	25.541
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		74.067	7.840	81.907	2.012.888	12	2.012.900
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	7.772	1.005.884	1.013.656	16.849	795.616	812.465
1.3.1 Government Debt Securities		2.875	352.607	355.482	11.952	177.546	189.498
1.3.2 Equity Securities		4.897	5.315	10.212	4.897	3.800	8.697
1.3.3 Other Financial Assets		-	647.962	647.962	-	614.270	614.270
1.4 Derivative Financial Assets	(5.1.2)	1.102.362	31.926	1.134.288	711.766	27.136	738.902
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		1.102.362	31.926	1.134.288	711.766	27.136	738.902
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(5.1.6)	9.540.442	9.187.771	18.728.213	6.656.778	7.594.623	14.251.401
2.1 Loans	(5.1.5)	10.161.702	8.138.263	18.299.965	7.270.746	7.206.662	14.477.408
2.2 Lease Receivables	(5.1.10)	-	-	-	-	-	-
2.3 Factoring Receivables	(5.1.5)	349	3.095	3.444	1.723	1.369	3.092
2.4 Financial Assets Measured at Amortised Cost	(5.1.6)	184.026	1.046.413	1.230.439	188.506	386.592	575.098
2.4.1 Government Debt Securities		184.026	1.032.534	1.216.560	188.506	386.592	575.098
2.4.2 Other Financial Assets		-	13.879	13.879	-	-	-
2.5 Expected Credit Losses (-)		805.635	-	805.635	804.197	-	804.197
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	98.358	-	98.358	63.247	-	63.247
3.1 Assets Held for Sale		98.358	-	98.358	63.247	-	63.247
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		117.945	-	117.945	36.945	-	36.945
4.1 Investments in Associates (Net)	(5.1.7)	-	-	-	-	-	-
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Investments in Subsidiaries (Net)	(5.1.8)	117.945	-	117.945	36.945	-	36.945
4.2.1 Unconsolidated Financial Subsidiaries		5.445	-	5.445	5.445	-	5.445
4.2.2 Unconsolidated Non-financial Subsidiaries		112.500	-	112.500	31.500	-	31.500
4.3 Joint Ventures (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(5.1.12)	352.060	-	352.060	323.651	-	323.651
VI. INTANGIBLE ASSETS (Net)	(5.1.13)	86.846	-	86.846	69.877	-	69.877
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		86.846	-	86.846	69.877	-	69.877
VII. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		12.803	-	12.803	3.509	-	3.509
IX. DEFERRED TAX ASSET	(5.1.15)	75.489	-	75.489	54.427	-	54.427
X. OTHER ASSETS	(5.1.17)	263.348	31.974	295.322	236.034	28.661	264.695
TOTAL ASSETS		12.347.100	14.101.255	26.448.355	10.843.922	11.041.838	21.885.760

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

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

AS AT 30 SEPTEMBER 2020

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

LIABILITIES	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(30/09/2020)			(31/12/2019)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.İI.1)	6.174.051	9.889.444	16.063.495	6.658.925	6.907.773	13.566.698
II. FUNDS BORROWED	(5.İI.3)	17.522	1.581.710	1.599.232	16.773	842.608	859.381
III. MONEY MARKET FUNDS		12.870	877.968	890.838	-	733.257	733.257
IV. SECURITIES ISSUED (Net)	(5.İI.4)	-	1.581.541	1.581.541	383.937	1.334.395	1.718.332
4.1 Bills		-	-	-	383.937	-	383.937
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	1.581.541	1.581.541	-	1.334.395	1.334.395
V. FUNDS		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(5.İI.2)	979.418	32.152	1.011.570	761.112	27.093	788.205
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		979.418	32.152	1.011.570	761.112	27.093	788.205
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5.İI.6)	54.770	723	55.493	63.465	4.929	68.394
X. PROVISIONS	(5.İI.8)	222.241	-	222.241	96.772	-	96.772
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		32.321	-	32.321	29.588	-	29.588
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		189.920	-	189.920	67.184	-	67.184
XI. CURRENT TAX LIABILITIES	(5.İI.9)	43.940	-	43.940	40.580	-	40.580
XII. DEFERRED TAX LIABILITIES	(5.İI.9)	-	-	-	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.İI.10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	(5.İI.11)	-	2.275.763	2.275.763	-	1.789.018	1.789.018
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	2.275.763	2.275.763	-	1.789.018	1.789.018
XV. OTHER LIABILITIES	(5.İI.5)	615.209	273.955	889.164	382.924	186.395	569.319
XVI. SHAREHOLDERS' EQUITY	(5.İI.12)	1.812.209	2.869	1.815.078	1.643.063	12.741	1.655.804
16.1 Paid-in Capital		941.161	-	941.161	941.161	-	941.161
16.2 Capital Reserves		200.050	-	200.050	210.253	-	210.253
16.2.1 Equity Share Premium		128.678	-	128.678	128.678	-	128.678
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		71.372	-	71.372	81.575	-	81.575
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(7.777)	-	(7.777)	(7.777)	-	(7.777)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		3.760	2.869	6.629	3.033	12.741	15.774
16.5 Profit Reserves		496.393	-	496.393	284.349	-	284.349
16.5.1 Legal Reserves		42.321	-	42.321	31.719	-	31.719
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		454.072	-	454.072	252.630	-	252.630
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or Loss		178.622	-	178.622	212.044	-	212.044
16.6.1 Prior Periods' Profit or Loss		-	-	-	-	-	-
16.6.2 Current Period Net Profit or Loss		178.622	-	178.622	212.044	-	212.044
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9.932.230	16.516.125	26.448.355	10.047.551	11.838.209	21.885.760

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

FİBANKA A.Ş.
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

AS AT 30 SEPTEMBER 2020

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

	Footnotes	CURRENT PERIOD (30/09/2020)			PRIOR PERIOD (31/12/2019)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		10.326.966	32.294.030	42.620.996	8.357.010	31.229.346	39.586.356
I. GUARANTIES AND WARRANTIES	(5.III.1)	580.371	750.867	1.331.238	432.859	591.809	1.024.668
1.1. Letters of guarantee		557.821	297.107	854.928	432.859	317.754	750.613
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		557.821	297.107	854.928	432.859	317.754	750.613
1.2. Bank Acceptances		22.550	139.674	162.224	-	105.847	105.847
1.2.1. Import Letter of Acceptances		22.550	139.674	162.224	-	105.847	105.847
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	314.086	314.086	-	168.208	168.208
1.3.1. Documentary Letters of Credit		-	314.086	314.086	-	168.208	168.208
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(5.III.1)	2.094.903	1.378.243	3.473.146	1.400.659	4.244.481	5.645.140
2.1. Irrevocable Commitments		2.094.903	1.378.243	3.473.146	1.400.659	4.244.481	5.645.140
2.1.1. Asset Purchase Commitments		661.273	1.378.243	2.039.516	282.771	4.244.481	4.527.252
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		1.196.260	-	1.196.260	876.316	-	876.316
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		183.658	-	183.658	181.578	-	187.578
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	9.017	-	5.940
2.1.9. Commitments for Credit Card Limits		29.561	-	29.561	32.901	-	32.901
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	1	-	1
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		15.134	-	15.134	15.152	-	15.152
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.III.5)	7.651.692	30.164.920	37.816.612	6.523.492	26.393.056	32.916.548
3.1. Hedging Derivative Financial Instruments		-	-	-	1.009.479	1.188.040	2.197.519
3.1.1. Fair Value Hedges		-	-	-	1,009,479	1,188,040	2,197,519
3.1.2. Cash Flow Hedges		-	-	-	-	-	-
3.1.3. Foreign Net Investment Hedges		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		7,651,692	30,164,920	37,816,612	5,514,013	25,205,016	30,719,029
3.2.1. Forward Foreign Currency Buy/Sell Transactions		1,258,477	3,534,597	4,793,074	789,133	3,670,515	4,459,648
3.2.1.1. Forward Foreign Currency Transactions - Buy		975,656	1,421,405	2,397,061	300,839	1,919,936	2,220,775
3.2.1.2. Forward Foreign Currency Transactions - Sell		282,821	2,113,192	2,396,013	488,294	1,750,579	2,238,873
3.2.2. Swap Transactions Related to Foreign Currency and Interest		5,012,937	23,210,780	28,223,717	2,351,909	17,281,148	19,633,057
3.2.2.1. Foreign Currency Swap- Buy		964,221	12,794,496	13,758,717	1,305,805	8,192,207	9,498,012
3.2.2.2. Foreign Currency Swap- Sell		3,838,716	9,747,026	13,585,742	996,104	8,494,921	9,491,025
3.2.2.3. Interest Rate Swap- Buy		105,000	334,629	439,629	25,000	297,010	322,010
3.2.2.4. Interest Rate Swap- Sell		105,000	334,629	439,629	25,000	297,010	322,010
3.2.3. Foreign Currency, Interest Rate and Securities Options		1,343,215	2,656,214	3,999,429	2,372,971	3,096,321	5,469,292
3.2.3.1. Foreign Currency Options- Buy		661,553	1,334,862	1,996,415	1,186,485	1,568,157	2,754,642
3.2.3.2. Foreign Currency Options- Sell		681,662	1,321,352	2,003,014	1,186,486	1,528,164	2,714,650
3.2.3.3. Interest Rate Options- Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options- Sell		-	-	-	-	-	-
3.2.3.5. Securities Options- Buy		-	-	-	-	-	-
3.2.3.6. Securities Options- Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		37,063	-	37,063	-	-	-
3.2.4.1. Foreign Currency Futures- Buy		-	-	-	-	-	-
3.2.4.2. Foreign Currency Futures- Sell		37,063	-	37,063	-	-	-
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		-	763,329	763,329	-	1,157,032	1,157,032
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		150.895.427	96.359.848	247.255.275	139.427.639	69.316.021	208.743.660
IV. ITEMS HELD IN CUSTODY		1.388.141	1.664.866	3.053.007	2.589.824	486.973	3.076.797
4.1. Customer Fund and Portfolio Balances		517,704	-	517,704	1,464,433	-	1,464,433
4.2. Investment Securities Held in Custody		124,278	1,268,000	1,392,278	295,983	320,411	616,394
4.3. Cheques Received for Collection		351,565	349,866	701,431	374,930	150,636	525,566
4.4. Commercial Notes Received for Collection		99,205	47,000	146,205	119,792	15,926	135,718
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		295,389	-	295,389	334,686	-	334,686
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		149.507.286	94.694.982	244.202.268	136.837.815	68.829.048	205.666.863
5.1. Marketable Securities		344,594	84,561	429,155	299,004	90,954	389,958
5.2. Guarantee Notes		163,982	275,474	439,456	277,294	231,955	509,249
5.3. Commodity		-	76,414	76,414	-	46,554	46,554
5.4. Warranty		-	-	-	-	-	-
5.5. Immovables		7,739,633	17,453,088	25,192,721	9,517,452	12,306,034	21,823,486
5.6. Other Pledged Items		141,259,077	76,805,445	218,064,522	126,744,065	56,153,551	182,897,616
5.7. Pledged Items - Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		161.222.393	128.653.878	289.876.271	147.784.649	100.545.367	248.330.016

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

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN
1 JANUARY 2020-30 SEPTEMBER 2020**

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

INCOME AND EXPENSE ITEMS		Footnotes	CURRENT PERIOD (01/01/2020 - 30/09/2020)	PRIOR PERIOD (01/01/2019 - 30/09/2019)	CURRENT PERIOD (01/07/2020 - 30/09/2020)	PRIOR PERIOD (01/07/2019 - 30/09/2019)
I.	INTEREST INCOME		1,578,330	1,943,751	496,070	679,425
1.1	Interest on Loans	(5.IV.1)	1,469,468	1,739,571	454,964	609,533
1.2	Interest on Reserve Requirements		-	24,501	-	7,378
1.3	Interest on Banks	(5.IV.1)	14,544	99,614	1,781	31,954
1.4	Interest on Money Market Placements		9,488	11,128	1,589	7,113
1.5	Interest on Marketable Securities Portfolio	(5.IV.1)	80,212	67,624	33,729	22,914
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		5,721	3,024	2,074	1,018
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		35,861	32,470	14,584	9,790
1.5.3	Financial Assets Measured at Amortized Cost		38,630	32,130	17,071	12,106
1.6	Financial Lease Income		-	-	-	-
1.7	Other Interest Income		4,618	1,313	4,007	533
II.	INTEREST EXPENSE (-)		849,279	1,325,156	269,513	453,305
2.1	Interest on Deposits	(5.IV.2)	527,058	1,010,541	162,538	354,417
2.2	Interest on Funds Borrowed	(5.IV.2)	158,641	138,654	58,839	43,283
2.3	Interest on Money Market Borrowings		14,655	17,307	5,495	4,801
2.4	Interest on Securities Issued	(5.IV.2)	112,259	145,598	30,044	46,352
2.5	Lease Interest Expense		13,474	12,378	4,394	4,437
2.6	Other Interest Expenses		23,192	678	8,203	15
III.	NET INTEREST INCOME (I - II)		729,051	618,595	226,557	226,120
IV.	NET FEES AND COMMISSIONS INCOME		100,874	154,002	36,286	41,780
4.1	Fees and Commissions Received		124,684	179,146	44,456	49,755
4.1.1	Non-cash Loans		12,278	9,823	4,157	2,873
4.1.2	Other	(5.IV.12)	112,406	169,323	40,299	46,882
4.2	Fees and Commissions Paid (-)		23,810	25,144	8,170	7,975
4.2.1	Non-cash Loans		62	185	15	53
4.2.2	Other	(5.IV.12)	23,748	24,959	8,155	7,922
V.	DIVIDEND INCOME	(5.IV.3)	-	-	-	-
VI.	TRADING INCOME / LOSS (Net)	(5.IV.4)	119,978	73,755	1,976	(26,966)
6.1	Trading Gain / Loss on Securities		32,101	56,987	6,674	11,430
6.2	Gain / Loss on Derivative Financial Transactions		73,033	(10,376)	(43,840)	(15,133)
6.3	Foreign Exchange Gain / Loss		14,844	27,144	39,142	(23,263)
VII.	OTHER OPERATING INCOME	(5.IV.5)	55,159	119,913	10,144	18,465
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		1,005,062	966,265	274,963	259,399
IX.	EXPECTED CREDIT LOSS (-)	(5.IV.6)	193,770	299,613	60,997	89,735
X.	OTHER PROVISION EXPENSES (-)	(5.IV.6)	128,530	105,081	(1,991)	(18,975)
XI.	PERSONNEL EXPENSES (-)		219,162	191,510	73,249	62,196
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.7)	232,381	184,076	69,310	62,579
XIII.	NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)		231,219	185,985	73,398	63,864
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)	231,219	185,985	73,398	63,864
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(52,597)	(24,371)	(15,429)	(11,539)
18.1	Current Tax Provision		(71,247)	(7,455)	2,782	10,628
18.2	Deferred Tax Expense Effect (+)		(85,094)	(16,916)	(59,194)	(22,167)
18.3	Deferred Tax Income Effect (-)		103,744	-	40,983	-
XIX.	NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	(5.IV.10)	178,622	161,614	57,969	52,325
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)	178,622	161,614	57,969	52,325
	Earnings per share		0,00190	0,00172	0,00062	0,00056

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 2020-30 SEPTEMBER 2020

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

	CURRENT PERIOD (01/01/2020 - 30/09/2020)	PRIOR PERIOD (01/01/2019 - 30/09/2019)
I. CURRENT PERIOD PROFIT / LOSS	178.622	161.614
II. OTHER COMPREHENSIVE INCOME	(9.145)	32.411
2.1 Not Reclassified Through Profit or Loss	-	-
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurements Gain/Loss	-	-
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.2 Reclassified Through Profit or Loss	(9.145)	32.411
2.2.1 Foreign Currency Conversion Differences	-	-
2.2.2 Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other Comprehensive Income	(11.557)	39.973
2.2.3 Cash Flow Hedge Income/Loss	-	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	2.412	(7.562)
III. TOTAL COMPREHENSIVE INCOME (I+II)	169.477	194.025

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

FİBANKKA A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE PERIOD BETWEEN
1 JANUARY 2020-30 SEPTEMBER 2020

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss			Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity
	Paid-in Capital	Share Premium	Share Certificate	Other Capital Reserves	1	2	3	4	5	6				
PRIOR PERIOD (30/09/2019)														
I. Balances at beginning of the period	941.161	128.678	-	-	-	(5.743)	-	-	(26.572)	-	410.286	(322.597)	196.659	1.321.872
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)	941.161	128.678	-	-	-	(5.743)	-	-	(26.572)	-	410.286	(322.597)	196.659	1.321.872
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	32.411	-	-	-	161.614	194.025
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	-	-	-	86.239	-	-	-	-	-	-	-	-	-	86.239
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	(125.938)	322.597	(196.659)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	(125.938)	322.597	(196.659)	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	86.239	-	(5.743)	-	-	5.839	-	284.348	-	161.614	1.602.136
CURRENT PERIOD (30/09/2020)														
I. Prior period ending balance	941.161	128.678	-	81.575	-	(7.777)	-	-	15.774	-	284.349	-	212.044	1.655.804
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balance (I+II)	941.161	128.678	-	81.575	-	(7.777)	-	-	15.774	-	284.349	-	212.044	1.655.804
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	(9.145)	-	-	-	178.622	169.477
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 (*)	-	-	-	(10.203)	-	-	-	-	-	-	-	-	-	(10.203)
X. Increase / decrease due to other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	212.044	-	(212.044)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	212.044	-	(212.044)	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	71.372	-	(7.777)	-	-	6.629	-	496.393	-	178.622	1.815.078

(*) Bank has classified the additional borrowing of TL 100.000 nominal and its coupon payments, 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 revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income.
6. Other accumulated gains or losses on cash flow hedge, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will be reclassified to profit or loss)

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

**UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD BETWEEN 1 JANUARY 2020-30 SEPTEMBER 2020**

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

	Footnotes	CURRENT PERIOD (01/01/2020 - 30/09/2020)	PRIOR PERIOD (01/01/2019 - 30/09/2019)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		639.117	218.441
1.1.1 Interest received (+)		1.554.903	1.787.351
1.1.2 Interest paid (-)		(753.276)	(1.340.572)
1.1.3 Dividend received (+)		-	-
1.1.4 Fees and commission received (+)		121.653	178.948
1.1.5 Other income (+)		177.465	207.020
1.1.6 Collections from previously written off loans and other receivables (+)		235.482	125.399
1.1.7 Cash payments to personnel and service suppliers (-)		(342.600)	(338.196)
1.1.8 Taxes paid (-)		(20.428)	(22.941)
1.1.9 Other (+/-)		(334.082)	(378.568)
1.2 Changes in Operating Assets and Liabilities		603.376	791.058
1.2.1 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		1.139.348	(220.863)
1.2.2 Net (increase) / decrease in due from banks (+/-)		(1.233.669)	(34.968)
1.2.3 Net (increase) / decrease in loans (+/-)		(3.602.619)	(418.459)
1.2.4 Net (increase) / decrease in other assets (+/-)		(40.930)	(70.739)
1.2.5 Net (increase) / decrease in bank deposits (+/-)		(333.971)	(158.310)
1.2.6 Net (increase) / decrease in other deposits (+/-)		2.787.109	2.044.883
1.2.7 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8 Net (increase) / decrease in funds borrowed (+/-)		730.799	(361.583)
1.2.9 Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-)		1.157.309	11.097
I. Net Cash Provided from Banking Operations (+/-)		1.242.493	1.009.499
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
III. Net Cash Flow Provided from Investment Activities (+/-)		(763.687)	(144.137)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		(81.000)	-
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 (-)		(67.297)	(145.184)
2.4 Cash obtained from the sale of tangible and intangible assets (+)		150.699	345.299
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(197.907)	(98.847)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		4.262	27.535
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		(536.010)	(239.615)
2.8 Cash obtained from the sale of financial assets at amortised cost (+)		-	-
2.9 Other (+/-)		(36.434)	(33.325)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities (+/-)		(182.211)	(72.947)
3.1 Cash obtained from funds borrowed and securities issued (+)		41.562	131.167
3.2 Cash outflow from funds borrowed and securities issued (-)		(218.374)	(274.094)
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for financial Leases liabilities (-)		(13.474)	(12.378)
3.6 Other (+/-)		8.075	82.358
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		(91.477)	(63.386)
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		205.118	729.029
VI. Cash and Cash Equivalents at the Beginning of the Period (+)		2.122.993	2.087.857
VII. Cash and Cash Equivalents at the End of the Period (V+VI)		2.328.111	2.816.886

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

FİBANKA A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN
1 JANUARY 2020 - 30 SEPTEMBER 2020

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

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

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

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

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

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

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

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

1. Usage strategy of the financial instruments

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

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

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

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

2. Foreign currency transactions

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

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

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

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

	30 September 2020	31 December 2019
US Dollar	7,8080	5,9402
Euro	9,1281	6,6506

III. Explanations on Equity Investments

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

IV. Explanations on forward transactions, options and derivative instruments

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

The Bank's derivative instruments held for trading are classified as "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income" in accordance with "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.

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.

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

V. Explanations on interest income and expenses

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

VI. Explanations on fee and commission income and expenses

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

VII. Explanations on financial assets

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

1. Financial assets at fair value through profit or loss

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

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

The Bank has classified a portion of its extended loans as financial assets at fair value through profit or loss, as per IFRS 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.

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

VII. Explanations on financial assets (continued)

3. Financial assets measured at amortized cost

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

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

4. Loans

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

VIII. Explanations on expected credit loss

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

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

Calculation of expected credit loss

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

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

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

Stage 1

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

Stage 2

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

Stage 3

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

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

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

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

VIII. Explanations on expected credit loss (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

IX. Explanations on offsetting financial instruments

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

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

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

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

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

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

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

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

The Bank does not have any discontinued operations.

XII. Explanations on goodwill and other intangible assets

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

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

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

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

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XIII. Explanations on tangible assets

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

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

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

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

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

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

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

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

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

Explanations about Leases Standard TFRS 16

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

TFRS 16 "Lease" Standard

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

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

Right to use asset:

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

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

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

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

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

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Explanations about Leases Standard TFRS 16 (continued)

Lease liabilities:

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

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

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

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

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

XIV. Explanations on leasing transactions

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

XV. Explanations on provisions and contingent liabilities

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

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

XVI. Explanations on contingent assets

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

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XVII. Explanations on liabilities for employee benefits

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

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

- Calculation is based on discount rate of 13,50%, inflation rate of 6,00% and real salary increase rate of 0%.
- Effective as of 31 December 2019, ceiling salary amount is considered as TL 6.379,86 (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.

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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 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 general reserve provisions.

As of 30 September 2020, the deferred tax asset is TL 75.489 (31 December 2019: TL 54.427 deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within "Deferred Tax Income Effect" and "Deferred Tax Expense Effect" in the statement of profit or loss; deferred tax income is TL 85.094 and deferred tax expense is TL 103.744 for the current period (1 January - 30 September 2019: TL 16.916 expense). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 2.412 of income (1 January - 30 September 2019: TL 7.562 expense).

3. Transfer Pricing

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

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

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

XIX. Additional explanations on borrowings

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

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

Additional Tier I Capital

The Bank has recognised the issued Tier 1 securities of TL 100.000 nominal and related interest expense, as "other capital reserves" under equity within the scope of "TAS 32 Financial Instruments: Presentation". It has recognised the issued Tier 1 of USD 30.000 nominal and related interest accrual as "subordinated debt".

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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 2020, it was decided to allocate the 2019 net profit amounting TL 212.044 as legal reserve of TL 10.602 and as extraordinary reserves of TL 201.442.

XXV. Earnings Per Share

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

	30 September 2020	30 September 2019
Net Profit / (Loss) distributable to Common Shares	178.622	161.614
Average Number of Issued Common Shares (Thousand)	94.116.055	94.116.055
Earnings Per Share (Amounts presented as full TL)	0,00190	0,00172

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

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

XXVI. Cash and Cash Equivalent Assets

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

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XXVII. Other Disclosures

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

Based on the decision of BRSA, numbered 8948 and dated 17 March 2020, due to the COVID-19 pandemic on economic and trading activities, the minimum number of days past due for a loan to be classified as non-performing loan has been increased to 180 from 90 (defined in the 4th and 5th sections of "Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside") for the loans which are already classified as Stage 1 or Stage 2 as of the date of the related BRSA decision, until 31 December 2020. Accordingly, the Bank is classifying the credit risks with past due between 90-180 days as Stage 2, but calculating the provision amount in line with Stage 3 parameters of Probability of Default and Loss Given Default according to the Bank's risk model.

In addition, as of 23 March 2020, BRSA has decided the following actions to be applied until 31 December 2020:

- According to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", in calculating the credit risk amount, the purchase rate of foreign exchange which is the basis for preparation of 31 December 2019 financial statements can be used, for the cash and non cash assets valued by Turkish Accounting Standards and their provision amounts, except the foreign currency items calculated by historical cost.
- If the net valuation differences of the securities held by banks in the portfolio of "Financial Assets at Fair Value through Other Comprehensive Income" are negative, it is possible for these differences not to be taken into consideration in the equity amount calculated according to Regulation on Equity of Banks. But for the financial securities owned after 23 March 2020, the current regulations will be applied.
- It is possible not to consider the impairment of the financial securities held by the Bank as of 23 March 2020, in the calculation of foreign currency net general position according to Regulation on Calculation of Foreign Currency Net General Position / Equity Standard Ratio in Consolidated and Unconsolidated Basis by the Banks. But for the financial securities owned after 23 March 2020, the current rules of the regulation above will be applied.

Based on the decision of BRSA, numbered 8970 and dated 27 March 2020, due to the COVID-19 pandemic, it has been decided to apply 90 days past due criteria for classifying the credit risk under Stage 2 instead of 30 days past due and to continue calculating provision in accordance with TFRS 9.

The Law numbered 7244 on the Reduction of the Effects of the Coronavirus (COVID-19) Pandemic on Economic and Social Life and the Law Amending Certain Laws ("Law") was published in the Official Gazette on 17 April 2020. According to the law, the Turkish Commercial Code numbered 6102 was amended and limits and restrictions regarding the distribution of profits were foreseen. The mentioned regulation has been implemented as of the publication date of the law.

In accordance with the BRSA's Decision No. 9170 dated 28 September 2020 it has been decided that the Board Decisions dated 18 April 2020 and numbered 9000, dated 30 April 2020 and numbered 9003, dated 29 May 2020 and numbered 9042 and dated 10 August 2020 and numbered 9125 and in addition to these decisions, the AR value, which was decided not to fall below 95% for deposit banks and 75% for participation banks as of the end of each month, with the decision dated 1 October 2020; it decided to regulated as 90% and 70%, respectively. In accordance with subparagraph (a) of the first paragraph of Article 148 of the Law, for the banks with an AR of less than 90% and participation banks with less than 70% as of the end of the relevant month, it is decided to calculate the excess amount that constitutes a contradiction to be taken as the amount of change in the share that will bring the ratio to 90% and 70%, respectively.

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XXVII. Other Disclosures (continued)

As per BRSA's announcement, dated 29 May 2020 and numbered 9042; Banks with a total of less than TL 25 billion (full amount) customer deposits (turkish lira+foreign currency; excluding bank deposits) according to the data reported to BRSA as of 31 March 2020, have been given a deadline until 31 December 2020 to comply with this regulation.

As a result of the COVID-19 outbreak, in accordance with BRSA's announcement, dated 5 May 2020 the decision numbered 9010, It is important to use TL resources efficiently and predominantly to meet the financing needs of the public and private sectors, pending implementation of the extraordinary conditions associated with the COVID-19 pandemic; including the subsidiaries of banks that are subject to consolidation and financial institution qualifications abroad and their branches abroad, it was decided to limit the total of TL placements, TL deposit, TL repo and TL loans to be made to financial institutions residing abroad to 0,5% of the last calculated legal equity of the banks.

The Bank has prepared its financial statements dated 30 September 2020, taking into consideration the aforementioned regulations of BRSA.

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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 2020, the Bank’s total capital has been calculated as TL 4.261.888 and the capital adequacy ratio is 22,14% (As of 31 December 2019, the Bank’s total capital amounted to TL 3.664.995 and the capital adequacy ratio was 19,55%).

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

	Current Period (30/09/2020) 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 (**)	652.415	
Other comprehensive income according to TAS	6.629	
Profit	178.622	
Current period profit	178.622	
Prior period profit	--	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
Tier I Capital Before Deductions	1,907.505	
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 (***)	36.405	--
Improvement costs for operational leasing	9.883	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	135.075	--
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	--	--
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

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	Current Period (30/09/2020) Amount	Amount as per the regulation before 1/1/2014 *
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	--	--
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Other items to be defined by the BRSA	--	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
Total Deductions From Common Equity Tier I Capital	218.763	--
Total Common Equity Tier I Capital	1.688.742	--
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	334.240	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
Additional Core Capital before Deductions	334.240	--
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 (30/09/2020) Amount	Amount as per the regulation before 1/1/2014 *
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--
Other items to be defined by the BRSA	--	--
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	334.240	--
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	2.022.982	--
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	2.032.461	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	206.445	--
Tier II Capital before Deductions	2.238.906	--
Deductions from Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	--	--
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	--	--
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)	--	--
Other items to be defined by the BRSA (-)	--	--
Total Deductions from Tier II Capital	--	--
Total Tier II Capital	2.238.906	--
Total Equity (Total Tier I and Tier II Capital)	4.261.888	--

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	Current Period (30/09/2020) Amount	Amount as per the regulation before 1/1/2014 *
Total Tier I Capital and Tier II Capital (Total Equity)	4.261.888	
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	4.261.888	
Total Capital (Total of Tier I Capital and Tier II Capital)	4.261.888	--
Total Risk Weighted Assets (****)	19.247.422	--
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	8,77	--
Tier I Capital Adequacy Ratio (%)	10,51	--
Capital Adequacy Ratio (%)	22,14	--
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,58	
a)Capital Conservation Buffer Requirement (%)	2,50	--
b)Bank-specific Counter-Cyclical Buffer Requirement(%)	0,08	--
c)Systemically Important Banks Buffer Requirement Ratio (%)	--	--

(****)According to BRSA announcement dated 23 March 2020 and numbered 3397, in the calculation of credit risk, the foreign exchange rate which are the basis for preparation of 31 December 2019 financial statements were used.

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	Current Period (30/09/2020) Amount	Amount as per the regulation before 1/1/2014 *
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets (%)	4,51	--
Amounts lower than Excesses as per Deduction Rules	--	--
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	--	--
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	--	--
Remaining mortgage servicing rights	--	--
Net deferred tax assets arising from temporary differences	--	--
Limits for Provisions Used in Tier II Capital Calculation	--	--
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	390.854	--
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	206.445	--
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 01/01/2018-01/01/2022)	--	--
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 (31/12/2019) 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	518.380	
Other comprehensive income according to TAS	15.774	
Profit	212.044	
Current period profit	212.044	
Prior period profit	--	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
Tier I Capital Before Deductions	1.816.037	
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 (**)	26.202	--
Improvement costs for operational leasing	11.199	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	100.046	--
Excess amount arising from deferred tax assets from temporary differences	9.790	--
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains	--	--
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

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

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	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
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	147.237	--
Total Common Equity Tier I Capital	1.668.800	--
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	278.206	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
Additional Core Capital before Deductions	278.206	--
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 (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--
Other items to be defined by the BRSA	--	--
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--	--
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	278.206	--
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	1.947.006	--
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.577.984	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	140.016	--
Tier II Capital before Deductions	1.718.000	--
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	11	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital	--	--
Other items to be defined by the BRSA	--	--
Total Deductions from Tier II Capital	11	--
Total Tier II Capital	1.717.989	--
Total Equity (Total Tier I and Tier II Capital)	3.664.995	--

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	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
Total Tier I Capital and Tier II Capital (Total Equity)	3.664.995	
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	3.664.995	
Total Capital (Total of Tier I Capital and Tier II Capital)	3.664.995	--
Total Risk Weighted Assets	18.749.737	--
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	8,90	--
Tier I Capital Adequacy Ratio (%)	10,38	--
Capital Adequacy Ratio (%)	19,55	--
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,61	
a) Capital Conservation Buffer Requirement (%)	2,50	--
b) Bank-specific Counter-Cyclical Buffer Requirement(%)	0,11	--
c) Systemically Important Banks Buffer Requirement Ratio (%)	--	--

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	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to risk weighted assets (%)	4,38	--
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)	298.165	--
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	140.016	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0,6% Risk Weighted Assets	--	--
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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Explanations on reconciliation of shareholder's equity items to balance sheet:

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

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

Debt instruments included in shareholder's equity calculation:

Issuer	Fibabanka A.Ş.	Fibabanka A.Ş.	Fibabanka A.Ş.
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	TRSFIBA10016	XS2096028571
Regulation of debt instrument	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English Law	BRSA's "Regulation on Equities of Banks" dated 1 November 2006"	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English law
Consideration Status in Shareholders' Equity Calculation			
Situation of being subject to practice of being taken into consideration with 10% deduction after 1/1/2015	No	No	No
Eligible at unconsolidated / consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Security	Subordinated Security	Subordinated Security
Recognized amount in shareholders' equity calculation (As of the most recent reporting date - Thousand TL)	2.032.461	100.000	234.240
Nominal value of debt instrument (Thousand TL)	2.342.400	100.000	234.240
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity	Subordinated Debt Instruments
Issuing date of debt instrument	24/03/16-10/05/17	20/03/19	31/12/19
Maturity structure of debt instrument (Demand/Time)	Time	Demand	Demand
Initial term of debt instrument	11 years	--	--
Issuer call subject to prior BRSA approval	Has pre-payment right	Has pre-payment right	Has pre-payment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million	31/12/2024; USD 30 million
Subsequent call date, if any	None	At the end of every 5th year following	On each interest payments date after first 5 years

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Interest/Dividend Payments

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

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Explanations on TFRS 9 Transition Process

	2020	2021	2022
EQUITY ITEMS			
Common Equity	1.688.742	1.610.731	1.532.721
Common Equity if transition process not implemented^a	1.532.721	1.532.721	1.532.721
Tier 1 Capital	2.022.982	1.944.971	1.866.961
Tier 1 Capital if transition process not implemented^b	1.866.961	1.866.961	1.866.961
Total Capital	4.261.888	4.183.877	4.105.867
Equity if transition process not implemented^c	4.105.867	4.105.867	4.105.867
TOTAL RISK WEIGHTED AMOUNTS			
Total Risk Weighted Amounts	19.247.422	19.247.422	19.247.422
CAPITAL ADEQUACY RATIO			
Common Equity Adequacy Ratio (%)	8,77	8,37	7,96
Common Equity Ratio if transition process not implemented^d (%)	7,96	7,96	7,96
Tier 1 Capital Adequacy Ratio (%)	10,51	10,11	9,70
Tier 1 Capital Adequacy Ratio if transition process not implemented^d (%)	9,70	9,70	9,70
Capital Adequacy Ratio (%)	22,14	21,74	21,33
Capital Adequacy Ratio if transition process not implemented^d (%)	21,33	21,33	21,33
LEVERAGE			
Leverage Ratio Total Risk Amount	26.892.635	26.892.635	26.892.635
Leverage (%)	7,52	7,23	6,94
Leverage Ratio if transition process not implemented^e (%)	6,94	6,94	6,94

^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

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II. Explanations on Risk Management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about 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 2020:

- 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		Minimum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	15.870.926	16.132.769	1.269.674
2 Of which standardised approach (SA)	15.870.926	16.132.769	1.269.674
3 Of which internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	573.986	499.911	45.919
5 Of which standardised approach for counterparty credit risk (SA-CCR)	573.986	499.911	45.919
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	70.679	83.713	5.654
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	920.525	552.463	73.642
17 Of which standardised approach (SA)	920.525	552.463	73.642
18 Of which internal model approaches (IMM)	--	--	--
19 Operational risk	1.811.306	1.480.881	144.904
20 Of which basic indicator approach	1.811.306	1.480.881	144.904
21 Of which standardised approach	--	--	--
22 Of which advanced measurement approach	--	--	--
23 Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	--	--	--
24 Floor adjustment	--	--	--
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	19.247.422	18.749.737	1.539.794

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

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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 2020, the Bank's net long position is TL 7.742 (31 December 2019: TL 33.387 net long position) resulting from short position on the balance sheet amounting to TL 2.377.980 (31 December 2019: TL 690.786 short position) and long position on the off-balance amounting to TL 2.385.722 (31 December 2019: TL 724.173 long position). The Bank uses "Standard Method" in legal reporting to measure the foreign exchange risk.

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

US Dollar purchase rate as at the balance sheet date	TL 7,8080
Euro purchase rate as at the balance sheet date	TL 9,1281

Date	USD	EURO
24 September 2020	7,6570	8,9590
25 September 2020	7,6630	8,9277
28 September 2020	7,5546	8,8050
29 September 2020	7,7507	9,0268
30 September 2020	7,8080	9,1281

The US Dollar and EUR buying rates are TL 7,5078 and TL 8,8608 (in full TL amounts) respectively, according to simple arithmetic average on September 2020.

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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 Due From Banks	850.936 184.790	2.350.529 48.309	136.755 18.078	3.338.220 251.177
Financial Assets at Fair Value through Profit/Loss (*)	--	7.844	--	7.844
Money Market Placements	246.459	--	--	246.459
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	262.495	743.389	--	1.005.884
Loans and Receivables(**)	6.872.061	1.318.254	14.028	8.204.343
Investments in Assoc., Subsidiaries and Entities under Common	--	--	--	--
Financial Assets Measured at Amortized Cost	708.455	337.958	--	1.046.413
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	1.053	1.647	84	2.784
Total Assets	9.126.249	4.807.930	168.945	14.103.124
Liabilities				
Bank Deposits	40.259	267.667	28.514	336.440
Foreign Currency Deposits	1.168.037	7.569.087	815.880	9.553.004
Money Market Borrowings	109.918	768.050	--	877.968
Funds Provided from Other Financial Institutions	428.920	1.152.790	--	1.581.710
Securities Issued(****)	--	3.857.304	--	3.857.304
Sundry Creditors	42.159	182.492	245	224.896
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(*****)	30.162	18.362	1.258	49.782
Total Liabilities	1.819.455	13.815.752	845.897	16.481.104
Net Balance Sheet Position	7.306.794	(9.007.822)	(676.952)	(2.377.980)
Net Off-Balance Sheet Position	(7.312.693)	9.030.701	667.714	2.385.722
Financial Derivative Assets (*****)	2.621.781	13.204.624	1.127.214	16.953.619
Financial Derivative Liabilities (*****)	9.934.474	4.173.923	459.500	14.567.897
Non-Cash Loans (*****)	310.682	437.045	3.140	750.867
Prior Period				
Total Assets	7.201.478	3.653.616	252.495	11.107.589
Total Liabilities	1.479.068	10.217.863	101.444	11.798.375
Net Balance Sheet Position	5.722.410	(6.564.247)	151.051	(690.786)
Net Off-Balance Sheet Position	(5.718.363)	6.593.739	(151.203)	724.173
Financial Derivative Assets (*****)	3.783.231	11.210.249	683.591	15.677.071
Financial Derivative Liabilities (*****)	9.501.594	4.616.510	834.794	14.952.898
Non-Cash Loans (*****)	269.674	322.135	--	591.809

(*) Accruals of trading derivative financial assets amounting to TL 31.926 are not included.

(**) Includes foreign currency indexed loans and accruals amounting to TL 62.985.

(***) TL 29.190 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 32.152 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 696.014 (31 December 2019: TL 2.115.194), foreign currency sale commitments within the derivative financial liabilities amounted to TL 682.229 (31 December 2019: TL 2.129.285).

(*****) 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-in-interest Bearing	Total	
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Banks	2.324.276 241.330	-- --	-- --	-- --	-- --	1.284.892 197.394	3.609.168 438.724
Financial Assets at Fair Value Through Profit or Loss(*)	202.203	116.764	268.117	655.606	--	--	1.242.690
Interbank Money Market Placements	378.005	--	--	--	--	--	378.005
Financial Assets Measured at Fair Value through Other Comprehensive Income	7.772	--	395.180	594.562	10.827	5.315	1.013.656
Loans(**)	3.104.809	4.138.066	4.241.180	4.615.543	1.475.419	(76.804)	17.498.213
Financial Assets Measured at Amortized Cost	--	--	305.998	428.977	495.025	--	1.230.000
Other Assets(***)	--	--	--	--	--	1.037.899	1.037.899
Total Assets	6.258.395	4.254.830	5.210.475	6.294.688	1.981.271	2.448.696	26.448.355
Liabilities							
Bank Deposits	253.468	54.689	--	--	--	74.962	383.119
Other Deposits	11.476.291	2.274.893	140.060	10.126	--	1.779.006	15.680.376
Interbank Money Market Received	632.997	257.841	--	--	--	--	890.838
Sundry Creditors	--	--	--	--	--	563.508	563.508
Marketable Securities Issued(****)	--	6.109	20.075	3.596.880	234.240	--	3.857.304
Funds Borrowed From Other Institutions	7.166	406.224	1.170.026	15.816	--	--	1.599.232
Other Liabilities(*****)	125.374	114.705	339.408	487.576	--	2.406.915	3.473.978
Total Liabilities	12.495.296	3.114.461	1.669.569	4.110.398	234.240	4.824.391	26.448.355
Balance Sheet Long Position	--	1.140.369	3.540.906	2.184.290	1.747.031	--	8.612.596
Balance Sheet Short Position	(6.236.901)	--	--	--	--	(2.375.695)	(8.612.596)
Off-Balance Sheet Long Position	--	--	105.000	334.629	--	19.579.112	20.018.741
Off-Balance Sheet Short Position	(37.063)	--	(105.000)	(334.629)	--	(19.407.856)	(19.884.548)
Total Position	(6.273.964)	1.140.369	3.540.906	2.184.290	1.747.031	(2.204.439)	134.193

(*) Includes derivative financial assets.

(**) Non-performing loans (TL 728.391), net-off related stage 3 loans expected credit losses (TL 425.134) and expected losses for stage 1 (TL 146.594) and for stage 2 (TL 233.467) are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 3.444).

(***) Non-interest bearing column includes TL 117.945 investments in subsidiaries, TL 352.060 tangible assets, TL 86.846 intangible assets, TL 88.292 tax asset, TL 98.358 assets held for sale, TL 295.322 other assets and TL 924 of expected credit losses on financial assets.

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

(*****) Non-interest bearing column includes TL 1.815.078 shareholders' equity, TL 325.656 other liabilities, TL 222.241 provisions and TL 43.940 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	in-interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Banks	1.793.051 379.617	-- --	-- --	-- --	-- --	914.824 111.199	2.707.875 490.816
Financial Assets at Fair Value Through Profit or Loss(*)	133.111	64.695	158.441	472.922	154	--	829.323
Interbank Money Market Placements	30.010	--	--	--	--	--	30.010
Financial Assets Measured at Fair Value through Other Comprehensive Income	98.944	1.027	23.741	664.919	15.137	8.697	812.465
Loans(**)	2.418.490	3.444.489	3.760.128	4.436.418	1.448.658	116.228	15.624.411
Financial Assets Measured at Amortized Cost	20.983	--	--	144.239	409.788	--	575.010
Other Assets(***)	--	--	--	--	--	815.850	815.850
Total Assets	4.874.206	3.510.211	3.942.310	5.718.498	1.873.737	1.966.798	21.885.760
Liabilities							
Bank Deposits	12.262	14.705	--	--	--	22.159	49.126
Other Deposits	9.766.155	2.214.981	277.179	619	--	1.258.638	13.517.572
Interbank Money Market Received	267.655	465.602	--	--	--	--	733.257
Sundry Creditors	--	--	--	--	--	358.628	358.628
Marketable Securities Issued(****)	363.510	86.980	57	2.878.597	178.206	--	3.507.350
Funds Borrowed From Other Institutions	3.032	337.501	208.036	310.812	--	--	859.381
Other Liabilities(*****)	138.489	61.742	150.741	505.627	--	2.003.847	2.860.446
Total Liabilities	10.551.103	3.181.511	636.013	3.695.655	178.206	3.643.272	21.885.760
Balance Sheet Long Position	--	328.700	3.306.297	2.022.843	1.695.531	--	7.353.371
Balance Sheet Short Position	(5.676.897)	--	--	--	--	(1.676.474)	(7.353.371)
Off-Balance Sheet Long Position	--	--	--	322.010	--	18.462.430	18.784.440
Off-Balance Sheet Short Position	--	--	--	(322.010)	--	(18.337.350)	(18.659.360)
Total Position	(5.676.897)	328.700	3.306.297	2.022.843	1.695.531	(1.551.394)	125.080

(*) Includes derivative financial assets.

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

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

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

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

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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 Banks	-- 0,01	-- --	-- --	-- 11,75
Financial Assets at Fair Value Through Profit/ Loss	--	3,22	--	11,71
Interbank Money Market Placements	0,01	--	--	12,66
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,14	5,85	--	12,65
Loans	5,92	5,36	--	15,85
Financial Assets Measured at Amortized Cost	4,52	7,59	--	9,22
Liabilities				
Bank Deposits	--	0,52	--	8,36
Other Deposits	0,75	2,19	--	11,54
Interbank Money Market Received	1,11	2,02	--	10,25
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	7,20	--	--
Funds Borrowed from Other Financial Institutions	2,39	1,96	--	8,49

(*) Includes subordinated debts, which are classified under "Subordinated Debts- Other Debt Instruments" 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 Banks	-- --	-- --	-- --	-- 11,00
Financial Assets at Fair Value Through Profit/ Loss	2,43	6,68	--	12,14
Interbank Money Market Placements	--	--	--	12,21
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,28	5,55	--	8,79
Loans	6,03	6,14	--	18,47
Financial Assets Measured at Amortized Cost	5,22	--	--	9,10
Liabilities				
Bank Deposits	--	1,75	--	10,09
Other Deposits	0,36	2,66	--	12,10
Interbank Money Market Received	0,47	3,45	--	--
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	7,25	--	14,59
Funds Borrowed from Other Financial Institutions	2,62	4,44	--	11,84

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

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 2020 (31 December 2019: None).

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VI. Explanations on liquidity risk and liquidity coverage ratio

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

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

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

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

Information on the use of stress testing

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

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

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

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

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)		3.613.718	3.293.455
CASH OUTFLOWS				
2	Deposits from natural persons and retail deposits		1.140.703	679.657
3	Stable deposits		89.297	--
4	Less stable deposits		1.051.406	679.657
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:		2.096.321	1.480.388
6	Operational deposits		--	--
7	Non-Operational deposits		639.421	427.815
8	Other unsecured funding		1.456.900	1.052.574
9	Secured funding		269.108	269.108
10	Other cash outflows		768.088	578.468
11	Outflows related to derivative exposures and other collateral requirements		521.400	509.401
12	Outflows related to restructured financial instruments		--	--
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments		246.687	69.068
14	Other revocable off-balance sheet commitments and other contractual obligations		--	--
15	Other irrevocable or conditionally revocable off-balance sheet obligations		7.613	17
16	TOTAL CASH OUTFLOWS		4.281.833	3.007.639
CASH INFLOWS				
17	Secured receivables		40.343	40.343
18	Unsecured receivables		1.480.121	827.787
19	Other cash inflows		175.555	170.755
20	TOTAL CASH INFLOWS		1.696.019	1.038.884
21	TOTAL HQLA		3.613.718	3.293.455
22	TOTAL NET CASH OUTFLOWS		2.585.814	1.968.755
23	LIQUIDITY COVERAGE RATIO (%)		139,75	167,29

* 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 (continued)

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)		3.133.402	2.368.071	
CASH OUTFLOWS					
2	Deposits from natural persons and retail deposits	10.935.097	5.035.241	1.006.981	503.565
3	Stable deposits	1.729.909	-	86.493	-
4	Less stable deposits	9.205.188	5.035.241	920.488	503.565
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	3.326.774	2.055.377	2.265.367	1.564.407
6	Operational deposits	-	-	-	-
7	Non-Operational deposits	1.438.703	786.008	575.117	313.806
8	Other unsecured funding	1.888.071	1.269.368	1.690.250	1.250.601
9	Secured funding	-	-	125.765	125.765
10	Other cash outflows	2.257.072	768.783	491.818	294.347
11	Outflows related to derivative exposures and other collateral requirements	275.511	237.497	275.294	237.281
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments	1.981.562	531.286	216.524	57.066
14	Other revocable off-balance sheet commitments and other contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	40.684	31	40.685	31
16	TOTAL CASH OUTFLOWS			3.930.617	2.488.116
CASH INFLOWS					
17	Secured receivables	27.580	27.580	13.953	13.953
18	Unsecured receivables	2.036.936	847.627	1.557.400	706.939
19	Other cash inflows	45.611	31.923	45.648	31.960
20	TOTAL CASH INFLOWS	2.110.127	907.130	1.617.001	752.852
21	TOTAL HQLA			3.133.402	2.368.071
22	TOTAL NET CASH OUTFLOWS			2.313.616	1.735.264
23	LIQUIDITY COVERAGE RATIO (%)			135,43	136,47

* 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 (continued)

The table below shows the lowest, highest and average Liquidity Coverage Ratio in the last three months of the 1 January - 30 September 2020 period.

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	159,65%	13/07/2020	117,65%	19/08/2020	140,62%
FC	221,76%	03/07/2020	141,88%	17/08/2020	170,06%

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

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

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

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

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated*	Total
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.614.872	1.994.296	--	--	--	--	--	3.609.168
Banks	197.394	241.330	--	--	--	--	--	438.724
Financial Assets at Fair Value Through Profit or Loss(**)	--	202.204	116.763	268.267	655.452	4	--	1.242.690
Interbank Money Market Placements	--	378.005	--	--	--	--	--	378.005
Financial Assets Available-for-Sale	10.212	--	--	395.180	597.437	10.827	--	1.013.656
Loans (**)	--	2.265.710	2.759.701	6.174.685	5.695.074	679.847	(76.804)	17.498.213
Financial Assets Measured at Amortized Cost	--	--	--	284.935	428.976	516.089	--	1.230.000
Other Assets(***)	--	--	--	--	--	--	1.037.899	1.037.899
Total Assets	1.822.478	5.081.545	2.876.464	7.123.067	7.376.939	1.206.767	961.095	26.448.355
Liabilities								
Bank Deposits	74.962	253.468	54.689	--	--	--	--	383.119
Other Deposits	1.779.006	11.476.291	2.274.893	140.060	10.126	--	--	15.680.376
Funds Borrowed from Other Financial Institutions	--	7.180	156.184	1.264.061	171.807	--	--	1.599.232
Interbank Money Market Received	--	632.997	257.841	--	--	--	--	890.838
Marketable Securities Issued(****)	--	--	6.108	20.076	1.564.419	2.266.701	--	3.857.304
Sundry Creditors	--	563.508	--	--	--	--	--	563.508
Other Liabilities (*****)	--	340.143	124.280	371.193	528.061	3.294	2.107.007	3.473.978
Total Liabilities	1.853.968	13.273.587	2.873.995	1.795.390	2.274.413	2.269.995	2.107.007	26.448.355
Net Liquidity Surplus / (Gap)	(31.490)	(8.192.042)	2.469	5.327.677	5.102.526	(1.063.228)	(1.145.912)	--
Net Off-Balance Sheet Position	--	51.111	(23.624)	(71.491)	214.702	(37.063)	--	133.635
Derivative Financial Assets	--	5.994.150	3.672.863	6.364.758	2.966.933	--	--	18.998.704
Derivative Financial Liabilities	--	5.943.039	3.696.487	6.436.249	2.752.231	37.063	--	18.865.069
Non-Cash Loans	--	174.909	170.408	329.366	157.660	498.895	--	1.331.238
Prior Period								
Total Assets	1.186.323	4.158.192	2.423.536	5.790.719	6.020.781	1.369.234	936.975	21.885.760
Total Liabilities	1.280.797	10.805.993	3.110.813	840.399	2.289.668	1.756.925	1.801.165	21.885.760
Net Liquidity Gap	(94.474)	(6.647.801)	(687.277)	4.950.320	3.731.113	(387.691)	(864.190)	--
Net Off-Balance Sheet Position	--	15.048	10.035	5.928	94.533	--	--	125.544
Derivative Financial Assets	--	4.174.644	5.037.678	3.140.414	4.168.309	--	--	16.521.045
Derivative Financial Liabilities	--	4.159.596	5.027.643	3.134.486	4.073.776	--	--	16.395.501
Non-Cash Loans	--	60.914	193.352	337.775	125.390	307.237	--	1.024.668

(*) Includes derivatives financial assets.

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

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

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

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

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

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 7,52%. 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)	21.343.728	22.018.765
2	(Assets deducted in determining Tier 1 capital)	(220.314)	(147.849)
3	Total balance sheet risks (sum of lines 1 and 2)	21.123.414	21.870.916
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative financial instruments and credit deriva	308.235	156.336
5	Potential credit risk associated with all derivative financial instruments and credit deri	215.579	285.715
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	523.814	442.051
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (except for on-balance sheet)	404.939	1.217.268
8	Risks from brokerage activities related exposures	--	--
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	404.939	1.217.268
Off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	4.070.493	5.028.249
11	(Adjustments for conversion to credit equivalent amounts)	--	--
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	4.070.493	5.028.249
Capital and total risks			
13	Tier 1 capital	1.993.421	1.806.880
14	Total risks (sum of lines 3, 6, 9 and 12)	26.122.660	28.558.484
Leverage ratio			
15	Leverage ratio	7,63	6,32

(*)Represents three-month average amounts.

(**) Exchange rates as at 31 December 2019 were used in the reporting as at 30 September 2020.

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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 January - 30 September 2020				
Operating Income	226.320	627.040	151.702	1.005.062
Operating Profit	25.547	274.632	(68.960)	231.219
Taxation				(52.597)
Net Profit/(Loss) for the Period				178.622
Current Period -30 September 2020				
Segment Assets	2.718.206	14.856.812	8.873.337	26.448.355
Total Assets				26.448.355
Segment Liabilities	12.784.980	2.895.396	8.952.901	24.633.277
Shareholders' Equity				1.815.078
Total Liabilities				26.448.355

	Retail Banking(*)	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period -1 January - 30 September 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
Prior Period -31 December 2019				
Segment Assets	2.066.449	13.441.734	6.377.577	21.885.760
Total Assets				21.885.760
Segment Liabilities	11.018.021	2.499.553	6.712.382	20.229.956
Shareholders' Equity				1.655.804
Total Liabilities				21.885.760

(*) SME segment which is transferred to commercial segment as of March 2019 due to the new segmentation study has been reported under retail banking for first two months.

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SECTION FIVE

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosure related to the assets

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	48.437	447.465	48.386	211.408
Balances with the Central Bank of	222.511	2.890.755	152.600	2.295.481
Other	--	--	--	--
Total	270.948	3.338.220	200.986	2.506.889

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	222.511	896.452	152.527	659.002
Unrestricted Time Deposits	--	--	73	498.795
Restricted Time Deposits	--	1.994.303	--	1.137.684
Total	222.511	2.890.755	152.600	2.295.481

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 2019: 1%-7%) for TL liabilities and at the rates varying from 8% - 24% (31 December 2019: 5%-21%) for FC liabilities, especially USD and EUR, depending on maturities of liabilities.

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar	26.257	--	24.580	--
Marketable Securities	--	--	--	--
Total	26.257	--	24.580	--

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 2020, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 82.145 (31 December 2019: TL 65.841).

Loans recognized at fair value through profit or loss

As of 30 September 2020, there are no loans recognized at fair value through profit or loss (31 December 2019: TL 1.948.020).

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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	122.204	--	59.591	--
Swap Transactions	718.479	--	368.713	--
Futures Transactions	--	--	--	--
Options	261.679	31.926	195.923	27.136
Other	--	--	--	--
Total	1.102.362	31.926	624.227	27.136

(*) 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	187.154	96.832	400.563	740
Foreign	393	154.345	2.058	87.455
Foreign head-offices and branches	--	--	--	--
Total	187.547	251.177	402.621	88.195

3.2 Due from foreign banks

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

4. Information on Financial Assets 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	2.875	951.097	10.904	776.085
Other	--	--	--	--
Total	2.875	951.097	10.904	776.085

As of 30 September 2020, the amount of financial assets at fair value through other comprehensive income not given as collateral or not blocked is TL 59.684 (31 December 2019: TL 25.476).

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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	1.006.401	803.864
Quoted on Stock Exchange	1.006.401	803.864
Unquoted on Stock Exchange	--	--
Share certificates	10.212	8.697
Quoted on Stock Exchange	10.212	8.697
Unquoted on Stock Exchange	--	--
Impairment provision (-)	2.957	96
Total	1.013.656	812.465

5. Information on Loans

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Loans to Shareholders	--	20	--	20
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	20	--	20
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	6.794	--	4.653	--
Total	6.794	20	4.653	20

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

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Non-restructured	Restructured	
			Revised Contract Terms	Refinanced
Loans	15.468.360	478.749	1.146.993	480.916
Working Capital Loans	7.847.616	257.425	683.467	454.548
Export Loans	--	--	1.271	--
Import Loans	--	--	--	--
Loans to Financial Sector	93.043	--	--	--
Consumer Loans	1.973.519	43.827	12.910	3.901
Credit Cards	14.261	1.118	--	--
Others	5.539.921	176.379	449.345	22.467
Specialization Loans	--	--	--	--
Other Receivables	--	--	--	--
Total (*)	15.468.360	478.749	1.146.993	480.916

(*) Amounting to TL 3.444 factoring receivables are also included.

(**) As of 30 September 2020, based on the resolution of the BRSA dated 17 March 2020 and numbered 8948; starting from 17 March 2020 until 31 December 2020, the total amount of the loans that continued to be classified as stage 2 which have past due days between 90 days and 180 days is amounting to TL 70.224.

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-months Expected Credit Losses	146.594	--	117.374	--
Significant Increase in Credit Risk	--	233.467	--	171.618
Total	146.594	233.467	117.374	171.618

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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	79,612	3,578	83,190
31-60 days	24,016	5,493	29,509
61-90 days (*)	17,359	7,183	24,542
Total	120.987	16.254	137.241

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

(**) As of 30 September 2020, based on the resolution of the BRSA dated 27 March 2020 and numbered 8970; starting from 17 March 2020 until 31 December 2020, the total amount of the loans that continued to be classified as stage 1 which have past due days between 30 days and 90 days is amounting to TL 37.558 thousands.

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

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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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	702.182	1.271.800	1.973.982
Mortgage Loans	--	297.899	297.899
Vehicle Loans	--	2.906	2.906
General Purpose Loans	702.182	970.995	1.673.177
Other	--	--	--
Consumer Loans-Indexed to FC	--	7.736	7.736
Mortgage Loans	--	7.330	7.330
Vehicle Loans	--	--	--
General Purpose Loans	--	406	406
Other	--	--	--
Consumer Loans-FC	--	58	58
Mortgage Loans	--	58	58
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	6.225	--	6.225
With Installment	978	--	978
Without Installment	5.247	--	5.247
Individual Credit Cards-FC	50	--	50
With Installment	--	--	--
Without Installment	50	--	50
Loans Given to Employees-TL	826	5.324	6.150
Mortgage Loans	--	44	44
Vehicle Loans	--	--	--
General Purpose Loans	826	5.280	6.106
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Personnel Credit Cards - TL	641	--	641
With Installment	131	--	131
Without Installment	510	--	510
Personnel Credit Cards - FC	3	--	3
With Installment	--	--	--
Without Installment	3	--	3
Overdraft Loans-TL (Real Persons)	46.231	--	46.231
Overdraft Loans-FC (Real Persons)	--	--	--
Total	756.158	1.284.918	2.041.076

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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	609.183	2.745.817	3.355.000
Real Estate Loans	--	234	234
Vehicle Loans	11.154	55.416	66.570
General Purpose Loans	598.029	2.690.167	3.288.196
Other	--	--	--
Installment Commercial Loans - Indexed to FC	223	46.016	46.239
Real Estate Loans	--	--	--
Vehicle Loans	--	7.740	7.740
General Purpose Loans	223	38.276	38.499
Other	--	--	--
Installment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	8.460	--	8.460
With Installment	1.365	--	1.365
Without Installment	7.095	--	7.095
Corporate Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Legal Entities)	53.510	--	53.510
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	671.376	2.791.833	3.463.209

5.5 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	17.575.018	15.508.182
Total (*)	17.575.018	15.508.182

(*) Factoring receivables amounting to TL 3.444 (31 December 2019: TL 3.092) are included. There are no loans at fair value through profit or loss (31 December 2019: TL 1.948.020).

5.6 Allocation of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	16.723.315	14.737.586
Foreign Loans	851.703	770.596
Total (*)	17.575.018	15.508.182

(*) Factoring receivables amounting to TL 3.444 (31 December 2019: TL 3.092) are included. There are no loans at fair value through profit or loss (31 December 2019: TL 1.948.020).

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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 2020 (31 December 2019: None).

5.8 Provisions provided against loans (third stage)

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	64.612	165.920
Loans and Receivables with Doubtful Collectability	42.525	133.848
Uncollectible Loans and Receivables	317.997	215.350
Total	425.134	515.118

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	38	5	2.626
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	38	5	2.626
Prior Period	453	21.568	2.301
Gross Amounts before Specific Provisions	--	--	--
Restructured Loans and Other Receivables	453	21.568	2.301

5.9.2 Movement on non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Balances at the End of Prior Period	268.082	216.051	436.205
Additions (+)	188.865	21.444	12.748
Transfers from Other Categories of Non-Performing Loans (+)	14	284.144	372.878
Transfers to Other Categories of Non-Performing Loans (-)	284.144	372.878	14
Collections (-)	31.026	32.904	171.552
Write-offs (-)	--	--	--
Sold (-) (*)	10.987	47.324	121.211
Corporate and Commercial Loans	10.987	46.315	97.480
Retail Loans	--	225	19.863
Credit Cards	--	784	3.868
Other	--	--	--
Balances at End of the Period	130.804	68.533	529.054
Provisions (-)	64.612	42.525	317.997
Net Balance on Balance Sheet	66.192	26.008	211.057

(*) The loan amounting to TL 179.524 has been written off from assets by transferring to asset management company in 2020.

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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	103.300	4.438	42.933
Provisions (-)	46.568	2.115	29.475
Net Balance on Balance Sheet	56.732	2.323	13.458
Prior Period			
Balance as of Period End	15.936	33.897	85.845
Provisions (-)	9.818	17.768	31.520
Net Balance on Balance Sheet	6.118	16.129	54.325

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)			
Loans Granted to Real Persons and Legal Entities (Gross)	130.804	68.533	529.054
Provisions (-)	64.612	42.525	317.997
Loans Granted to Real Persons and Legal Entities (Net)	66.192	26.008	211.057
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)			
Loans Granted to Real Persons and Legal Entities (Gross)	268.082	216.051	436.205
Provisions (-)	165.920	133.848	215.350
Loans Granted to Real Persons and Legal Entities (Net)	102.162	82.203	220.855
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

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

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

5.11 Explanations about write-off policy

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

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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	182.930	899.042	188.506	386.592
Other	--	--	--	--
Total	182.930	899.042	188.506	386.592

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	184.026	1.032.534	188.506	386.592
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
Total	184.026	1.032.534	188.506	386.592

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt instruments	1.230.439	575.098
Quoted on Stock Exchange	1.230.439	575.098
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	1.230.439	575.098

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

	Current Period	Prior Period
Balance at the beginning of period	575.098	363.032
Foreign Exchange Difference in Monetary Assets	139.714	--
Revaluation adjustments	(20.382)	--
Purchases during the year	536.010	212.066
Disposals through Sales and	--	--
Impairment provision (-)	--	--
Total	1.230.439	575.098

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

7. Information on associates

The Bank has no investment in an associate as of 30 September 2020 (31 December 2019: none).

The Bank has started to present the amount of TL 4.897 under the "Financial Assets at Fair Value Through Other Comprehensive Income" in the current period, which was reported as "Subsidiaries" in the previous period and the comparative information has been rearranged accordingly.

8. Information on subsidiaries

The Bank has TL 117.945 investment in subsidiaries as of 30 September 2020 (31 December 2019: TL 36.945).

Non-financial subsidiaries

The Bank has TL 112.500 investment in a non-financial subsidiary as of 30 September 2020 (31 December 2019: TL 31.500).

The capital of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. has been increased in cash by TL 6.000 and TL 75.000 on 7 January 2020 and 6 August 2020.

	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)
Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.	İstanbul	100,00%	100,00%

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 2020 (31 December 2019: TL 5.445).

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

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

The financial information about Fiba Portföy Yönetimi A.Ş. as of 30 September 2020 is given below:

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
14.823	13.402	394	9	--	4.668	1.869	--

(*) 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 Loses/ Impairment Losses (-)	--	--
Balance at the End of Period	5.445	5.445
Capital Commitments	5.445	5.445
Share of Percentage at the end of Period (%)	99	99

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

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

Valuation of investments made in subsidiaries within the scope of consolidation

	Current Period	Prior Period
Valuation with cost value	5.445	5.445
Valuation with fair value	--	--

Quoted consolidated investments in subsidiaries

None.

9. Information on entities under common control

The Bank does not have investments in entities under common control as of 30 September 2020.

10. Information on lease receivables

The Bank does not have lease receivables as of 30 September 2020.

11. Information on derivative financial assets held for hedging purposes

As of 30 September 2020, The Bank has no hedging derivative financial assets (31 December 2019: TL 87.539).

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.

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

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.

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 2020, the deferred tax asset amounting to TL 75.489 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2019: TL 54.427 deferred tax asset).

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

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	(250.240)	(51.743)
Unearned Commission Income/Prepaid Commission Expenses	38.088	7.874
Retirement Pay and Unused Vacation Provision	32.322	6.734
Tangible Assets Base Differences	(33.685)	(6.737)
Provisions	563.784	116.547
Other	14.122	2.814
Deferred Tax Asset/(Liability)	364.391	75.489
	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Loss	-	-
Financial Assets Valuation	(124.029)	(24.671)
Unearned Commission Income/Prepaid Commission Expenses	13.823	3.041
Retirement Pay and Unused Vacation Provision	29.588	6.210
Tangible Assets Base Differences	(29.517)	(5.903)
Provisions	345.106	73.403
Other	10.852	2.347
Deferred Tax Asset/(Liability)	245.823	54.427

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

15. Information on deferred tax asset (continued)

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

	1 January-30 September 2020	1 January - 30 September 2019
Deferred Tax Asset, 1 January	54.427	79.305
Deferred Tax Income / (Expense)	18.650	(16.916)
Deferred Tax Recognized Directly Under Equity	2.412	(7.562)
Deferred Tax Asset/(Liability) , Period End Balance	75.489	54.827

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

None (31 December 2019: None).

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

None.

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

As of 30 September 2020, the Bank has TL 98.358 assets held for sale (31 December 2019: TL 63.247).

17. Information on other assets

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

17.1 Information on prepaid expenses, tax and similar items

As of 30 September 2020, total prepaid expenses are TL 49.245 (31 December 2019: TL 42.003).

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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	228.941	--	3.371.926	1.151.138	162.331	35.152	20.058	--	4.969.546
Foreign Currency	1.028.361	--	3.486.361	3.913.003	264.261	90.162	71.852	--	8.854.000
Residents in Turkey	917.731	--	3.463.654	3.909.760	264.138	90.105	71.760	--	8.717.148
Residents Abroad	110.630	--	22.707	3.243	123	57	92	--	136.852
Public Sector Deposits	461	--	367	--	--	--	--	--	828
Commercial Deposits	221.655	--	369.117	524.864	11.513	478	223	--	1.127.850
Other Ins. Deposits	3.693	--	2.805	22.073	297	43	237	--	29.148
Precious Metal Deposits	295.895	--	403.109	--	--	--	--	--	699.004
Interbank Deposits	74.962	--	245.437	62.720	--	--	--	--	383.119
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	82	--	213.197	--	--	--	--	--	213.279
Foreign Banks	59.241	--	32.240	62.720	--	--	--	--	154.201
Special Finan.Inst.	15.639	--	--	--	--	--	--	--	15.639
Other	--	--	--	--	--	--	--	--	--
Total	1.853.968	--	7.879.122	5.673.798	438.402	125.835	92.370	--	16.063.495

Prior Period

	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	217.255	--	3.423.787	1.503.762	55.737	181.346	110.105	--	5.491.992
Foreign Currency	624.521	--	2.338.733	2.869.532	539.707	446.008	28.506	--	6.847.007
Residents in Turkey	569.703	--	2.326.177	2.862.047	539.338	445.553	28.419	--	6.771.237
Residents Abroad	54.818	--	12.556	7.485	369	455	87	--	75.770
Public Sector Deposits	59.892	--	--	--	--	--	--	--	59.892
Commercial Deposits	329.476	--	169.835	558.795	4.516	964	1.664	--	1.065.250
Other Ins. Deposits	2.348	--	3.959	21.696	--	40	242	--	28.285
Precious Metal Deposits	25.146	--	--	--	--	--	--	--	25.146
Interbank Deposits	22.159	--	12.262	14.705	--	--	--	--	49.126
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	68	--	--	6.916	--	--	--	--	6.984
Foreign Banks	11.605	--	12.262	7.789	--	--	--	--	31.656
Special Finan.Inst.	10.486	--	--	--	--	--	--	--	10.486
Other	--	--	--	--	--	--	--	--	--
Total	1.280.797	--	5.948.576	4.968.490	599.960	628.358	140.517	--	13.566.698

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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		Exceeding	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	2.592.372	2.739.691	2.350.298	2.736.619
Foreign Currency Saving Deposits	1.383.622	1.025.106	6.381.396	4.415.973
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
Total	3.975.994	3.764.797	8.731.694	7.152.592

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

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

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad	--	--
Deposits of Ultimate Shareholders and Their Close Families		
Deposits of Chairman and Members of the Board of Directors and their Close Families	11.173	23.907
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	35.044	21.646
Saving Deposits in Banks Established in Turkey Exclusively for Off	--	--
Shore Banking Activities	--	--

2. Information on derivative financial liabilities held for trading

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	129.683	--	65.341	--
Swap Transactions	589.587	--	386.379	--
Futures Transactions	--	--	--	--
Options	260.148	32.152	195.948	27.093
Other	--	--	--	--
Total	979.418	32.152	647.668	27.093

(*) 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	17.522	620.872	16.773	391.415
From Foreign Banks, Institutions and Fun	--	960.838	--	451.193
Total	17.522	1.581.710	16.773	842.608

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II. Explanations and disclosures related to liabilities (continued)

3.2 Maturity analysis of borrowing

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	17.522	105.569	16.773	112.037
Medium and Long Term	--	1.476.141	--	730.571
Total	17.522	1.581.710	16.773	842.608

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

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

4. Information related with issued instruments

Current Period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	1.564.419
Book Value	--	--	--	1.581.541
Prior period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	383.867	--	--	1.300.613
Book Value	383.937	--	--	1.334.395

5. Other Liabilities

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

6. Obligations under financial lease

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	29.241	37.894	31.743	37.657
Between 1-4 Years	34.262	17.088	54.263	29.917
More than 4 Years	2.351	511	3.429	820
Total	65.854	55.493	89.435	68.394

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II. Explanations and disclosures related to liabilities (continued)

7. Information on derivative financial liabilities for hedging purposes

As of 30 September 2020, there are no derivative financial liabilities for hedging purposes (31 December 2019: TL 113.444).

8. Information on provisions

8.1 Foreign exchange losses on the foreign currency indexed loans

The foreign exchange losses on foreign currency indexed loans are netted off from the loans on the balance sheet. As of 30 September 2020, there is no provision of foreign exchange losses on the foreign currency indexed loans. (31 December 2019: None).

8.2 The specific provisions provided for unindemnified non cash loans

As of 30 September 2020, the specific provision provided for unindemnified non cash loans is TL 6.983 (31 December 2019: TL 11.449).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	170.000	44.500

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

None.

8.3.3 Explanations on reserves for employee benefits

As of 30 September 2020, reserves for employee benefits amounting to TL 32.322 (31 December 2019: TL 29.588) comprise of TL 18.852 reserve for employee termination benefits (31 December 2019: TL 14.959), TL 5.524 unused vacation pay liability (31 December 2019: TL 4.724) and TL 7.946 personnel bonus accrual (31 December 2019: TL 9.905).

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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 2020, the Bank's current tax liability is TL 43.940 (31 December 2019: TL 40.580).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Taxation on securities	17.019	17.703
Property tax	162	357
Banking and Insurance Transaction Tax (BITT)	12.655	10.510
Taxes on foreign exchange transactions	2.386	584
Value added taxes payable	186	1.364
Income tax ceased from wages	4.903	4.389
Other	794	787
Total	38.105	35.694

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	2.476	2.068
Social Security Premiums- Employer	2.841	2.387
Bank Social Aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee	173	144
Unemployment Insurance- Employer	345	287
Other	--	--
Total	5.835	4.886

9.2 Explanations on deferred tax liabilities

There are no deferred tax liabilities after netting of deferred tax assets (31 December 2019: None).

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

None (31 December 2019: None).

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II. Explanations and disclosures related to liabilities (continued)

11. Explanations on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments subject to common equity	100,000	240,348	100,000	178,263
Subordinated loans	--	--	--	--
Subordinated debt instruments* (*)	100,000	240,348	100,000	178,263
Debt instruments subject to Tier 2 equity	--	2,035,415	--	1,610,755
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	2,035,415	--	1,610,755
Total	100,000	2,275,763	100,000	1,789,018

* Related debt instrument is shown in "Other capital Reserves" account.

12. Information on shareholders' equity

12.1 Paid-in capital

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

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

Registered share capital system is not applied.

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

None.

12.4 Information on share capital increases from revaluation funds:

None.

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

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

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

None.

12.7 Information on privileges given to stocks representing the capital

The Bank does not have any preferred shares.

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12.8 Common stock issue premiums, shares and equity instruments

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

II. Explanations and disclosures related to liabilities (continued)

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

12.9 Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	3.760	2.869	3.033	12.741
Exchange Difference	--	--	--	--
Total	3.760	2.869	3.033	12.741

12.10 Information on other capital reserves

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

12.11 Information on revaluation reserve

None.

12.12 Bonus shares of subsidiaries, associates and joint ventures

None.

12.13 Information on legal reserves

	Current Period	Prior Period
Legal Reserves	42.321	31.719
Special Reserves	--	--

12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	454.072	252.630
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

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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	2.039.516	4.527.252
Credit Card Limit Commitments	29.561	32.901
Credit Card and Bank Trans. Promo. Guarantee	--	1
Commitments for Credit Allocation with the Guarantee of Usage	1.196.260	876.316
Export Commitments	9.017	5.940
Commitment for Cheques	183.658	187.578
Other Irrevocable Commitments	15.134	15.152
Total	3.473.146	5.645.140

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	557.821	432.859
Letters of Guarantee FC	297.107	317.754
Letters of Credit	314.086	168.208
Bills of Exchange and Acceptances	162.224	105.847
Total	1.331.238	1.024.668

The Bank has set aside TL 12.754 of expected credit loss allowance for non-cash loans (31 December 2019: TL 13.331).

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	11.607	37.188
Irrevocable Letters of Guarantee	728.108	659.784
Letters of Guarantee Given in Advance	70.198	28.699
Letters of Guarantee Given to Customs	8.964	5.423
Other Letters of Guarantee	36.051	19.519
Total	854.928	750.613

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	9.096	7.898
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	9.096	7.898
Other Non-Cash Loans	1.322.142	1.016.770
Total	1.331.238	1.024.668

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- III. Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)**
- 3. Information on sectorial risk concentrations of non-cash loans**
- Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.
- 4. Information on the first and second group of non-cash loans**
- Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.
- 5. Information related to derivative financial instruments**
- Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.
- 6. Credit derivatives and risk exposures on credit derivatives**
- None.
- 7. Explanations on contingent liabilities and assets**
- The bank recognised a provision of TL 5.138 for the legal cases pending against the Bank where the cash outflows are probable (31 December 2019: TL 2.107).
- 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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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(*)	1.068.200	388.189	1.441.157	290.911
Short Term Loans	457.094	52.400	859.086	66.736
Medium and Long Term Loans	611.106	335.789	582.071	224.175
Interest on Non-Performing Loans	13.079	--	7.503	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	1.081.279	388.189	1.448.660	290.911

(*) 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	--
Domestic Banks	14.316	46	93.224	335
Foreign Banks	--	182	--	1.385
Branches and Head Office Abroad	--	--	--	--
Total	14.316	228	97.894	1.720

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	5.696	25	2.967	57
Financial Assets at Fair Value Through Other Comprehensive Income	394	35.467	672	31.798
Financial Assets Measured at Amortized Cost	12.296	26.334	19.498	12.632
Total	18.386	61.826	23.137	44.487

1.4 Information on interest income received from associates and subsidiaries

None (30 September 2019: None).

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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	1.136	31.123	1.060	25.822
The Central Bank of Turkey	--	--	--	--
Domestic Banks	1.136	16.658	1.060	15.451
Foreign Banks	--	14.465	--	10.371
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	126.382	--	111.772
Total	1.136	157.505	1.060	137.594

(*)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 497 (1 January - 30 September 2019: TL 121).

2.3 Information on interest expenses to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	28.309	83.950	86.569	59.029

2.4 Information on maturity structure of interest expenses paid for deposits

Account Description	Demand Deposits	Time Deposits					Cumulative	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
Turkish Lira								
Bank Deposits	--	2.536	--	--	--	--	--	2.536
Saving Deposits	--	270.604	101.582	7.445	5.373	9.318	--	394.322
Public Sector Deposits	--	13	--	--	--	--	--	13
Commercial Deposits	--	10.908	37.233	934	37	174	--	49.286
Other	--	149	1.349	215	3	17	--	1.733
7 Days Notice	--	--	--	--	--	--	--	--
Total	--	284.210	140.164	8.594	5.413	9.509	--	447.890
Foreign Currency								
Foreign Currency Deposits	--	28.711	36.248	5.391	2.905	2.287	--	75.542
Bank Deposits	--	2.593	--	--	--	--	--	2.593
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	1.033	--	--	--	--	--	1.033
Total	--	32.337	36.248	5.391	2.905	2.287	--	79.168
Grand Total	--	316.547	176.412	13.985	8.318	11.796	--	527.058

3. Information on dividend income

None (30 September 2019: 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	2.008.102	1.212.485
Gains on Capital Market Operations	50.521	59.631
Gains on Derivative Financial Instruments	897.732	772.284
Foreign Exchange Gains	1.059.849	380.570
Loss (-)	1.888.123	1.138.730
Losses on Capital Market Operations	18.419	2.644
Losses on Derivative Financial Instruments	824.699	782.660
Foreign Exchange Losses	1.045.005	353.426
Net Trading Income / (Loss)	119.979	73.755

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	193.769	299.613
12 Months Expected Credit Losses (Stage 1)	32.442	4
Significant Increase In Credit Risk (Stage 2)	74.434	19.335
Impaired Credits (Stage 3)	86.893	280.274
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 (*)	128.531	105.081
Total	322.300	404.694

(*) TL 125.500 of the total is the provisions for possible losses. (30 September 2019: TL 91.590)

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

7. Information related to other operational expenses

	Current Period	Prior Period
Provision for Employee Termination Benefits	3.892	3.072
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	12.539	9.922
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	16.151	8.980
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	--
Depreciation of Right to Use Assets	21.531	20.198
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	96.680	81.661
Operational leases expenses related with TFRS 16 exceptions (*)	369	701
Repair and Maintenance Expenses	2.091	2.246
Advertisement Expenses	10.524	6.790
Other Expenses	83.696	71.924
Losses on Sale of Assets	4.038	1.579
Other	77.550	58.664
Total	232.381	184.076

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 2020, the Bank provided current tax expense of TL 71.247 in the statement of profit or loss for the 9 months period (1 January - 30 September 2019: TL 7.455 expense).

As of 30 September 2020, the Bank provided the deferred tax expense of TL 103.744 and the deferred tax income of TL 85.094 in the statement of profit or loss for 9 months period (1 January - 30 September 2019: TL 16.916 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

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11.3 *As there is no minority share in shareholders' equity, there is no profit or loss attributable to the minority shares*

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

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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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	331.014	61.073
Balance at the End of the Period	--	--	--	20	451.290	66.163
Interest and Commission Income Received	--	--	--	--	25.440	75

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

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

Prior period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	20	402.272	55.468
Balance at the End of the Period	--	--	--	20	331.014	61.073
Interest and Commission Income Received	--	--	--	--	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.

1.2 Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	8.695	1.859	57.840	80.750	231.137	460.871
Balance at the End of the Period	14.841	8.695	38.479	57.840	364.087	231.137
Deposit Interest Expense	497	121	3.361	18.469	11.483	41.963

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

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

As of 30 September 2020, there are no funds other than deposit obtained from Bank's risk group (31 December 2019: None).

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

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	741.741	780.609
Balance at the End of the Period	--	--	--	--	942.321	741.741
Total Income/Loss	--	--	--	--	1.447	(33.559)
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 2020, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 2,58% (31 December 2019: 2,12%) and the ratio of the deposits of entities of risk group to total deposits is 2,60 % (31 December 2019: 2,19%). There are no funds obtained from entities of risk group (31 December 2019: None).

In the current period, benefits such as salaries and bonuses, provided to the key management are TL 16.978 (1 January - 30 September 2019: TL 12.112).

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	58	1.663			
			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	Negative

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SECTION SIX

DISCLOSURES ON REVIEW REPORT

I. Disclosures on review report

The unconsolidated financial statements of the Bank as of 30 September 2020, 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.

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SECTION SEVEN

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

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

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

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

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

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

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

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

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

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

As of 30 September 2020, the Bank's paid-in capital is TL 941.161.

As of 30 September 2020, The Bank's Shareholder Structure:

Commercial Title	Share Amount (Full basis TL)	Share Ratios (%)
Fiba Holding A.Ş	673.807.731,27	71,59%
Turk Finance B.V.	93.645.475,05	9,95%
International Finance Corporation	84.327.750,28	8,96%
European Bank for Reconstruction and Development	84.327.750,28	8,96%
Other	5.051.846,37	0,54%
TOTAL	941.160.553,25	100%

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- I. **Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager (continued)**
2. **Chairman and the Members of the Board of Directors, Statutory Auditors, General Manager and Assistant General Managers, Members of the Audit, and Managers of the Departments within the scope of Internal Systems**

Name	Duty	Responsibility Area	Date of Appointment	Educational Status	Professional Experience
Hüsnü Mustafa Özyeğin	Chairman of the Board of Directors		27-Dec-10	Graduate	45 years
Fevzi Bozer	Vice Chairman of the Board of Directors		27-Dec-10	Graduate	37 years
İsmet Kaya Erdem	Member of the Board of Directors		11-Feb-13	Undergraduate	69 years
Mehmet Güleşçi	Member of the Board of Directors		27-Dec-10	Graduate	36 years
Memduh Aslan Akçay	Member of the Board of Directors		13-Apr-16	Graduate	29 years
Hülya Kefeli	Member of the Board of Directors		15-May-17	Undergraduate	35 years
Faik Onur Umut	Member of the Board of Directors		23-Jan-19	Undergraduate	35 years
Seyfettin Ata Köseoğlu	Member of the Board of Directors		23-Jan-20	Graduate	31 years
Ömer Mert	General Manager, Member of the Board of Directors		18-Jan-17	Graduate	25 years
Elif Alsev Utku Özbey	Deputy General Manager	Financial Control and Financial Reporting	7-Jan-11	Graduate	26 years
Ahu Dolu	Assistant General Manager	Financial Institutions and Project Finance	1-Dec-15	Undergraduate	23 years
Turgay Hasdiker	Assistant General Manager	Credits	1-Dec-15	Undergraduate	29 years
Kerim Lokman Kuriş	Assistant General Manager	Corporate and Commercial Banking	1-Dec-15	Undergraduate	22 years
Sezin Erken	Assistant General Manager	Consumer Banking & Funding Resource Management	10-Aug-17	Graduate	19 years
Gerçek Önal	Assistant General Manager	Chief Legal Officer	1-Feb-16	Graduate	20 years
İbrahim Toprak	Assistant General Manager	Treasury	1-Apr-20	Graduate	18 years
Serdar Yılmaz	Assistant General Manager	Information Technologies & Banking Operations	1-Sep-20	Graduate	25 years
Ahmet Cemil Borucu	Director	Board of Inspection	7-Feb-11	PhD	22 years
Ayşe Tulgar Ayça	Director	Risk Management	15-Mar-11	Graduate	21 years
Serdal Yıldırım	Director	Legislation and Compliance	6-Apr-11	Graduate	23 years
Kansu Pulular	Director	Internal Control & Operational Risk	2-Jan-17	Graduate	16 years

(*) Bank's Board Member Mr. Mevlüt Hamdi Aydın has resigned as of 31 January 2020. Mr. Seyfettin Ata Köseoğlu has been assigned as Bank's Board Member as of 23 January 2020. Mr. İbrahim Toprak has been assigned as Assistant General Manager in charge of Treasury as of 1 April 2020. As of 1 September, 2020, Serdar Yılmaz has been assigned as the Assistant General Manager of Information Technologies and Banking Operations.

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

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

Summary of Unconsolidated Balance Sheet		
(Thousand TL)	<u>30/09/2020</u>	<u>31/12/2019</u>
Cash and Cash Equivalents	4.424.973	3.228.200
Financial Assets Valued at Fair Value Through Profit or Loss	108.402	2.038.441
Financial Assets Valued at Fair Value Through Other Comprehensive Income	1.013.656	812.465
Derivative Financial Assets	1.134.288	738.902
Financial Assets Measured at Amortized Cost (Net)	18.728.213	14.251.401
Assets Held for Sale (Net)	98.358	63.247
Investments in Associates, Subsidiaries and Joint Ventures	117.945	36.945
Tangible Assets (Net)	352.060	323.651
Intangible Assets (Net)	86.846	69.877
Current Tax Assets	12.803	3.509
Deffered Tax Assets	75.489	54.427
Other Assets	295.322	264.695
Total Assets	26.448.355	21.885.760
Deposits	16.063.495	13.566.698
Funds Borrowed	1.599.232	859.381
Money Market Funds	890.838	733.257
Securities Issued (Net)	1.581.541	1.718.332
Derivative Financial Liabilities	1.011.570	788.205
Lease Liabilities (Net)	55.493	68.394
Provisions	222.241	96.772
Current Tax Liabilities	43.940	40.580
Deffered Tax Liabilities	--	--
Subordinated Debts	2.275.763	1.789.018
Other Liabilities	889.164	569.319
Shareholders' Equity	1.815.078	1.655.804
Total Liabilities	26.448.355	21.885.760

Summary of Unconsolidated Statement of Profit or Loss		
(Thousand TL)	<u>30/09/2020</u>	<u>30/09/2019</u>
Net Interest Income	729.051	618.595
Net Fees and Commission Income	100.874	154.002
Trading Income/ Loss (Net)	119.978	73.755
Other Operating Revenues	55.159	119.913
Total Operating Income	1.005.062	966.265
Expected Credit Losses (-)	193.770	299.613
Other Provision Expenses (-)	128.530	105.081
Personnel Expenses (-)	219.162	191.510
Other Operating Expenses (-)	232.381	184.076
Net Operating Income / Loss	231.219	185.985
Profit/Loss on Continuing Operations Before Tax	231.219	185.985
Tax Provision for Continuing Operations	(52.597)	(24.371)
Net Period Profit / Loss	178.622	161.614

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

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

The COVID-19 virus pandemic, which emerged in China in 2020 and spread to the vast majority of the world as of March, adversely affects the economic activities of the countries throughout the world and this situation causes fluctuations in the markets.

The possible effects of this situation on the financials of our Bank are closely monitored and analyzed, and necessary precautions are taken to control the negative effects that may arise. In this extraordinary period, necessary organizations were made to provide uninterrupted service with the priority of the health of our employees and customers, and actions were taken very quickly. Thanks to our efforts on digitalization, especially for the last two years, we have started working remotely to a large extent without disrupting our services, and the risk was minimized by engaging the necessary hygiene practices for our colleagues working in the field.

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

As of September 2020, Fibabanka net loans portfolio is TL 17,5 billion.

The Bank has funded its loan portfolio mainly by customer deposits also in 2020. In this period, customer deposits amounting to TL 15,7 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 1,1 billion were issued in Turkey in the nine months period.

In the third quarter of 2020, 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 nine months of 2020 is TL 178,6 million as per unconsolidated financial statements and TL 183,3 million as per consolidated financial statements. As an indicator of Bank's strong capital structure, unconsolidated capital adequacy ratio is 22,14%, consolidated capital adequacy ratio is 22,17% as of 30 September 2020.

Besides its financial targets, the Bank, with 58 branches and 1.663 employees, has also non-financial targets like digitalization and inclusion aiming to offer increasingly new innovations through its alternative distribution channels like internet and mobile banking.

In 2020, 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 2020, 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

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

5. Evaluations Relating to the Bank's Financial Situation

As of 30 September 2020, the Bank serves with 58 domestic branches and 1.663 employees.

Total assets of Fibabanka, as of the third quarter of 2020 realised as TL 26.448.355 on unconsolidated basis.

According to unconsolidated financial statements, the net loan volume, which was TL 15.624.410 at the end of 2019, has been realised as TL 17.498.214 as of the third quarter of the year. Share of the loans in total assets has been realised as 66%.

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 2020, NPLs have been realised as TL 728.391 and provisions provided in the amount of TL 425.134.

According to unconsolidated financial statements, financial assets measured at fair value through profit or loss have been realised as TL 108.402, financial assets measured at fair value through other comprehensive income have been realised as TL 1.013.656 and financial assets measured at amortized cost have been realised as TL 1.230.439. Ratio of total securities portfolio to total assets is 9%.

As of third quarter of 2020, the unconsolidated deposit volume has been realised as TL 16.063.495.

According to the unconsolidated financial statements, net profit is TL 178.622 in the nine months period of 2020.

As of 30 September 2020, the Bank's unconsolidated capital adequacy ratio is 22,14%.