10th year Fibabanka

10 out of 10

Annual Report 2020

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Contact and Branches

10th year of innovative banking

As one of the young, dynamic players in the Turkish banking industry, we are proud to celebrate our 10th year within Fiba Group with our approach to banking centered on the principles of "Agile thinking, agile solutions" and "Personal customer services." By putting technology at the core of our business structure, we will continue introducing different products and services to the banking sector and our customers in the next decades.

1

Agile thinking, agile solutions



Our ability to provide fast and premium banking services that exceed expectations is based on a clear understanding of our customers. We are aware of the needs of different customer segments and develop specific solutions accordingly.

2

Technology at the core of our all business processes



We are closely monitoring the “Big Data” transformation in the world of technology and developing simpler and faster business processes. We are turning digital innovations into the future of banking.

Click to explore the digital distinctions.

3

Financial success through diverse products and services



There is no need to mention the challenges that we all faced in 2020. Despite these challenges, we achieved success by investing in technologies and implementing the right strategies. Our outstanding performance was reflected in the figures.

Click to explore highlights of 2020.

4

A young, dynamic and innovative bank



With a young team and spirit, we are one of the Turkish banking industry's dynamic innovative players. Wherever you see an innovation in the banking sector, we are there.

5

Our products and services are there for our customers



Life has changed considerably, and service knows no boundaries. We developed strong business partnerships to stand beside our customers wherever they are. You can benefit from the privileges of being a Fibabanka customer in different areas of life.

Click to explore how Fibabanka facilitates life.

6

Diversified customer base



While customer profiles transform, we recognize the expectations and needs of customers from every age group and every segment and offer them tailored products and services to facilitate their lives accordingly.

7

Always ahead with investments in R&D and innovation



While the world evolves and becomes increasingly digitalized, we adapt to this transformation through the projects of our hardworking R&D employees. We turn innovative ideas into products and services that are taking our bank into the future.

8

Employees set the rules



Our employees recognize opportunities and change the rules of the game by using technology. They are solution-oriented. They push the limits and make a difference. They are open to change and new ideas. In short, our employees set the rules!

9

Strong relationships with business partners



We created a robust consumer ecosystem with business partners in different sectors. Each day, we continue to expand our sphere of influence.

10

Stakeholders with a leading role



Together with our employees, customers, and business partners... We are one big family. Each of them contributes to our success. We will continue to achieve even more with our stakeholders.

Click to explore outstanding customer reviews in 2020.

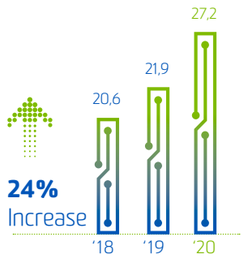
2020 IN FIGURES*

Capital Adequacy Ratio
19,4%

Total Kiraz Account Balance (2020):
TL 7,7 Billion
33% Increase

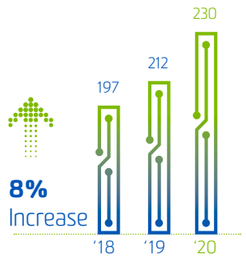
Strong Asset Quality

Assets
(TL Billion)



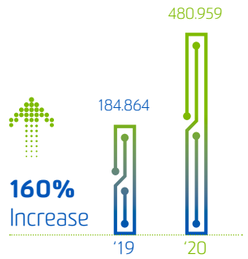
Sustainable Operational Profitability

Net Profit
(TL Million)



Digitalized Banking Services

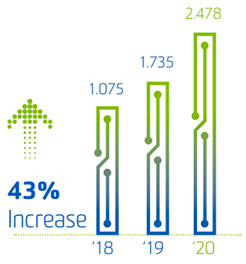
Total Number of Mobile Banking Customers



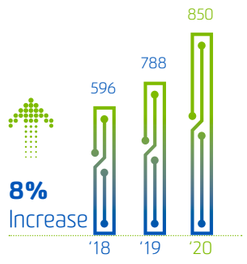
Shopping Loan Volume (2020):
TL 2 Billion
20% Increase

Solid Customer Base Consisting of Different Segments

Total Number of Customers
(Thousand)

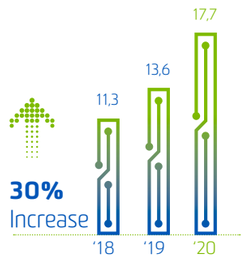


Number of Active Customers
(Thousand)



Broadening Deposit Base

Deposits
(TL Billion)



*Unconsolidated 2020 year-end results. The increase rates specified represent the growth achieved during 2019-2020.



DEVELOPMENTS IN 2020

In 2020, Kiraz Account continued to be Fibabanka's most important deposit product. Kiraz Account balance with a total of TL 5,80 billion as of year-end 2019 climbed to TL 7,71 billion at year-end 2020, up 33%.



Customer Satisfaction Remained Uninterrupted during the Coronavirus Pandemic
While customer profiles evolve, we recognize the expectations and needs of customers from every age group and from every segment and accordingly offer them tailored products and services to facilitate their lives. All headquarters staff started working from home in March until the end of 2020; meanwhile, branch employees alternated working from home and at branch locations. Adjustments were also made in branch working hours. Thanks to these practices implemented across the organization, Fibabanka delivered a high level of customer satisfaction in an efficient and uninterrupted manner.

A New, Convenient Service from Fibabanka Mobile
In line with its commitment to meeting evolving customer needs and expectations, Fibabanka introduced FibaFX, which allows trading with live exchange rates. In 2020, Fibabanka moved forward with its digital transformation investments to launch FibaFX, the next-generation currency trading service that can be easily accessed via its Mobile and Internet Banking channels. Thanks to this new service, Fibabanka's personal banking customers can monitor market data and perform FX and precious metal transactions quickly and safely.





Kiraz Account: Fibabanka's Most Important Deposit Product
Kiraz Account helps customers utilize their savings, functioning as an overnight deposit product where they can perform all their banking transactions from a demand deposit account. In 2020, Kiraz Account continued to be Fibabanka's most important deposit product. Kiraz Account balances totaled TL 5,80 billion as of year-end 2019 and climbed to TL 7,71 billion at year-end 2020, up 33%. For the year, the total number of Kiraz Accounts jumped to 230 thousand, up 64% year-on-year. Focused on reaching its customers through diversified channels effectively and quickly, Fibabanka visits customers at their preferred location to open Kiraz Accounts onsite. Kiraz Account can be opened with many different channels.

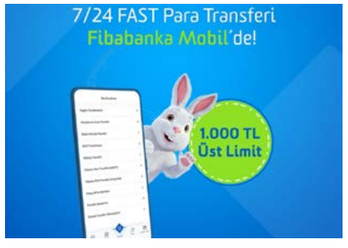
Ongoing Growth with Ecosystem Banking Investments
Fibabanka significantly contributes to the sector's future development with its ecosystem banking investments. To date, the Bank has created a strong consumer finance network with business partnerships across various sectors. The "Shopping Loan," which consists of diverse operating models, established a platform that responds to the changing financial needs of both customers and business partners quickly and easily. The Instant Shopping Loan service significantly accelerates business processes by utilizing loans in just a few minutes with basic information, such as customer identity numbers or mobile phone details.



ComPay Ödeme Çözümleri A.Ş. ("ComPay") Registers Nine-fold Growth
ComPay is the payment platform of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. ("Finberg"), which Fibabanka launched in 2018 to support entrepreneurial activity and fintech enterprises. As of year-end 2020, ComPay introduced 20 products of 12 banks to 2.200 points of sale. Boosting its turnover nine-fold in 2020, ComPay steadily increases the number of banks, products and points where it delivers systems integration services.

A New Banking Approach for "New Normal": Video Banking
Committed to standing beside its customers at all times, Fibabanka makes a difference against its competitors with its innovative applications following the coronavirus pandemic. In line with requirements of the new normal, Fibabanka launched the Video Banking service for remote customer acquisition via Fibabanka Mobile. With Video Banking, a process was put into practice which complies with the latest regulations and communiqués, includes developed technologies for everyone who want to be a customer and that allows becoming a Fibabanka customer quickly and easily.





Instant and Continuous Transfer of Funds: FAST
Adopting the motto "Agile thinking, agile solutions," Fibabanka continued to offer rapid and efficient products to simplify customers' lives. Fibabanka offers its customers fast money transfer services by using simple personal details instead of IBAN numbers via FAST (Instant and Continuous Transfer of Funds), which is the instant payment system of the Central Bank of the Republic of Turkey (CBRT), and KOLAS (Easy Addressing). Fibabanka will continue to offer rapid and efficient products to simplify customers' lives.

ANNUAL REPORT COMPLIANCE OPINION

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

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the Shareholders of Fibabanka Anonim Şirketi

Qualified Opinion
We have audited the annual report of Fibabanka Anonim Şirketi (the "Bank") for the period between 1 January 2020 and 31 December 2020, since we have audited the complete set consolidated and unconsolidated financial statements for this period.

In our opinion, except for the effects of the matter described in the Basis For Qualified Opinion section of our report, the consolidated and unconsolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent, in all material respects, with the audited complete set of consolidated and unconsolidated financial statements and information obtained during the audit and provides a fair presentation.

Basis for Qualified Opinion
As described in the Basis For Qualified Opinion section of Independent Auditor's Report on the complete set of audited consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2020 and 31 December 2020 dated 15 February 2021; the complete set of consolidated and unconsolidated financial statements of the Bank as at 31 December 2020 include a general provision of total of TL 151.000 thousands, of which TL 106.500 thousands was recognized as expense within the current period and TL 44.500 thousands had been recognized as expense in prior periods; with a deferred tax asset amounting to TL 30.200 thousands of which TL 20.410 thousands was recognized within the current period and TL 9.790 thousands had been recognized in prior periods; for the possible effects of the negative circumstances which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Financial Reporting Legislation.

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

Auditor's Opinion on Complete Set of Consolidated and Unconsolidated Financial Statements
We have expressed an qualified opinion on the complete set of consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2020 and 31 December 2020 on 11 Şubat 2021.

Board of Directors' Responsibility for the Annual Report
In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") and Regulation on the Principles and Procedures Concerning the Preparation of and Publishing Annual Reports by the Bank ("Regulation") published in the Official Gazette dated 1 November 2006 and Numbered 26333, the Bank's management is responsible for the following regarding the annual report:

a) The Bank's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.
b) The Bank's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated and unconsolidated financial position of the Bank accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Bank's consolidated and unconsolidated financial statements. The annual report shall also clearly indicates the details about the Bank's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.
c) The annual report also includes the matters below:

- Significant events occurred in the Company after the reporting period,
- The Bank's research and development activities.
- Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report
Our objective is to express an opinion on whether the consolidated and unconsolidated financial information included in the annual report in accordance with the TCC and the Regulation, and analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent with the audited consolidated and unconsolidated financial statements of the Bank and the information obtained during the audit and give a true and fair view and form a report that includes this opinion . We conducted our audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA. Those standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated and unconsolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent with the consolidated and unconsolidated financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM
Partner
1 March 2021
İstanbul, Turkey

AGENDA OF ORDINARY GENERAL ASSEMBLY

1. Opening and Formation of the Meeting Council,
2. Reading and discussion of the 2020 Annual Report prepared by the Board of Directors,
3. Reading and discussion of the Independent Auditor's Reports,
4. Reading, discussion and approval of the Balance Sheet, Income Statements,
5. Release of Board Members and Independent Auditor,
6. Determination of use of the accrued profit, rate of dividend and dividend shares to be distributed, based on the 2020 balance sheet,
7. Determination of Board Member rights such as remuneration, attendance payment, premium and bonus,
8. Election of the Independent Auditor,
9. Reading and discussion of the 2020 Affiliation Report,
10. Granting permission to Board Members, pursuant to Article 395 and 396 of TCC,
11. Wishes and conclusion.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No amendments were made to the Bank's Articles of Association in 2020.

ABOUT FIBA GROUP

Operating in the service sector, Fiba Group's business development efforts are focused on new areas with growth potential. In addition, the Group aims to create value through mergers and acquisitions with a professional management approach.

Founded by the business person Hüsnü M. Özyeğin in 1987, Fiba Group boasts an investment portfolio with a high brand value in different business lines in addition to the finance sector. Holding a prestigious position in the international business world with its overseas investments, Fiba Group employs more than 12 thousand employees from 43 different nations in 12 countries where it does business.

Values of Fiba Group

Fiba Group's core values shape its growth road map:

Superior Service Quality
Fiba Group's success is largely due to the importance placed on providing excellent service in order to respond effectively to customer demands and needs.

Leadership and Authorization
Fiba Group's most valuable asset is its people. Employees are empowered to take the initiative in order to achieve the best possible results. For this reason, the Group's most successful leaders rise up through the ranks of the organization.

Society
Fiba Group is committed to contributing to society as a whole by taking part in various social responsibility projects.

Efficiency and Dynamism
Fiba Group employees are expected to be dynamic in adapting to rapidly changing business conditions as well as efficient and effective in their approaches to handling business matters.

Respect and Teamwork
Fiba Group actively creates a working environment that encourages respect, teamwork and growth.

Transparency
Fiba Group assumes the responsibility of actions, decisions, products and services that may affect its shareholders.

Differentiating Business Areas

Fiba Group's investments in the financial sector include banking, asset management, leasing, factoring, pension, and life insurance, asset management. Its non-financial investments are retail, real estate investments, renewable energy, and hotel investments. Operating in the service sector, Fiba Group is focused on business development activities in new areas with growth potential in addition to creating value through mergers and acquisitions with a professional management approach

Major investments of Fiba Holding in the financial services sector
- **Banking:** Fibabanka A.Ş., Credit Europe Bank N.V. (Netherlands), Credit Europe Bank Ltd. (Russia), Credit Europe Bank (Romania) S.A. (Romania), Credit Europe Bank (Suisse) S.A. (Switzerland), Public Joint Stock Company Credit Europe Bank (Ukraine), Credit Europe Bank (Dubai) Limited (Dubai)
- **Portfolio Management**: Fiba Portföy Yönetimi A.Ş.
- **Leasing:** Credit Europe Leasing LLC (Russia), Credit Europe Leasing LLC (Ukraine), Auto Partners LLC (Russia)
- **Factoring:** Fiba Faktoring A.Ş.
- **Pension and Life Insurance:** Fiba Emeklilik ve Hayat A.Ş., Insurance Company Credit Europe Life (Russia)
- **Asset Management:** Gelecek Varlık Yönetim A.Ş., Credit Europe Asset Management S.A. (Romania), Credit Plus Gulf (Dubai)
- **Other:** Ofishane

Major investments of Fiba Holding in non-financial services
- **Retail:** Marks & Spencer (Turkey, Russia, Ukraine), GAP (Turkey, Russia, Ukraine), Banana Republic (Turkey, Russia)
- **Real Estate Investments:** Shopping Malls in Turkey, Romania, Moldova and China
- **Renewable Energy:** Fina Enerji Holding A.Ş. (Wind Energy, Solar Energy and Coal Mines)
- **Hotel Investment:** Swissotel the Bosphorus, Istanbul
- **Transportation:** Fiba Air Turkey

The Permanent Value Created for Turkey

Based on the mission determined by Hüsnü M. Özyeğin, Founder and the Honorary President of Fiba Group, the Group consistently supports its investments in areas benefiting society, particularly education.

Hüsnü M. Özyeğin Foundation (HMÖV)
Established in 1990, Hüsnü M. Özyeğin Foundation aims to foster social and economic development by supporting a wide variety of efforts related to education, rural development, girls' empowerment, health and culture. As a strategic priority, the Foundation gives support to institutions that will provide the infrastructure needed for social transformation. Since its founding, HMÖV has built schools and dormitories for girls in disadvantaged areas in addition to rehabilitation centers while also carrying out restoration works to protect Turkey's cultural heritage. To date, the Foundation has helped establish or develop 64 institutions across the country.

Mother Child Education Foundation (AÇEV)
Since its founding in 1993, Mother Child Education Foundation has strived to ensure that every child in Turkey is safe, healthy, happy and learning. AÇEV develops and implements scientific educational programs for children, parents and young women in need across Turkey. Reaching 1,4 million people with the support of 14.000 volunteer teachers, AÇEV aims to provide equal opportunities through early childhood interventions and protective activities with research. In addition to educational programs and field work, AÇEV conducts social awareness campaigns and engages in protective activities. AÇEV places particular emphasis on quality education in early childhood, the role of families in future generations, gender equality and lifelong learning – all of which are highlighted in the United Nations Global Development Goals. Parents are informed on the importance of the immediate environment in children's development to create a better environment that will contribute to the well-being of the country's youth.

Özyeğin University (OzU)
Özyeğin University was founded in 2007 by Hüsnü M. Özyeğin with the aim of providing world class higher education opportunities. OzU aims to produce, develop and spread knowledge while creating innovations to benefit humanity and society. The University serves as a model institution for Turkey and the region with its innovative structure, industry-oriented education approach, original course programs and advanced research activities. Boasting the first LEED Gold Certified buildings in Turkey, OzU Istanbul Çekmeköy Campus was built on an area of 280.000 square meters. In 2020, OzU enrolled a total of 14.143 students in 23 graduate and 43 post graduate programs in six faculties, two academies and three institutes.

Where is Fibabanka in life?



Anywhere with a mobile phone
With our entire range of banking products and services, we are just a phone call away from our customers.

Anywhere with internet connectivity
Regardless of where our customers are located, the Fibabanka Mobile app is available 24/7. We are there for our customers whenever they need us, whether they are sitting in a park, working at the office or during half-time of a football match.





At electronics stores
Accessing electronics has never been so convenient! We offer an interest-free and cost-free shopping experience for electronics, eliminating the need for a credit card.

At retail stores
Our customers can enjoy the instant Shopping Loan opportunity that Fibabanka provides at leading retail stores throughout Turkey.





In hospitals and schools
We are also here to support our customers' health and education needs.



At e-shopping
We are at the service of our customers on various online platforms where millions of products for different needs and tastes, from electronics to textiles, kitchenware and artisanal handicrafts, are being sold.

At grocery shopping
Grocery shopping is an integral part of our daily lives. With Shopping Loan, we offer unique advantages and convenience in grocery shopping.





In the kitchenware and tableware sector
It is quicker and easier than ever to update your kitchenware and tableware. As Fibabanka, we are pleased to offer this opportunity to our customers.

At fuel stations
We are there for our customers during their road trips as well. We offer unique advantages to our customers in collaboration with the brands that have the most extensive network of fuel stations in Turkey.





At investment transactions
As Fibabanka, we provide our customers with a complete set of advantages in their investments.

Click to turn back.

ABOUT FIBABANKA

In parallel with the rapid transformation in technology as well as the change in customer behavior, Fibabanka has put the next-generation banking approach into practice.

Designing effective business processes with the vision of becoming the "Most Loved Bank of Turkey" and the "Agile thinking, agile solutions" approach, Fibabanka's journey to success started on 27 December 2010 under the Fiba Group. Specialized in the areas of Corporate, Commercial, SME and Enterprise, Retail, Agricultural and Private Banking, Fibabanka delivers services with a young, dynamic workforce consisting of 1.550 employees at a total of 50 branches as of year-end 2020. Continuing its investments as part of the digital transformation process, the Bank focuses on unconditional customer satisfaction with its innovative products and services.

Innovative Steps toward Becoming the "Most Loved Bank of Turkey"

Driven by the long-standing history of Fiba Group in the finance sector, Fibabanka has steadily diversified its products and services to become the "Most Loved Bank of Turkey" while improving its service quality based on the needs and expectations of customers. The Bank continued to provide high quality service to its customers through its subsidiaries Fiba Portföy Yönetimi A.Ş. and Finberg.

A Brief History of the Bank

The Bank's history dates way back to Sitebank A.Ş. The Bank was transferred to SDIF with its shares thereafter being sold to Novabank in 2002. The name of the Bank was changed to Bank Europe Bankası A.Ş. in 2003. In 2006, shares owned by Novabank S.A. were transferred to Millennium BCP; the Bank's name was changed to Millennium Bank A.Ş.

Fiba Group: the Main Shareholder

After necessary permissions were obtained upon Fiba Group's application to the Banking Regulation and Supervision Agency (BRSA), Millennium Bank A.Ş. joined Fiba Group on December 27, 2010. Fibabanka commenced providing banking services upon the share transfer from Millennium Bank A.Ş. to Credit Europe Bank N.V., one of Fiba Group's major investments based in Holland. Later on, Fibabanka has taken steps to consolidate its partnership structure to strengthen its growth trend along with Fiba Holding A.Ş., Fiba Faktoring Hizmetleri A.Ş., Girişim Varlık Yönetimi A.Ş., Fiba Kapital Holding A.Ş. and Fiba Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. companies under Fiba Group. In 2015, the International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD), two global development institutions have invested in the Bank. In 2016, TurkFinance B.V. has also invested in and became a partner of Fibabanka. Following these investments, the Bank's capital increased to TL 941.160.553,25. Fiba Group continues to retain the majority stake in Fibabanka, with 71,59% of the Bank's share capital as of year-end 2020. The ratios of shares held by other minority shareholders are 8,96%, 8,96% and 9,95%, respectively.

OUR VISION, MISSION AND VALUES

Driven by its strong vision and mission, Fibabanka moves forward with its sustainable corporate development.

Our Vision

Being the "Most Loved Bank of Turkey"

Our Mission

Delivering the fastest banking service to people

Our Values

As an organization, we embrace Corporate Governance Principles such as responsibility, transparency, accountability and fairness. We are also:

Respectful:
- To the environment
- To society
- To all differences (ethnicity, language, religion and gender)

Genuine:
- Open and straightforward
- Sincere
- Friendly

Results-Oriented:
- We are aware of our targets.
- We know the value of time.
- We take action.

SUSTAINABILITY APPROACH

Prioritizing equal opportunity in all its business processes, decisions, procedures and applications, Fibabanka formed a working group within its organizational structure as part of these efforts in 2020.



Backed by the strong reputation of Fiba Group, Fibabanka achieved its corporate objectives in terms of its comprehensive sustainability approach in a highly challenging year. The Bank effectively managed risks arising from the coronavirus pandemic with its digital transformation investments. Fibabanka significantly reduced waste generation as a result of the home working model. In 2020, the Bank successfully fulfilled its social and environmental responsibilities as a model corporate citizen while recording sustainable financial and operational results. During the year, Fibabanka also bolstered its well-respected corporate reputation. Taking into consideration the environmental impact of its business operations, the Bank met its environmental responsibilities, especially with regard to combating climate change. In 2020, Fibabanka further boosted the value it adds to society and the environment in the area of environmental sustainability, especially in waste management and natural resource consumption.

Equal Opportunity Model by Fibabanka

In 2020, Fibabanka took major steps to develop an equitable corporate culture with its work on gender equality. In cooperation with the Mother Child Education Foundation (AÇEV), the Bank held seminars on Gender Equality with the participation of all employees.

Prioritizing equal opportunity in all its business processes, decisions, procedures and applications, Fibabanka formed a working group within its organizational structure as part of these efforts in 2020. The Bank aims to continue these efforts in the future.

A longtime social investor in various areas, especially education, Fibabanka is among the active supporters of Mother Child Education Foundation (AÇEV), one of Turkey's leading educational non-governmental organizations. In 2020, as a follow-up to its gender equality studies, Fibabanka instituted a corporate policy – developed in collaboration with



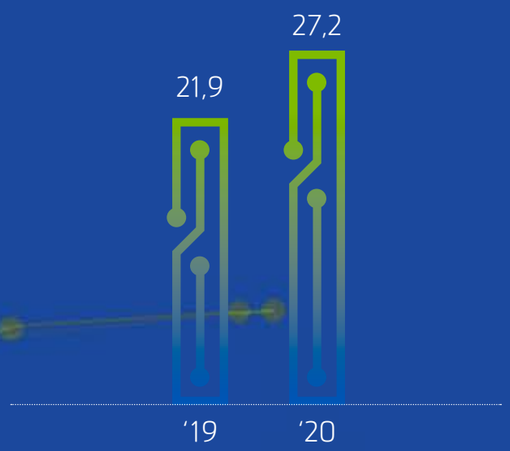
A longtime social investor in various areas, especially education, Fibabanka is among the active supporters of Mother Child Education Foundation (AÇEV), one of Turkey's leading educational non-governmental organizations.

Sabancı University and TÜSİAD – aimed at implementing the equal opportunity model in all its decision-making and business processes. Opposing all kinds of violence and standing by victims of every type of violent act, Fibabanka participated in the Business World against Domestic Violence initiative to create solidarity in the workplace. Fibabanka set up an e-mail address and a telephone hotline to ensure that staff members who are victimized by violence receive the support they need easily and in privacy. Details of support mechanisms and advisory issues related to this matter were also shared with all employees.

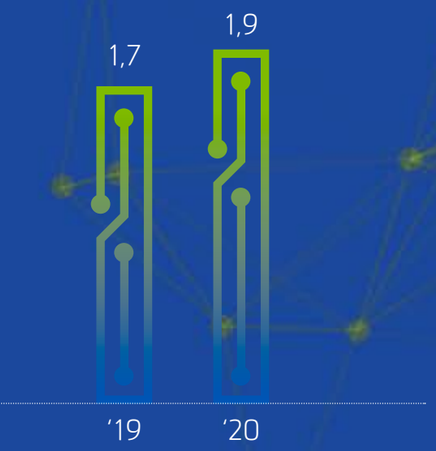
In addition, Fibabanka supported the Audio Book Reading campaign where audio books are recorded and presented to students with Disabilities Unit, and Assistive Technology and Education Laboratory for Individuals with Visual Disabilities (GETEM). The campaign, which was initiated in 2020 with the participation of 75 Fibabanka employees, is planned to continue reading sessions in 2021. The Bank also granted one business day's leave to all employees who participated in the project as volunteers.

Our financial and operational strength

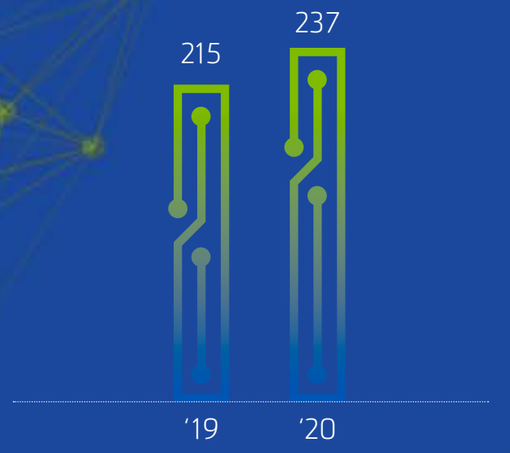
TL 27,2 billion
Assets (TL billion)



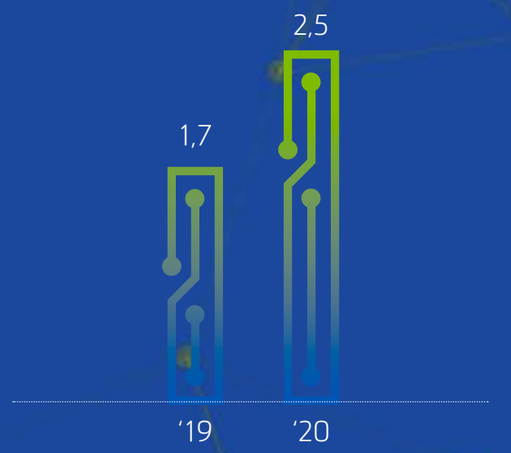
TL 1,9 billion
Equity (TL billion)



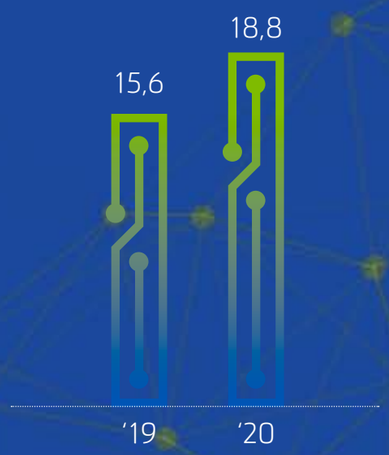
TL 237 million
Consolidated Net Profit (TL million)



2,5 million
Total Number of Customers (million)



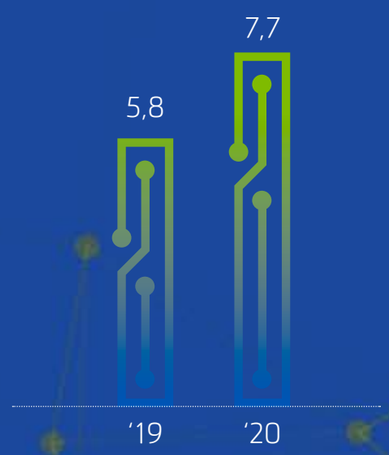
TL 18,8 billion
Loans (TL billion)



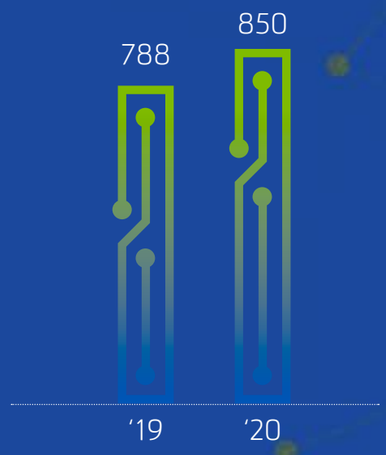
TL 17,7 billion
Deposits (TL billion)



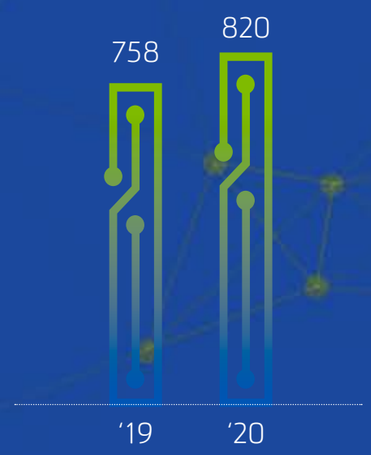
TL 7,7 billion
Kiraz Account Balance (TL billion)



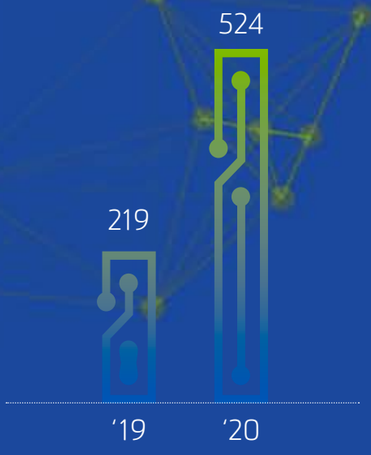
850 thousand
Number of Active Customers (thousand)



820 thousand
Number of Active Personal Customers (thousand)



524 thousand
Total Number of Digital Customers (thousand)

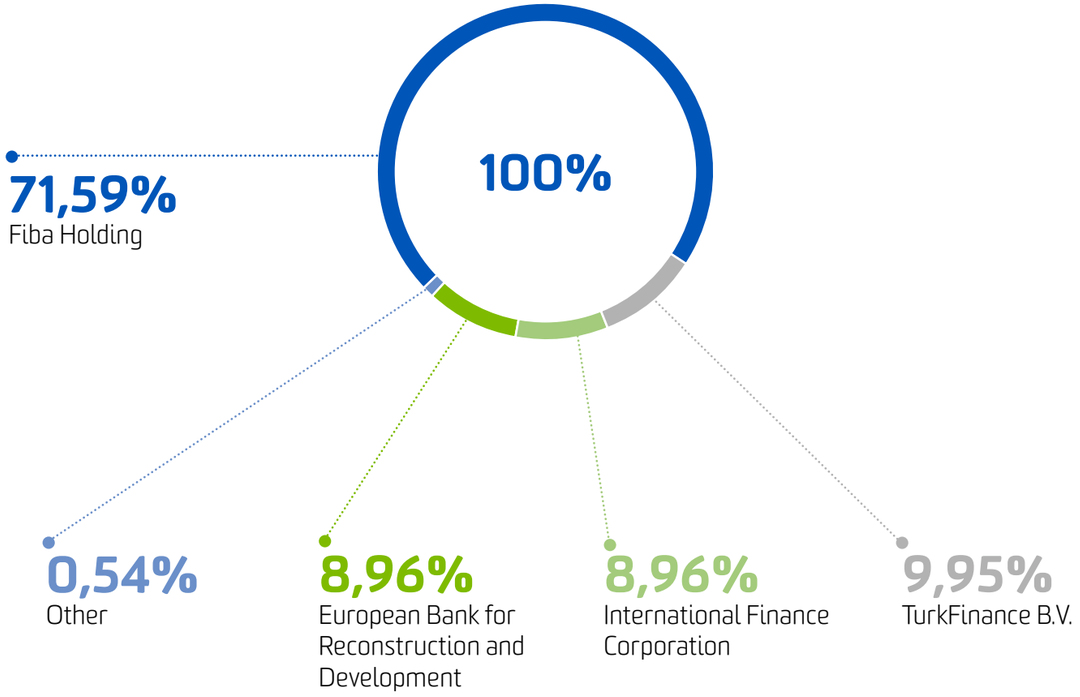


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SHAREHOLDER STRUCTURE

Shareholders	Amount of Capital (TL)	Number of Shares	Share Ratio (%)
Fiba Holding A.Ş.	673.807.731,27	67.380.773.127	71,59
TurkFinance B.V.	93.645.475,05	9.364.547.505	9,95
International Finance Corporation	84.327.750,28	8.432.775.028	8,96
European Bank for Reconstruction and Development	84.327.750,28	8.432.775.028	8,96
Other	5.051.846,37	505.184.637	0,54
TOTAL	941.160.553,25	94.116.055.325	100,00

The Chairman and Members of the Board of Directors, General Manager and Assistant General Managers currently hold 505.184.637 equity shares in the Bank. amounting to TL 5.051.846,37 as of 2020.



KEY FINANCIAL AND OPERATIONAL INDICATORS

Unconsolidated Financial Results

(TL Million)	31.12.2018	31.12.2019	31.12.2020	Increase (%)
Assets	20.618	21.886	27.225	24,40
Loans (Net)	14.121	15.624	18.796	20,30
Deposits	11.313	13.567	17.667	30,22
Equity	1.322	1.656	1.874	13,16
Net Profit	197	212	230	8,49

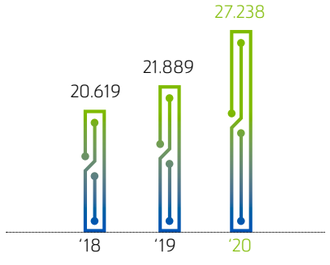
Consolidated Financial Results

(TL Million)	31.12.2018	31.12.2019	31.12.2020	Increase (%)
Assets	20.619	21.889	27.238	24,44
Loans (Net)	14.121	15.624	18.796	20,30
Deposits	11.313	13.566	17.667	30,23
Equity	1.322	1.659	1.884	13,56
Net Profit	197	215	237	10,23

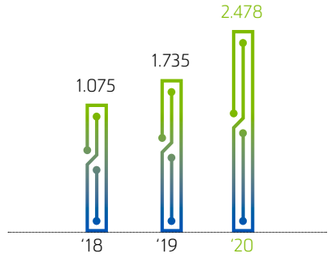
Key Operational Indicators

	31.12.2018	31.12.2019	31.12.2020	Increase (%)
Number of Employees	1.591	1.541	1.550	0,58
Number of Branches	72	63	50	-20,63
Number of ATMs	82	74	58	-21,62
Number of Active Customers (thousand)	596	788	850	7,87
Total Number of Customers (thousand)	1.075	1.735	2.478	42,82

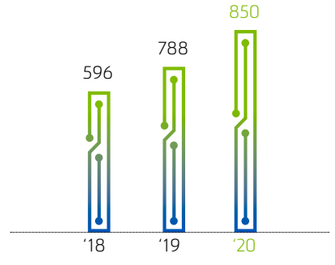
Total Assets (TL Million)



Total Number of Customers (Thousand)



Number of Active Customers (Thousand)





Fibabanka stands out from the competition and adds value to the lives of its customers with its innovative products and services in addition to its investments in digital transformation. During the coronavirus pandemic, Fibabanka continued its support to the real sector.

HÜSNÜ M. ÖZYEĞİN
Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Becoming popular in the sector with its products and services in the field of digital transformation in addition to ecosystem banking investments, Fibabanka carries out its activities driven by its agile organizational structure.

Capital Adequacy Ratio **19,4%**

Our capital adequacy ratio was 19,4% at 2020 year-end.

Esteemed Stakeholders,

2020 was a year in which the entire world struggled with the negative impact of the health crisis as well as the economic crisis due to the coronavirus pandemic. As the pandemic caused one of the greatest contractions in global economy over the last one hundred years by creating shocks in both supply and demand domains, central banks and governments all over the world embraced expansionary monetary policies to support and stimulate their economies in response to the economic destruction caused by the pandemic. In March 2020, central banks of developed countries, particularly the central bank of the U.S. (Fed) which cut the policy interest rate twice finally down to 0-0,25% (Fed), not only slashed their interest rates to historically low levels, but also increased their market stimulus through bond purchase programs. Governments issued financial incentive packages to avoid loss of jobs. According to IMF data, global financial incentives issued in 2020 in response to the impact of the pandemic reached USD 14 trillion in total.

As a result of the U.S. Presidential Elections, which was another significant highlight of 2020, democrat Joe Biden was elected as the new president. On the other hand, during the last days of the year, the United Kingdom and the Europe Union signed the Brexit trade deal, which had been negotiated between the parties for a long time.

News on vaccines which were released toward the end of 2020 led to a cautiously optimistic mood regarding global economic recovery when we entered 2021. While it is important how quickly and effectively the vaccination process will be executed by countries in 2021, mutation of the virus will also be a critical factor that could affect the success of the vaccination. Size of the additional stimulus package to be announced in the U.S. will be closely watched in terms of its possible effects on global markets.

Although achieving a growth rate of 4,5% in the first quarter of 2020, the Turkish economy experienced a sudden slowdown and shrank by 9,9% in the second quarter as a result of increased intensity of the pandemic, many business halting or slowing down their operations, reduced employment and reduction in consumer spending. With easing of pandemic-related restrictions starting from May 2020, incremental steps taken towards normalization and provision of attractive loan terms, economic activity seemed to gather some momentum during the remainder of the year. The Turkish economy is estimated to have grown by 2% in 2020.

With this growth performance, Turkey is one of the few countries to achieve positive growth during that period. Although this economic growth resulted in increased import volumes, reduction in global demand, particularly in European countries, led to weak export figures

Total Assets **TL 27,2 billion**

Our total size of assets increased by 24% to TL 27,2 billion

throughout the year. With the serious reduction in service revenues due to the pandemic, especially in tourism and transportation segments, the current account balance, which had been in surplus in 2019, posted a deficit of USD 36,7 billion in 2020, and its ratio to GDP increased to 5,2%. With the serious reduction in service revenues due to the pandemic, especially in tourism and transportation segments, the current account balance, which had been in surplus in 2019, posted a deficit of USD 36,7 billion in 2020, and its ratio to GDP increased to 5,2%. Inflation rate started 2020 at 12,2% and ended the year at 14,6%.

In 2020, regulatory adjustments intended to alleviate the effects of the pandemic as well as attractive loan campaigns initiated by state-owned banks and then also embraced by the entire banking sector provided a strong support to the real sector during that challenging period. Although the high credit growth during most of the year contributed to economic growth, it resulted in negative effects on macroeconomic indicators such as current account deficit and inflation. In consideration of these effects, the economy management took action to tighten the monetary policy toward the end of the year. The Central Bank increased the policy interest rate by 675 base points, raising it to 17%, and certain normalization steps were taken for the banking sector. In this unusual year characterized with poor predictability and many variables in play, the banking sector maintained a return on equity of 11,3% at the end of 2020 compared to 11,5% at the end of 2019 and increased the capital adequacy ratio to 18,7% compared to 18,4% in 2019 thanks to its robust corporate infrastructure, effective balance sheet management and successful risk management. 2021 is expected to witness a healthier and more balanced growth compared to 2020, and the banking sector is expected to increase its contribution to a sustainable economic growth.

Differentiating itself in the sector by adding value to the lives of its customers with innovative products and services, Fibabanka maintained its support to the real sector during the coronavirus pandemic as well. Fibabanka supports its growth with sustainable profitability and focuses on efficiency. The bank closed the year 2020 with a total size of assets of TL 27,2 billion and a net profit of TL 229,8 million, and achieved a return on equity of 13% and a capital adequacy ratio of 19,4%.

Growing in popularity in the market thanks to its innovative digital products and services in addition to its forward-looking ecosystem banking investments, Fibabanka is driven by its agile organizational structure.

Celebrating its 10th anniversary in Fiba Group, the Bank is confident about the future with the ongoing support of its stakeholders. Taking this opportunity, we would like to thank our devoted employees, our business partners, our esteemed customers and all our stakeholders.

Kind regards,



HÜSNÜ M. ÖZYEĞİN
Chairman of the Board of Directors



Thanks to its strategic investments in digital transformation, Fibabanka effectively mobilized its organizational competency and well-qualified human resources during the coronavirus pandemic to deliver unconditional customer satisfaction.

ÖMER MERT
General Manager and Member of the Board of Directors

MESSAGE FROM THE GENERAL MANAGER

At Fibabanka, we design our activities with the goal of building the banking of the future. In this context, we continue our journey by developing a multidimensional activity model with our stakeholders.

Esteemed Stakeholders,

The coronavirus pandemic caused fiscal year 2020 to be extraordinary in every sense, negatively impacting all aspects of everyday life around the globe. Through it all, Fibabanka introduced numerous innovative products and services to its customers in pursuit of its vision of becoming the "Most Loved Bank of Turkey." The Bank's sustainable success remained uninterrupted thanks to our digital transformation journey, which carried us through the extremely challenging environment of 2020. I am proud to say that Fibabanka maintained its financial profitability and operational efficiency without compromising on customer satisfaction during this difficult year, when we also celebrated the Bank's 10th anniversary in Fiba Group.

Our Digital Transformation Investments Helped Minimize the Effects of the Coronavirus Pandemic

From day one, Fibabanka has conducted its business operations in light of its "big data" focused digital transformation journey. Thanks to our advanced technology and big data focused investments, the Bank broadened its customer base and provided even better customer service in 2020. Fibabanka reported total assets of TL 27,2 billion as of year-end 2020. We recorded solo net profit of TL 229,8 million and consolidated profit of TL 237,1 million. During the year, Fibabanka remained focused on providing ongoing support to the real economy and customers in diverse segments. Fibabanka's total loan portfolio accounted for 69% of its total assets as of year's end. In 2020, we further expanded our customer base. Total customer deposits climbed to TL 16,7 billion. The outstanding balance of our Kiraz Account product, which played a major role in this increase, rose to TL 7,71 billion as of end-2020, jumping 33% year-on-year. Meanwhile, the number of Kiraz Accounts totaled 232 thousand, also up 64%. Fibabanka's investment funds, another key product group, reached a total fund size of TL 1,2 billion with an active customer base of 6 thousand as of year-end 2020. Backed by the sound capital structure of our main shareholder, Fiba Holding, our Bank achieved a capital adequacy ratio of 13,0% with a return on equity of 19,4% as of end-2020.

The Good Health and Wellbeing of Our Employees and Customers Come First

Affecting the entire world since the beginning of 2020, the coronavirus pandemic was a critical test for Fibabanka in terms of demonstrating the extent to which it values its stakeholders. Thanks to the investments we have made in advanced technology over a long period, we were able to take quick action and adopt the remote working model for our headquarters employees. Branch personnel continued to serve the Bank's customers by working from home and from branch locations alternately. Fibabanka has taken various measures to ensure hygiene and social distance in order to safeguard the health of Bank customers and employees. In addition, we conducted our business operations without compromising on service quality by adjusting our working hours and directing customers to digital channels, such as Fibabanka Mobile and Internet Banking channels. I would like to express my gratitude to all our employees who have shown great effort and commitment during this difficult but necessary adaptation process.

Since March 2020, Fibabanka has performed Net Promoter Score (NPS) measurements for its digital channel customers. This effort has allowed us to strengthen the bond between the Bank and our customers. Thanks to the simultaneous experience measurements, we quickly achieved results in terms of further boosting customer satisfaction.

We Continue to Make a Difference with Innovative Products and Services

At Fibabanka, we shape our business activities with the goal of building banking of the future. We continue our journey to sustainable success by developing a multidimensional operating model in conjunction with our stakeholders. Fibabanka is a leading institution in terms of consumer finance by entering into collaborations with players in various sectors in line with its ecosystem banking approach. During the year, Fibabanka maintained its successful performance with Finberg, which was established to support entrepreneurship and fintechs.

Total Deposits
TL 17,7 billion

We increased our total deposit size by 30,2% to TL 17,7 billion.

Despite the negative impact of the pandemic, Fibabanka recorded turnover of TL 2 billion with 600 thousand shopping loan customers while making collaborations with leading enterprises – such as ComPay, BizimHesap, Figopara, Getir – via Finberg. ComPay, a payment platform that provides remittance and consumer loan services, achieved nine-fold growth in turnover as of end-2020, bringing 20 products of 12 banks to 2.200 points of sale.

Fibabanka's investments in alternative distribution channels continued throughout 2020. We provided customers with new services in line with their evolving needs. Our Kiraz Plus product, a hybrid checking-deposit account, was embraced by many customers with high balances in a short time. FibaFX, our next-generation currency and precious metal trading service, was launched via our Mobile and Internet Banking channels. By offering advantageous currency rates and real-time prices, FibaFX quickly became one of the most popular services among our customers.

We Are Committed to Ensuring "Happy Fibabanka Employees"

Fibabanka effectively managed the pressure of the coronavirus pandemic on its business operations without compromising on customer satisfaction. Our success is the direct result of the digital transformation we have successfully carried out in recent years. During this highly challenging period, Fibabanka maintained its focus on delivering customer satisfaction and achieving operational efficiency thanks to its dynamic organizational structure and corporate competencies. We are committed to ensuring "Happy Fibabanka Employees" by offering banking of the future.

In 2020, on the occasion of Fibabanka's 10th anniversary in Fiba Group, I would like to express my gratitude to all our stakeholders – especially our main stakeholder Fiba Holding – for their unconditional support on this journey to become the "Most Loved Bank of Turkey." With this ongoing support, we will stride into the future with confidence and determination.

Kind regards,



ÖMER MERT
General Manager and Member of the Board of Directors

CORPORATE BANKING/ COMMERCIAL BANKING

By offering a solution-driven service approach to its Corporate Banking clients, Fibabanka achieved results that further consolidated stakeholder trust in 2020.

Cash Loans
TL 13,1 billion

Fibabanka boosted its cash loan volume to TL 13,1 billion, up 47% compared to the previous year.

In 2020, Fibabanka launched the e-invoice financing product. This innovative offering is designed to provide the quickest and the most appropriate solution to meet the financial needs of the Bank's customers as part of its digital transformation.

Corporate Banking

Fibabanka offered products and services that make a difference for the Corporate Banking segment in 2020. The product and service portfolio for corporate clients includes cash and non-cash loans (TL and foreign currencies); financial consulting on investment financing; mergers & acquisitions; and project finance loans. Corporate Banking also provides solution proposals for financing foreign trade, treasury and derivative products to mitigate interest and exchange rate exposure, in addition to deposit, fund and cash management services.

Solution-Driven Service Approach

By offering a solution-driven service approach to its Corporate Banking customers, Fibabanka achieved results that further consolidated stakeholder trust in 2020. The Bank maintained its customer-centered operations by effectively managing liquidity, products and services in line with Corporate Banking client needs. As of year-end 2020, Fibabanka Corporate Banking recorded 6.217 registered customers, 1.356 active customers and 758 loan customers. The Bank provided an additional cash loan of TL 4.094 billion to Corporate Banking customers during the pandemic in 2020. As a result, Fibabanka boosted its cash loan volume to TL 13.168 billion, up 47% compared to the previous year.

During the reporting period, Fibabanka Corporate Banking focused on acquiring new customers, activating dormant customers and boosting demand deposits. With these efforts, the Bank bolstered stakeholder trust. A wide variety of solutions were offered to customers, including treasury and derivative products that help eliminate currency and interest risks arising from volatility. In addition to further diversifying its products and services in the Corporate Banking segment, Fibabanka plans to support the Turkish real sector by closely monitoring its customers' liquidity needs in 2021.

Cash Management and Foreign Trade

In 2020, Fibabanka recorded significant achievements in Cash Management and Foreign Trade. The Bank posted a 20% increase in foreign trade transactions in US Dollars terms compared to the previous year. In 2020, Fibabanka launched the e-invoice financing product. This innovative offering is designed to provide the quickest and the most appropriate solution to meet the financial needs of the Bank's customers as part of its digital transformation. With this product, TL 550 million worth of invoices were funded during the year.

TL 632 Million in Supplier Financing Provided to the Real Sector

In 2020, Fibabanka helped channel funds to the real sector via the Supplier Finance System. This platform is specially designed to assist clients that have a wide network of suppliers in managing their working capital. The Supplier Finance System enables these suppliers to access financing more quickly. During the year, the Bank provided financing of TL 632 million through the system. The order transmission process with e-signature application was introduced by the Bank in 2019 to provide cost savings, security, business continuity and mobility. With upgrades in 2020, this feature was transformed into an agile product that responded quickly to the evolving needs of customers during the coronavirus pandemic. In line with the approach to provide comprehensive and uninterrupted services to Bank's customers, the portfolio of billing institutions was expanded by 17% compared to the previous year. Offering customers 24/7 money transfer services among banks using the system, the Transfer on Duty product accounted for 2% of total EFT transactions made by personal banking customers via Mobile and Internet Banking channels.



As of end-2020, Fibabanka offered its customers fast money transfer services by using simple personal details instead of IBAN numbers via FAST (Instant and Continuous Transfer of Funds), the instant payment system of the Central Bank of the Republic of Turkey (CBRT) and KOLAS (Easy Addressing). With this new transfer method, customers no longer need to memorize complex IBAN numbers and are able to transfer Turkish lira 24/7 using basic information such as mobile number, TR ID number, e-mail address or passport number.

Focused on delivering products that facilitate the lives of customers, Fibabanka plans to take additional steps toward digitalization. The Bank also aims to offer its customers fast and efficient banking solutions in Cash Management and Foreign Trade in 2021.

Commercial Banking

In fourth quarter 2020, Fibabanka Commercial Banking was restructured in order to boost market penetration, diversify its customer base and facilitate new customer acquisition. Fibabanka Commercial Banking responded to all needs of commercial enterprises with turnover up to TL 125 million with its well-skilled staff, solution-oriented approach and best-in-class agility. With its innovative products and services, Fibabanka Commercial Banking stands by its customers to meet their evolving needs. These wide-ranging offerings – including cash and non-cash loans; foreign trade finance; treasury transactions for currency and commodity fluctuations; invoice financing loans; cash management products and services – are designed to facilitate and simplify firms' day-to-day operations. In 2020, Fibabanka Commercial Banking recorded a successful performance by serving 3.235 active customers and 2.226 loan customers. At year's end, Fibabanka Commercial Banking reported total cash loans of TL 2 billion and demand deposits of TL 277 million. Commission earnings for the year amounted to TL 36,2 million. In 2021, Fibabanka Commercial Banking aims to further expand its customer base with its fast and solution-oriented approach.

RETAIL BANKING

Fibabanka Retail Banking serves artisan/farmer customers through a variety of channels, such as SMS, a dedicated website and retail stores.

Fibabanka remained committed to offering solutions that meet its customers' liquidity needs to ensure a strong and sustainable economy.

During an extremely challenging year for the entire globe, Fibabanka Retail Banking continued to facilitate the lives of both micro customers and farmers with a focus on providing quick access to financing. Fibabanka introduced SMS loan access to its micro customers via various parent company collaborations. By collaborating with many companies in the key area of supplier financing, Fibabanka raised awareness among its customer base in cities where it operates. The Bank remained committed to offering solutions that meet its customers' liquidity needs to ensure a strong and sustainable economy. Fibabanka strived to support its customers who need financial support due to the pandemic, which affected every aspect of life worldwide and in Turkey. The Bank started providing agricultural banking services at five additional branch locations by expanding its service area. In addition, Fibabanka further broadened its POS network and boosted its total turnover by ramping up negotiations with Turkey's largest agricultural unions. In order to provide farmers with fast access to loans when needed, the Bank introduced the SMS application and retail store loans.

Fibabanka Retail Banking serves artisan/farmer customers through a variety of channels, such as SMS, website and retail stores. During the pandemic, Fibabanka Retail Banking facilitated the lives of its customers with fast and effective solutions.



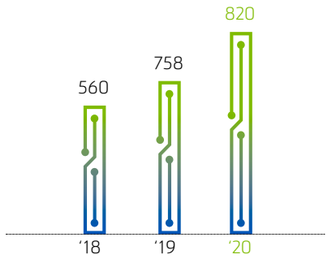
PERSONAL BANKING

Fibabanka aims to further diversify its Personal Banking customer base by establishing new ecosystems with the experience gained from strategic business partnerships.

Total Number of Personal Customers
2,15 million

The total number of personal customers of Fibabanka reached 2,15 million by the end of 2020.

Active Personal Customer Base (Thousand)



Designing products and services to meet all the financial needs of individual customers, Fibabanka Personal Banking continued its breakthroughs in 2020. Developing its service infrastructure consistently, taking into close consideration customer needs and expectations, Fibabanka delivers services in Personal Banking via mobile and internet banking channels, website, branches, call center and non-branch sales channels thanks to its ever-expanding portfolio of business partnerships. Committed to diversification, one of the core components of its business model, Fibabanka took major steps forward in Personal Banking also in 2020. The Bank significantly expanded its personal customer base thanks to business partnerships formed in 2020. Reaching 2,15 million active personal customers as of year-end 2020, Fibabanka had more than 2.000 customer contact stores/points. Fibabanka aims to further diversify its Personal Banking customer base by establishing new ecosystems with the experience gained from business partnerships.

Digital Focus and the Approach to Quickly Integrate New Systems

Standing out from the competition by focusing on digital technology and integrating new systems quickly, Fibabanka responded quickly to the changing financial needs of its customers and business partners in 2020. Having developed effective projects very quickly after closing deals with its business partners, the Bank has become preferred for both business partners and clients. To take customer acquisition to the next level, Fibabanka has introduced new innovative services. These efforts include personal customer acquisition via Fibabanka Mobile and new product sales via video or non-video calls according to customer preference.

Strong Consumer Financing Network Created with Business Partnerships

Fibabanka significantly contributes to the sector's future development with its ecosystem banking investments. To date, the Bank has created a strong consumer finance network with business partnerships across various sectors. The Shopping Loan, which consists of different operating models, established a platform that responds to the changing financial needs of both customers and business partners quickly and easily. The Instant Shopping Loan service significantly accelerates business processes by allocating loans in just a few minutes with customer identity numbers and mobile phone details. Despite country-wide restrictions in second quarter 2020 in addition to the negative impact of the coronavirus pandemic on shopping malls and physical stores, Fibabanka served about 600 thousand customers and recorded 10% growth in shopping loans in 2020 compared to the previous year. Registering 28% growth year-on-year, the Bank reported TL 2 billion of loans utilized both in stores and via online sales platforms in 2020.



Shopping Loans
TL 2 billion

Registering 28% growth year-on-year, Fibabanka reported TL 2 billion of loans utilized both in stores and via online sales platforms in 2020.

In 2020, Fibabanka introduced new online channels with its business partners. These efforts included digital transformation projects, diversification of alternative sales channels and the product integration across all sales channels. Online channels accounted for a 10% share of shopping loans in 2020. Meanwhile, online channel usage jumped 1.000% compared to 2019. During the year, customer traffic and turnover grew for business partners included in the online ecosystem. Suppliers were provided the opportunity to access financial solutions such as becoming a Fibabanka customer without leaving their homes during the pandemic period, and shopping with interest-free installment payments.

Innovation and Entrepreneurship Strategy of Fibabanka

Fibabanka provides Shopping Loan services to the business partners with a large number of dealers thanks to the financial technology partnerships it has made in line with its innovation and entrepreneurship strategy. The Bank continued to expand the sectors it provides loans to include electronic, retail, food, clothing, consumer durables and e-commerce sites in 2020. Fibabanka made contact with customers at more than 2.000 points.

PERSONAL BANKING

Fibabanka is committed to developing innovative platforms that will support consumers 24/7 in line with its ecosystem banking approach.



Besides, fewer documents require a wet signature during customer onboarding thanks to the Bank's ongoing digitalization efforts. Customer acquisition processes were shortened and facilitated both for customers and business partners. In the coming year, Fibabanka aims to increase the number of points that will serve customers when they need it. The Bank is committed to developing innovative platforms that will support consumers 24/7 in line with its ecosystem banking approach.

"FibaKredi is the Solution!"

Fibabanka focuses on innovative added-value projects in light of current developments in technology. In 2020, the Bank provided effective solutions to quickly meet the cash needs of its customers. The Bank's loans can be accessed via Fibabanka Mobile and Internet Banking channels, fibabanka.com.tr corporate website, Call Center and all branch locations without the need for additional documentation or signature. Fibabanka's business model aims to reach the right customer at the right time by using credit trend models and an analytical perspective. With the customer preferences and cost-free loan option, Bank customers have the opportunity to receive loans without paying an allocation fee. In addition to the cost-free option, the Bank added the no insurance loan option to pre-approved loans, enabling customers to enjoy loans with no insurance according to their preference. Modifications were made to pre-approved consumer loans and KrediPlus products to add loan allocation fees and insurance costs to the loan amount according to customer preference. Customers who experienced difficulty repaying their loans due to the coronavirus pandemic, that had impact in Turkey and the world, were provided the opportunity to postpone their loan payments in order to have greater flexibility.

In 2020, the Bank improved the lending process in the Fibabanka Mobile and Internet Banking channels, which were renewed in 2019. As a result, these two channels ranked among the Bank's primary loan extension sources. Fibabanka's loan related communications were consolidated around the slogan "FibaKredi is the Solution!" and positioned with the catchphrase "Find the Loan You Need at Fibabanka."

One-Stop Payment Service: Fibabanka KrediPlus

In 2019, Fibabanka introduced a new loan offering to its customers – Fibabanka KrediPlus. This innovative loan was designed to meet the extra cash needs of customers while providing the chance to make payments from a single point. With this service, the Bank allows customers to combine loans obtained prior to t new loans at a single point with the option of paying both with one installment. In 2020, pre-approval loan and KrediPlus utilization reached 13.500 on a monthly basis while the balance of active consumer loans rose to TL 2,4 billion with 502 thousand active loans. Fibabanka diversified payment channels by paying attention to customer satisfaction after loan utilization and continued to provide loan installment collection service via business partners' retail stores.

Aiming to maintain its lending momentum from 2020, Fibabanka plans to further boost the number of transactions and loan amount for its consumer loan products in the coming year. In addition to pricing according to customer risk group, Fibabanka aims to add an affordable pricing structure and offer favorable interest rates to its loan customers in 2021.

Advantageous Second Hand Auto Loan

Fibabanka aims to stand by its customers by providing funding in vehicle purchases with various advantages offered with the Second Hand Auto Loan. Presenting customers with the opportunity to buy the vehicle of their dreams under favorable financing conditions, Fibabanka provides alternative channels to its customers by establishing new business partnerships at the same time.

Overdraft Account

Fibabanka offers effective solutions for the short-term cash needs of customers with the Overdraft Account limit defined to customers' accounts. In 2020, Fibabanka identified the needs of channels where it provides Overdraft Account and initiated the necessary system development studies. With the new infrastructure, where customers can select statement dates and have a payment term after the closing date, Fibabanka aims to introduce the Installment Overdraft Account product to the infrastructure.



Deposit & Investment Products

Kiraz Account was once again the most important deposit product of Fibabanka in 2020. Kiraz Account is an overnight deposit product whereby they can perform all their banking transactions from a demand deposit account. Combining the liquidity benefits offered by a demand deposit account with the profits of a term deposit account, Kiraz Account enables customers to utilize funds without waiting for the deposit maturity.

Total Kiraz Account balance, which was TL 5,8 billion as of the end of 2019, reached TL 7,71 billion with an increase of 33% in 2020. The total number of active accounts exceeded 230 thousand, rising 64% year-on-year. Focused on reaching its customers through various channels effectively and quickly, Fibabanka visits customers at their location to open Kiraz Accounts on-site.

PERSONAL BANKING

Kiraz Account can be opened via Fibabanka Mobile and Internet Banking channels, the corporate website fibabanka.com.tr, the call center, all branches and the SMS channel.

Kiraz Account Balances
TL 7,7 billion

In 2020, Kiraz Account balances climbed to TL 7,71 billion, up 33%.



Kiraz Account can be opened via Fibabanka Mobile and Internet Banking channels, the corporate website fibabanka.com.tr, the call center, all branches and the SMS channel. In addition to offering Kiraz Account product to its customers, Fibabanka supported its digital banking services with additional interest rate campaigns specific to Kiraz Account. In 2020, customers who open a Kiraz Account for the first time through digital banking channels enjoyed higher interest rates for their Turkish Lira and US Dollars deposits. Fibabanka started to offer detailed return simulations to its customers with the Kiraz Account Return Calculation Tool launched in 2020. The customers who own a Kiraz Account are able to view their net earnings for the selected period through digital channels.

Following on the popularity of the Gold Kiraz Account, Fibabanka launched the Silver Kiraz Account in 2020. This new alternative was also offered to customers seeking to invest in precious metals. In addition, Kiraz Plus was introduced for customers who have deposits of more than TL 500 thousand. Customers are able to invest 50% of their savings in overnight (O/N) account, and the remaining 50% in a standard time deposit account with a maturity of 32-60 days. The liquidity convenience offered with the Kiraz Account is now available to high-deposit customers with Kiraz Plus. The Bank offers Turkish lira and US Dollars options on the Kiraz Plus account product. In 2020, Fibabanka rolled out new services for investment customers so they can generate alternative returns to deposits with different products. Investment funds are offered to customers in different risk profiles via both branch locations and digital channels. Customers are permitted to populate their application forms on digital channels for investment funds. This feature is a major step toward providing quick access to investment funds without the need to visit a branch.

In 2020, Fibabanka introduced FibaFX, its new currency trading service. FibaFX is an investment platform where Fibabanka customers can perform foreign currency and precious metal trading transactions with favorable rates through Mobile and Internet Banking channels. FibaFX enables customers to trade with real-time exchange rates. FibaFX's main features include the following:

- Rates offered by FibaFX are favorable thanks to real-time currency rates. Customers are able to transact anytime they want during weekdays. FibaFX users have the opportunity to monitor real-time currency rates.
- Using the "Add Alarm" feature, FibaFX customers can receive notifications when a currency rate reaches a target level.
- Fibabanka customers can monitor currencies on FibaFX even when they are not logged in to the Mobile and Internet Banking channels. FibaFX users can perform transactions when a rate reaches a specified target level using the "Add Order" button.
- FibaFX's "News" section contains the latest current market news.

In 2021, Fibabanka plans to deliver high-quality services to customers in various risk profiles while establishing a diversified customer portfolio in deposit products. The Bank aims to provide all customers with the most appropriate products and services via digital channels while expanding the customer base. In the coming year, Fibabanka's top priorities include further diversifying its products and expanding the investment product range.

Campaign Management Focused on Customer Demands and Expectations

One of Fibabanka's biggest investments of the reporting year was renewal of its marketing infrastructure. With the renewed Marketing Platform, Fibabanka started offering the right product at the right time to its customers thanks to its multi-channel infrastructure. The platform renewed its products and services and now includes analytical models. When the systems integration of the Marketing Platform is complete in 2021, the Bank aims to offer products and services across at least 12 different channels. The infrastructure that brought success was renewed thanks to the platform. The platform is expected to help the Bank measure and analyze success and improve its analytical models.

In addition to the Bank's key product and service promotions, the renewed Marketing Platform provides notifications regarding legal and regulatory amendments, coronavirus pandemic related processes and natural disasters.

Bancassurance Services from Fibabanka

In 2020, Fibabanka offered insurance and pension products with a focus on customer satisfaction via partnerships with leading insurance companies operating in life and non-life segments. The Bank's insurance commission income, which generated approximately TL 113 million in insurance income in 2020, increased from 34,5% to 43,4% in net fee and commission income. As of 2019, unemployment/hazardous illness coverage is included to the insurance policies for pre-approval consumer loans. Fibabanka continue to provide this coverage in 2020 as well.

Fibabanka achieved these significant increases by introducing advanced technology-based insurance products that consider the everyday needs of Personal Banking customers and offering insurance coverage and the global and corporate solutions to corporate customers in line with their customer-specific risk needs. In the coming year.

Fibabanka plans to further enhance customer experience and satisfaction by offering insurance and pension products, among the income items, with innovative solutions. The Bank also aims to facilitate digital transformation via various projects, diversify alternative sales channels, and integrate products into all sales channels.

PRIVATE & PRESTIGE BANKING

Operating in line with its sustainable growth strategy, Fibabanka Private & Prestige Banking segment increased its asset size by 25% as of the end of 2020.

Fibabanka considers offering customized alternatives in this segment, based on the customer's risk profile and ROI expectations as an essential priority.

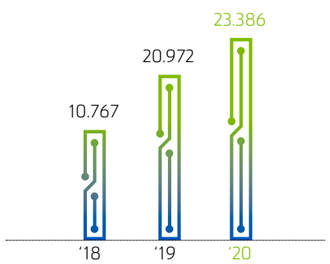
Propelled by the long-standing experience and know-how of Fiba Group in the banking sector, Fibabanka undertook major achievements in the Private & Prestige Banking segment in 2020 as well. The Bank considers offering customized alternatives in this segment, based on the customer's risk profile and ROI expectations as an essential priority. Focusing on individuals rather than institutions or enterprises, Fibabanka Private & Prestige Banking segment serves 23.386 active customers through Private & Prestige Banking Customer Representatives in 38 branches, 18 of which are in Istanbul.

Sustainable Growth Strategy

In the Private & Prestige Banking segment, Fibabanka offers a wide range of products with the support of Fiba Portföy Yönetimi A.Ş. and Fibabanka Treasury Department. In addition to term deposit accounts, fixed income securities such as treasury bills, treasury notes and private sector bills/bonds, as well as variable income securities such as mutual funds, are extended as customer portfolios are being created. Therefore, customers can trade derivative products across over-the-counter markets, while performing their transactions at competitive prices to monetize booms and busts among parities with intra-day FX and parity transactions. In 2020, Fibabanka Private & Prestige Banking increased its assets under management by 25%.

Adopting a sustainable growth strategy, Fibabanka Private & Prestige Banking segment aims to continue providing banking services that simplify customers' lives, administered by professional, experienced customer representatives, and driven by values such as mutual trust, long-term customer relations and customer privacy in 2021 as well.

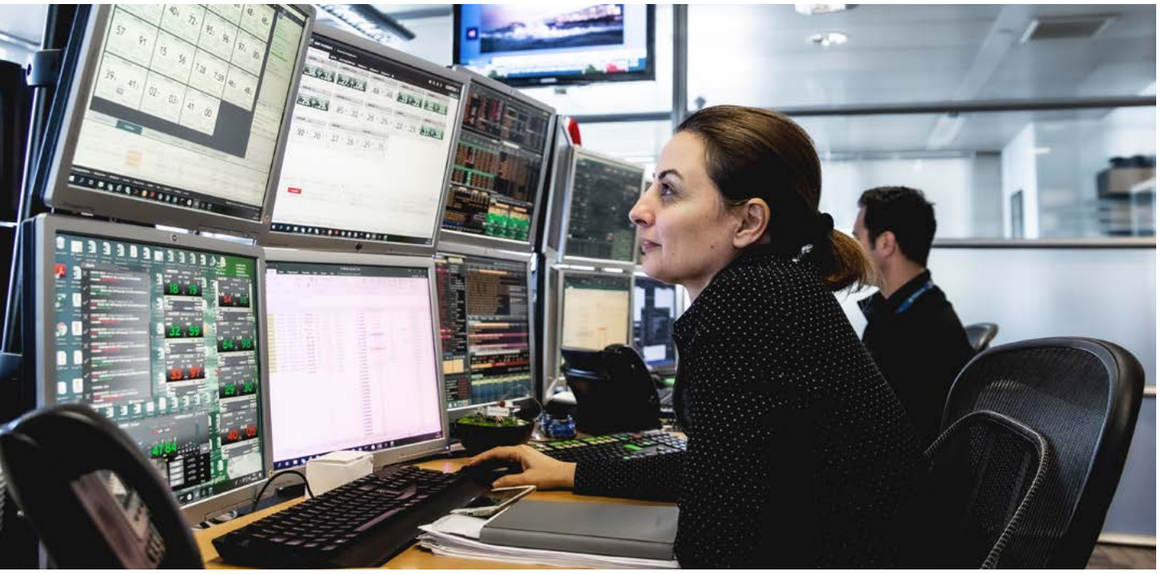
Active Private & Prestige Banking Customer Base





TREASURY

The Trading ALM Unit and Treasury Marketing Strategy Unit, consisting of experienced employees of Fibabanka Treasury Department, play a strong role in helping Fibabanka reach a strong position in the financial markets.



Fibabanka Treasury Department adopts an asset management approach that is responsive to developments in Turkish and global markets, sustainable and predictable. The Department aims to keep deviations from estimated returns at reasonable levels and prudently seize opportunities that arise in the market.

Fibabanka Treasury Department's organizational structure consists of the ALM Unit and Trading Unit reporting to Trading and ALM Department as well as the Treasury Marketing Unit and Strategy and Asset Management Unit reporting to Treasury Marketing and Strategy Department.

The ALM Unit is responsible for the management of liquidity and the assets-liabilities. The Unit provides insights and recommendations to the members of the Assets and Liabilities Committee and the Risk Committee regarding current market conditions, market expectations and potential effects as well as interest-maturity management during the determination of policies and strategies.

The Treasury Asset-Liability Management Unit formulates the Bank's TL and foreign currency cash flow projections. The Unit organizes the money market, interest/money/currency swap, repo/reverse repo transactions to evaluate the liquidity surplus or to satisfy the liquidity requirement. In addition, the Unit conducts interbank market transactions by monitoring the maturity and cost structure of the balance sheet.

The Trading Unit formulates strategies in accordance with pre-determined risk parameters and limits in addition to closely monitoring domestic and international money and capital markets,. The Unit aims to realize returns by making short/long term transactions/investments in the foreign currency, bond bill and derivative markets. Furthermore, the unit performs the pricing of the customer transactions by assuming a supporting role in the Treasury Marketing Unit across various asset classes.

The Treasury Marketing Unit understands the risks and needs of Corporate, Commercial, Private Banking and High Income Segment customers and offers products for risk protection and yield enhancement. Additionally, the Treasury Marketing Unit closely monitors developments in the global investment world and capital markets and shares scenarios regarding customers' financial positions. In addition, the Unit provides customers with various services ranging from short-term cash flow management products to long-term risk management products.

The Strategy and Asset Management Unit informs Fibabanka customers and employees on domestic and international markets as well as macroeconomic indicators via various channels and evaluates the risks and opportunities that current financial conditions may present. As a result, the Unit supports customers in making investment decisions and determining appropriate investment strategies. In addition to preparing periodic bulletins and reports on macroeconomic indicators, the Unit conducts presentations and meets with internal and external customers at various events organized by Fibabanka.

Fibabanka Treasury Department adopts an asset management approach that is responsive to developments in Turkish and global markets, sustainable and predictable. The Department aims to keep deviations from estimated returns at reasonable levels and prudently seize opportunities that arise in the market. Focusing on customers as a strategic priority, the Treasury Department provides both remote and face-to-face services in line with market conditions. The Department's marketing and sales team provides ongoing support to customers, branch network and Fibabanka branches. The marketing and sales team also supports and works in conjunction with the Strategy, ALM and Trading Units. Income from treasury products offered to customers are key in terms of maintaining and increasing the Bank's non-interest income. As a result, the Treasury Marketing Unit was restructured to establish closer relations with customers and provide solutions more in line with customer needs. The Strategy Unit prioritizes customer and branch notifications; meanwhile, the Trading Unit is involved in the pricing process of products to be offered by the marketing and sales team. Both these units were also restructured with a similar approach. Balance Management complements the integrity of the Unit by monitoring activities and optimization along with units that provide and prepare customer services. Balance Management is also responsible for developing strategies with a macro perspective. The aim is to eliminate risks that may arise due to Bank and customer positions and evaluate opportunities that may arise.

The Treasury Department:

- Aims to make a difference in the sector with a superior and fast service quality by offering treasury products in line with customer needs;
- Adopts a strategy and asset management approach that is designed to shed light on market price activities to support branch network and the branches;
- Conducts trading activity to provide a fast, sustainable and competitive product pricing experience for the Fibabanka marketing and sales team and the branches;
- Follows an asset-liability approach to maintain a risk-opportunity balance by setting goals in compliance with the Bank's strategy.

Agile thinking, agile solutions



I really, truly love Fibabanka a lot. You are always there when I need financing. The customer service staff is also very helpful. Thank you Fibabanka.

Şenay D.

Your internet banking service is user-friendly and has nice details. The employees in your branches are also kind and well-informed.

Ahmet S.





I have never had any problems. I have always been able to perform my transactions securely and conveniently while shopping or making a payment.

Özge B.

When I call the bank, I do not have to wait for someone to pick up the phone. I can instantly reach Fibabanka to get information and perform my transactions.

Mehmet S.





The level of service I receive is outstanding. I prefer Fibabanka because they get my transactions done in the shortest time possible, always approach me with a solution-oriented perspective, and have great employees.

Gönül D.



Fibabanka is always there for me whenever I need them; what more could I possibly want? :)

Nesrin M.

They provide very quick services and pay utmost attention to customer satisfaction.

Yaman A.





Thank you for offering great service, easy access to my account, the ability to pay my monthly mortgage installments from the convenience of my home, and receive loans with zero interest.

Müge C.

I received an interest-free loan for my phone purchase; what else could I want? :) Also, I was able to talk to a customer representative without waiting at all; I was very pleased. Thank you very much.

Yüksel H.





Although it was my first time dealing with Fibabanka, I was very satisfied. I was pleased with every aspect of the bank, including the interest with which they handled my requests, the interest shown by the customer representatives, the level of information shared with me, convenient payment methods, and the user-friendly internet branch.

Nihat R.

Click to turn back.

CUSTOMER EXPERIENCE MANAGEMENT AND COMMUNICATION ACTIVITIES



Shaping its business operations around a customer-oriented service approach and the vision of becoming the "Most Loved Bank of Turkey," Fibabanka offers tailor-made solutions to its customers and delivers a unique customer experience throughout their entire journey.

Pursuing the Vision of Becoming the "Most Loved Bank of Turkey"

Shaping its business operations around a customer-oriented service approach and the vision of becoming the "Most Loved Bank of Turkey," Fibabanka offers tailor-made solutions to its customers and delivers a unique customer experience throughout their entire journey. Fibabanka embraces the core values of "respectful," "sincere" and "solution-oriented" in its approach to banking. With its highly competent, dynamic human resources and advanced technology infrastructure, Fibabanka continuously improves its customer-oriented service approach as well as its products and services.

Maintaining its intensive and regular communication campaigns across TV, radio and outdoor advertising platforms as well as digital media platforms, Fibabanka focused its communication efforts primarily on Kiraz Account, Consumer Loan, Mobile and Internet Banking channels in 2020.

Easy Transactions via Fibabanka Mobile and Internet Banking

In 2020, Fibabanka designed its product and service development and channel experience efforts in line with the instant feedback received from customers. During the pandemic, Fibabanka enabled customers to perform various banking transactions anytime they want quickly and easily via Mobile and Internet Banking channels without having to visit a Fibabanka branch. Taking into consideration the evolving needs of its customers with the aim of providing an excellent banking experience, Fibabanka regularly upgrades and introduces new functionality to its digital channels. In 2020, Fibabanka's improvements centered around customer and user expectations while measuring and collecting customer feedback instantly within the channel.

During the year, the Bank achieved customer satisfaction by designing campaigns specific to Fibabanka Mobile. Customers were provided with tailor-made offers as a result of the Bank understanding their deposit and loan habits. Debit card and credit card passwords can be set with a faster and easier experience via Fibabanka Mobile.

For investment fund transactions, a priority in terms of digitalizing the customer experience, Fibabanka provided the opportunity to carry out transactions digitally, without the need to obtain customers' wet signatures. Thanks to this solution, customers are able to perform their transactions without visiting a Fibabanka branch to physically sign a document.

In 2021, Fibabanka aims to provide a tailor-made banking experience by continuing to improve both the interface and functionality of its Personal Mobile and Internet Banking channels.

With a special focus on investment products in 2020, Fibabanka launched FibaFX in the Mobile and Internet Banking channels to provide customers with a faster experience. With FibaFX, customers are able to conduct FX and precious metal transactions around the clock during weekdays with favorable rates.

Adapting to the changing requirements of the new normal, Fibabanka developed a process in accordance with the latest regulations and communiqués regarding remote customer acquisition where customers are able to become Fibabanka customers quickly and easily.

As of year-end 2020, Fibabanka offers its customers fast money transfer services by using simple personal details instead of IBAN numbers via FAST (Instant and Continuous Transfer of Funds), the instant payment system of the Central Bank of the Republic of Turkey (CBRT), and KOLAS (Easy Addressing). With this new transfer method, customers no longer need to memorize complex IBAN numbers and are able to perform Turkish lira transfer 24/7 using basic information, such as mobile number, TR ID number, e-mail address, or passport number.

Adding to its digital product portfolio, Fibabanka plans to offer a digital bank card – Fibabanka Hızlı Kart – for customer use in the coming year. Hızlı Kart is a digital bank card that can be created and used instantly via Fibabanka Mobile and Internet Banking. Fibabanka customers can sign up to Masterpass and use their cards in mobile application and internet shopping, or request a physical card to use in all payment transactions and ATMs.

In 2021, Fibabanka aims to provide a tailor-made banking experience by continuing to improve both the interface and functionality of its Personal Mobile and Internet Banking channels. Efforts are underway to enable customers to easily access the e-government portal and perform a variety of transactions via e-government systems integration with Fibabanka Mobile and Internet Banking. Fibabanka also plans to integrate artificial intelligence-based chatbot technology in the channels in order to provide users with the most suitable solution in the fastest way. Customers will be able to conduct transactions, receive answers to their questions and get instant support by chatting with the virtual chat assistant Fi'bot. The Bank remains focused on meeting the needs of its customers quickly by establishing various business partnerships. To this end, Fibabanka aims to consolidate customer engagement with the next-generation markets in the Fibabanka Mobile banking application.

Call Center Infrastructure Equipped with State-of-the-Art Technology

Fibabanka Call Center undertook intensive efforts to adapt to the Electronic Banking and Call Center Regulations in 2020. Aiming to meet all needs of its customers without the requirement to visit a Fibabanka branch, Fibabanka Call Center further expanded its transaction set to ensure that customers are able to perform all their transactions without leaving their homes during the pandemic. The Call Center processed and executed all loan payment postponement requests successfully. From the start of the pandemic, Call Center teams were provided with the necessary equipment to work from home with the same level of service quality. Necessary actions were taken to ensure the health and wellbeing of customers as well as employees. In 2019, the Call Center received a monthly average of 170 thousand calls. With its staff working from home since March 2020, Fibabanka Call Center received a monthly average of 183 thousand calls. The response ratio, which was 95% in 2019, rose to 97% in 2020.

CUSTOMER EXPERIENCE MANAGEMENT AND COMMUNICATION ACTIVITIES

Fibabanka provides around-the-clock service regardless of time and location via fibabanka.com.tr to understand and meet all customer needs quickly and conveniently.

Average Calls per Month **183 thousand**

Fibabanka Call Center received a monthly average of 183 thousand calls and the response ratio rose to 97% in 2020.

Serving under the Call Center, the Customer Demand Management team took into account the challenging conditions that customers experienced during the year. As a result, the team made maximum efforts to avoid any complaints and finalized all requests of Fibabanka customers within an average of one day. Net Promoter Score measurements were made to gain insight into the customer satisfaction level of the Bank's actions to meet their needs arising during the coronavirus pandemic As a result of this effort, Fibabanka extended the service and transaction range available to customers across all delivery channels. Customer surveys are conducted by the Bank to evaluate all calls received by Fibabanka Call Center and the solutions provided by Customer Demand Management. The Call Center team also placed follow-up calls to monitor customer satisfaction.

Fibabanka is focused on completing new projects to provide faster, easier and more reliable services to its customers with a professional team. To this end, the Bank established the Call Center Project Development Unit in September 2020.

In 2021, Fibabanka aims to continue its efforts to improve service diversity by analyzing its technological infrastructure and customer needs.

Just a Click Away at fibabanka.com.tr!

Fibabanka provides around-the-clock service regardless of time and location via fibabanka.com.tr to understand and meet all customer needs quickly and conveniently. The website enables customers to complete applications and perform calculations easily at their convenience. Using the Practical Transactions Menu on the home page, customers can obtain information about products and services, calculate interest rates with deposit and consumer loan calculation tools, and complete applications. With the Kiraz Account Interest Calculation Tool launched in 2020, Fibabanka enables current and potential customers to calculate their returns easily and quickly for TL, USD, EUR, GBP and Gold (XAU) deposits. Fibabanka makes sure that all customers can easily obtain information with the Application Request Form introduced in line with Turkey's Personal Data Protection Law. Pursuant to Personal Data Protection Law No. 6698, customers can exercise their right to learn whether their personal data is used by Fibabanka and from where such data is obtained. In 2021, Fibabanka plans to further develop and refine the user experience on its corporate website fibabanka.com.tr with feedback received from visitors.

Fi'bot is Online 24/7!

In September 2019, Fibabanka introduced Fi'bot, the artificial intelligence chat assistant, on fibabanka.com.tr and Facebook Messenger. Fi'bot is available in Google Assistant as of May 2020. Users can access Fi'bot quickly and easily with the command "Talk to Fibabanka" in Google Assistant. As of October 2020, website visitors may apply for loans and learn the status of their application using Fi'bot. With ongoing review and analysis of all messages on a monthly basis, Fi'bot's training and learning process continuously improves. In 2020, Fi'bot responded to 323.506 messages from 38.724 users with a coverage rate of 97%. The success rate was 94%.

Social Media Interaction

Fibabanka regularly shares content on social media in order to attract customers to its digital channels and inform about transactions available on Fibabanka Mobile and Internet Banking channels. During the pandemic, the Bank also posted special content to raise awareness and warn customers about the increased incidence of phishing attacks. Fibabanka interacted with visitors to its social media pages with colorful, creative and informative content in fiscal year 2020. In addition, the Bank fostered interactive engagement with social media contests and surveys held throughout the year. As a result, social media became an active channel for the promotion and marketing of Fibabanka products and services as well as for complaint management. In 2020, Fibabanka recorded a 12% increase in Facebook followers and a 21% rise in Twitter followers. The Bank's Instagram follower numbers increased 24% while LinkedIn followers jumped 73% during the year.



FibaKredi: The Solution for Mounting Debts!

With a commercial ad broadcast in November 2020, Fibabanka introduced FibaKredi, a loan product that is approved within three minutes via the Fibabanka Mobile app. This convenient lending product provides favorable interest rates with the motto "FibaKredi is the Solution!" The commercial was published on various media, including TV, radio, print and digital. In addition to current Bank customers, potential customers can apply for loans via Fibabanka Mobile banking app following completion of their onboarding process on the Fibabanka corporate website fibabanka.com.tr or the Call Center.

Fibabanka 2019 Annual Report Recognized with an International Award

Fibabanka 2019 Annual Report received the Honors award in the "Online Reports Video and Photograph" category at the 34th ARC Awards. The global competition is organized by the independent award organization MerComm where the world's best annual reports are recognized for their excellence.

In 2021, Fibabanka plans to further build upon its forward-looking and award-winning communication efforts.

Our digital distinction



Data Management Office

Our Data Management Office is taking major steps to increase our operational efficiency under the "Big Data Centered Transformation" project and is shaping the future of digital banking.

Mobile and Internet Banking channels

We regularly update our Mobile and Internet Banking channels with user-friendly interfaces and advanced functions to offer the next level of digital experience.





Artificial intelligence chat assistant Fi'bot

Fi'bot, our artificial intelligence chat assistant, chats with and instantly responds to inquiries from all our visitors, regardless of whether they are our customers or not, on a 24/7 basis through fibabanka.com.tr, Facebook Messenger, and Google Assistant.

"Instant Loan" when needed

Thanks to our investments in financial technologies, we are able to develop quick and convenient solutions for our personal customers and offer them the opportunity to receive an "Instant Loan" at sales points.





Accelerated business processes with Robot-X

The Robot-X platform introduced a new perspective into our business processes. We developed nearly 50 processes and achieved a workforce figure of nearly 100 FTE (full-time equivalent) hours with this platform.



R&D Center

In collaboration with Özyeğin University Technology Transfer Office, we launched the Fibabanka R&D Center to develop innovative products and services that could shape the future of the finance sector. We are continuously increasing the number of our value-added projects and academic initiatives through strong collaboration with universities and fintech companies.

Employees with high analytical literacy

We trust in our human resources. We always pay meticulous attention to recruiting the right employees, developing their skills and knowledge through training, and are building the future of banking with them.





Remote customer onboarding with Video Banking technology

Videos have become a prominent part of our lives. With our Video Banking service, we are leveraging the power of videos to enable people to become a customer of our bank in the easiest way possible.

Instant measurement of customer satisfaction with NPS

We continue to invest in instant Net Promoter Score (NPS) measurement to closely monitor the pulse of our customers and maximize the level of customer satisfaction.





Wide range of products and services through digital channels

Our customers can easily access our products and services through our digital channels. Our personal customers can trade with live exchange rates through FibaFX, our currency trading platform.

Click to turn back.

DIGITAL TRANSFORMATION

Moving forward on its digital transformation journey, Fibabanka boosted self-service data usage and improved data literacy across the organization thanks to its organizational, infrastructure and platform transformations.

Efforts on development of artificial intelligence and machine learning models for new products and business processes continued throughout 2020.

Fibabanka sees its digital transformation as a holistic journey. The Bank has successfully completed its data transformation program in line with its visionary management approach. Following the restructuring of the Data Management Office, Fibabanka established a data management team. The dedicated team is highly experienced in setting up platforms to manage data properly. The newly formed data management team provides support to all Fibabanka business units on executing the Bank's data strategies. In parallel with establishing infrastructures and platforms to effectively manage Bank data, Fibabanka commissioned next-generation business intelligence tools to enable its business units to perform self-service analysis. As a result, the Bank formed a community of 250 "power users" who can perform their own analyses and prepare their own reports as needed.

In 2020, Fibabanka conducted competency improvement efforts to reduce business unit dependence on information technology teams and raise data literacy across the organization. A company-wide assessment was performed to measure data science competencies of the Bank's staff. High performing employees were included in a six-month data science competency development program hosted by instructors from Özyeğin University and foreign institutions. Following this training, the Bank administered the Demystifying Analytics program with the participation of all Fibabanka staff members to raise awareness about data science. The training program was carried out on Journey, an online training platform. Efforts to further develop artificial intelligence and machine learning models for new products and business processes were conducted throughout 2020. To scale and automate model development processes, Fibabanka established the Machine Learning Operations system (MLOps), which is integrated with the Bank's big data systems.

Innovative Work from the Data Management Office

Big data systems are currently in use to process unstructured data and system logs in Fibabanka infrastructures. Data that cannot be processed in standard databases or that take an extended amount of time to process due to its structure or size is converted for fast processing without disrupting integrity of the data and minimizing manpower required. As a result, the Bank is able to achieve more consistent and understandable results from such data. In addition, Fibabanka achieved cost savings by eliminating license costs thanks to the solutions created with open-source technologies.



In parallel with data platforms and analytical studies, a specific focus is placed on data governance efforts to ensure that data is properly managed throughout the organization

In parallel with its data platforms and data analysis, Fibabanka focuses on governance efforts to ensure that data is properly managed across the organization. The Bank procured special data governance tools and integrated these tools with other systems in the organization. In 2020, Fibabanka's data governance efforts include the following:

- Prepared and published the Bank's data governance policy,
- Prepared and published the Bank's data classification procedure,
- Identified data areas within the organization and determined data owners and representatives who will manage each area,
- Created a data dictionary and metadata and conducted data classification studies on the dictionary,
- Performed data discovery and data pedigree studies to identify the location and circulation of data within the organization,
- Commenced data quality studies to be able to conduct analysis with more accurate and higher quality data, and to ensure that more accurate decisions are taken; data quality studies are scheduled to continue in 2021.

During the year, the Data Management Office carried out R&D efforts to establish new data infrastructures. In addition, Data Management conducted various R&D projects – including Next Best Action Recommendation System, Credit Scoring with Surrogate Modelling and Sentiment and Topic Detection with Short Text – in collaboration with academics from various universities in Turkey and abroad. The results of the studies carried out were presented at a national conference as well as an international conference. The findings were distributed as a conference paper.

DIGITAL TRANSFORMATION



In line with requirements and developments of the new normal, Fibabanka launched the Video Banking feature for remote customer acquisition via Fibabanka Mobile application.

Putting people at the center of all of its operations including digital transformation, Fibabanka is committed to develop the skills of its employees and continuously improve their ways of working according to the requirements of the digitalized world.

A New Banking Approach Under the "New Normal" Conditions: Video Banking

Fibabanka accelerated its efforts to enhance the Fibabanka Mobile application in line with the requirements and developments associated with the new normal. With Video Banking, the bank leverages artificial intelligence technologies such as near field communication, face recognition and liveness detection to offer convenient options to become a customer online in accordance with new regulations and communiqués.

In 2020, the bank transformed its technological infrastructure by anticipating the banking needs in a digitalized world and accelerated projects designed to promote customer satisfaction and its priorities to create value for its customers.

With FibaFX, foreign exchange trading, precious metal trading, currency monitoring and follow-up, chain ordering transactions can now be instantly performed 24/5 through Fibabanka Mobile and Internet Banking channels.

Fibabanka has introduced the FAST (Instant and Continuous Transfer of Funds) system which enables around-the-clock (24/7) transfer of funds. The FAST system is now available to allow customers to pair their accounts with their Easy Address details (e.g. mobile phone number, TR ID number, tax ID, passport number) in order to easily transfer funds.

In line with its vision of offering reliable, transparent and user-friendly banking services, Fibabanka also achieved increased efficiency by renewing the internal processes for the Fibabanka Call Center channel. It aims to expand financial inclusion with accessible services for everyone.

Fibabanka not only speeded up transformation of its technological infrastructure in 2020, but also continued its efforts to maximize the customer experience with banking products supported by these new technologies.

RPA (Robotic Process Automation) is one of the new technology fields that Fibabanka utilizes in the most effective and efficient manner.

In 2020, Fibabanka also continued to invest in Net Promoter Score (NPS) systems in order to take the pulse of its customers and maximize the level of customer satisfaction.

It introduced the new Campaign Management Platform to better understand its customers and to more accurately address their needs, and intended to achieve a high level of customer satisfaction by effectively using and analyzing data.



Fibabanka Information Technologies organization saw a major overhaul in 2020 to allow the bank to more quickly meet customers' needs, maintain a high level of customer satisfaction and address new banking requirements in the digitalized world with better innovative solutions. This restructuring is intended to support digitalization efforts by reducing hierarchy and emphasizing agile working principles. Competencies of the Information Technologies employees have been mapped to design development programs for improving their digital competencies.

While rapid developments in digital technologies as well as various innovations such as sharing economy and platform business models are replacing traditional ways of working, Fibabanka entered into key partnerships in 2020. With successful integrations in the e-commerce domain, Fibabanka provided people with convenient ways of becoming a customer of the bank and offers many banking products, especially consumer loans.

In the Robotic Process Automation field, we continued to effectively use software robots in operational processes. Fibabanka continued its investments in this field, developed nearly 50 processes and achieved a workforce figure of nearly 100 FTE hours with this platform.

DIGITAL TRANSFORMATION

In 2019, Fibabanka took initial steps to revamp its ATM systems platform and provide faster solutions to meet customer needs, and continued its renewal and experience improvement efforts in 2020.

As part of the efforts to expand its ATM network, Fibabanka placed ATMs in its business partners' stores and signed a joint ATM agreement with Türkiye İş Bankası and PTT in 2020. In line with these efforts, Fibabanka serves its customers through over 10 thousand ATMs for quick and simple banking transactions.

Considering employee satisfaction as important as customer satisfaction, Fibabanka continued to enhance the Symphony internal mobile application in 2020, allowing the employees to perform many transactions in the digital setting.

ATM Systems Infrastructure Upgrades

In 2019, Fibabanka took initial steps to revamp its ATM systems platform and provide faster solutions to meet customer needs. The Bank continued its renewal and experience improvement efforts in 2020. Fibabanka offered customers the opportunity to perform many transactions such as cash withdrawals, deposits and loan payment through the ATMs without having a card under its Cardless Transactions project. Thanks to text-to-speech functionality specially developed for ATMs, visually impaired customers can access Fibabanka services by connecting a headphone to the ATM. The KOBIL application, launched in accordance with the Information Systems Regulation, provides for more secure ATM usage with a new more secure card reader device that prevent cards from being copied. In addition, Fibabanka was among the leading banks that switched to the Windows 10 OS in their ATMs.

As part of efforts to expand its ATM network, Fibabanka placed ATMs in its business partners' retail stores and signed a joint ATM agreement with Türkiye İş Bankası and PTT. As a result, Fibabanka now serves its customers through over 10 thousand ATMs across the country. The Bank also ensured its retired, disabled, and 70-plus customers can withdraw cash free-of-charge from all other bank ATMs in Turkey.

As of year-end 2020, the Bank has a total of 58 ATMs: 9 at remote locations and 49 at branches. A total of 350.111 financial transactions were carried out through ATMs, and the total transaction volume was TL 268.499.666.

Number of Digital Customers
524 thousand

Fibabanka increased the number of its digital customers by 139% to 524 thousand as of end-2020.

Digital Transformation Performance of Fibabanka	2019	2020	Increase (%)
Total Number of Digital Customers	219.186	524.316	139%
Total Number of Mobile Banking Customers	184.864	480.959	160%
Total Number of Internet Banking Customers	110.962	159.288	44%

Finberg's Fund Size Grows Further

Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. was established by Fibabanka in 2018 to support entrepreneurial activity and fintech enterprises. Finberg increased its fund size from TL 15 million in 2019 to USD 15 million in 2020. Finberg executed its most important investment agreement with Getir Perakende Lojistik A.Ş. for the highly popular Getir app.

Finberg is part of the USD 1,5 million new investment of Garaj Sepeti, one of its previous investments which grew 12-fold in a year to TL 100 million. By facilitating access to financial products to Garaj Sepeti and Garaj Sepeti dealers, Finberg indirectly boosted the automotive industry, especially the second-hand market.

ComPay Posts Ninefold Growth

With ComPay, a payment platform that provides remittance and consumer loan services, Finberg introduced 20 products of 12 banks to 2.200 points of sale. Increasing its turnover nine-fold in 2020, ComPay continues to expand its portfolio of banks, products and points of sale.

Finberg achieved successful results with BizimHesap, its first investment among the technology companies in the SME segment. This success led Finberg to invest in Figopara. Finberg aims to serve SMEs by combining Figopara's invoice financing experience with Fibabanka's products.

2020 was a milestone year for Finberg investments. Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş. (Birleşik Ödeme)'s rapid growth attracted the attention of many individual and institutional investors. Birleşik Ödeme was purchased by OYAK Holding A.Ş. as a result of a series of negotiations. After Finberg's ownership holding became a minority stake, Birleşik Ödeme will operate under the direction of the majority group. In addition, the Venture Capital Investment Fund, in which Finberg is the main investor, was established in 2020.

ComPay/Ödex Wins the Corporate Entrepreneurship Award

ComPay/Ödex was recognized in the Corporate Entrepreneurship Competition held by Özyeğin University, Fast Company Turkey and Bizz Consulting with the support of Istanbul Development Agency. The competition aimed to encourage new initiatives and foster corporate and entrepreneurial enterprise collaborations.

Ödex is a digital platform solution developed under the Internal Entrepreneurship Program held at Fibabanka. The platform enables consumers to perform all electronic payment transactions with different product sets. Ödex serves as a bridge between retailers, e-commerce sites, customers and banks.

FINANCIAL INSTITUTIONS

The Fibabanka Financial Institutions Department expanded its correspondent banking network by developing relations with the other banks in the field of foreign trade transactions, funding and international payments.

Number of Micro-Enterprises Supported by the EaSI Program
~3.800

As the first and only bank to implement the EaSI Program in Turkey since 2018, Fibabanka has extended loans to 3,800 micro-enterprises under this guarantee program as of the end of 2020.

In its Financial Institutions Department, Fibabanka focuses on expanding its correspondent network in parallel with the foreign trade demands of its customers. Furthermore, it substantially contributes to the Bank's funding needs by obtaining medium and long-term financing via foreign currency-denominated bond issuances as well as bilateral loan agreements with international financial institutions.

The Only Turkish Bank to Participate in EaSI Program

After signing a EUR 20 million credit guarantee agreement with European Investment Fund (EIF) as part of the European Union Program for Employment and Social Innovation (EaSI) in 2018, the limit of Fibabanka was increased to EUR 40 million by EIF in 2019. Supported by the EU, the EaSI Program particularly aims to support entrepreneurs and micro-enterprises willing to grow its business. As the first and only bank to implement this program in Turkey since 2018, Fibabanka has extended loans to 3.800 micro-enterprises under this guarantee program as of the end of 2020.

Medium and Long Term Loans from Abroad

Since joining Fiba Group, Fibabanka has prioritized expanding cooperation with international financial institutions. Loans borrowed from these institutions helped the Bank to have access to long-term loans and to diversify its funding sources. In 2019, Fibabanka received a USD 30 million loan from OFID (OPEC Fund for International Development), a development finance institution, with three-year maturity (with prepayment option at the end of each year) to support foreign trade transactions. The loan was extended for 1 more year at an amount of USD 15 million at maturity. As of 2020 year-end, the total amount of the long-term loan facilities and foreign trade funding received from international financial institutions, such as DEG, EFSE, OFID reached USD 148 million.

Correspondent Banking

The Fibabanka Financial Institutions Department expanded its Correspondent Banking network by developing relations with correspondent banks in the field of foreign trade transactions, funding and international payments. This way the Bank serves its customers' needs in foreign business in an optimal manner.

Financial Institutions Credit Risk

In 2020, Fibabanka Financial Institutions Department continued to evaluate counterparty bank risks associated with local and foreign banks and established treasury and commercial limits.

HUMAN RESOURCES

In 2020, Fibabanka formed the Information Technologies and Data Science Talent Experience Unit to serve Information Technologies and the Data Management Office. The Unit reports to the Human Resources Department.

In response to the coronavirus pandemic, Fibabanka quickly implemented the remote working model. All headquarters staff started working from home. Branch employees worked from home and at branch locations alternately while adjustments were made to branch working hours.

Fibabanka continuously improves its human resources processes thanks to digitalization. In 2020, the Bank formulated its human resources policy in line with the principles below:

- Prioritizing the health and wellbeing of employees and their families by acting with agility during the coronavirus pandemic,
- Providing transparent and quick information to employees regarding practices to be performed during the pandemic,
- Establishing platforms to assist managers in closely monitoring their employees, in addition to switching to the remote working model,
- In addition to migrating all training content to online education platforms due to the pandemic, presenting such content to employees uninterruptedly and sustainably,
- Organizing online interviews in order to bring quality talent to Fibabanka and perform testing to measure behavioral and technical competencies of candidates,
- Involving Information Technology employees in the competency assessment process in order to formulate the leadership, technical and digital competence maps of existing employees and to commence the training-development planning initiative,
- Initiating the digital human resources transformation,
- Focusing on increasing the employee engagement ratio.

In 2020:

- In response to the coronavirus pandemic, Fibabanka quickly implemented the remote working model. All headquarters staff started working from home. Branch employees worked from home and at branch locations alternately while adjustments were made to branch working hours.
- Necessary measures were taken relating to the arrival and departure of branch employees during the coronavirus pandemic.
- The organizational and title structure of the Information Technologies Department was modified and a feedback mechanism in which employees can evaluate their managers was established.
- The Employee Engagement Survey was conducted for the first time in 2020 in conjunction with Fiba Holding.
- As a result of upgrades to the Symphony application – which provides quick solutions to the everyday occupational transactions of Bank employees such as approval, observation and report tracking – managers can now grant approvals to staff leave requests.
- To foster a data-based decision-making culture at Fibabanka, the diversified training journey is assigned to all employees on online platforms. As part of this effort, the "Demystifying Analytics" module gives employees the opportunity to understand analytics and gain knowledge on key topics, such as data, evolution of data and data flow.

HUMAN RESOURCES

The "Demystifying Analytics" module gives employees the opportunity to understand analytics and gain knowledge on key topics, such as data, evolution of data and data flow.

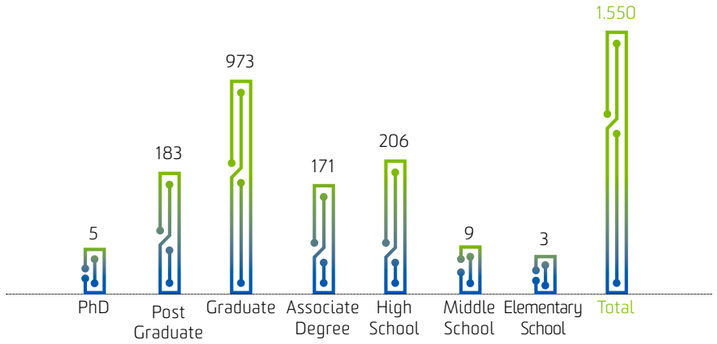


- The Data Science Training Program was launched for employees interested in data science and advanced analytics. The program is geared for staff who have ideas and suggestions that will create value for Fibabanka and who are passionate about continuous development in these subjects. 27 successful candidates out of 108 employees proceeded to the interview process. 18 employees who successfully passed the interview process joined the group of training attendees.
- As part of Fibabanka's data-based transformation, the Data Science Training Program was one of the most important investments made in the Bank's human resources. The program aims to bring together people with diverse skill sets and equip them with advanced mathematics, statistics and programming skills. This 20-day training program is designed to develop employees who are proficient in data science methodologies in line with corporate needs.
- In the Information Technologies recruiting process, tests to measure leadership and technical competencies started to be administered to recruits.
- The HR Report prepared by the Human Resources Team was made available in digital format.
- Fibabanka became a pilot company in the Business Word Domestic Violence project, conducted in cooperation with Sabancı University and TÜSİAD. A policy that will cover all employees was prepared by a five-person project team. The policy was distributed to all Bank employees in 2020.
- Efforts under the Gender Equality project continued with 20-person teams staffed from the branches and headquarters.
- Development Academy program modules were designed around development areas identified in Assistant Manager-Unit Manager evaluations from previous periods. The modules continued to be administered to employees during the year.

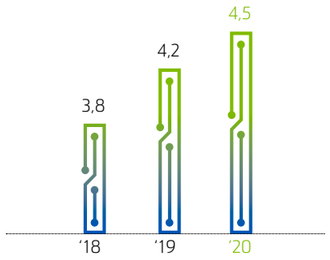
In 2020, Fibabanka formed the Information Technologies and Data Science Talent Experience Unit to serve Information Technologies and the Data Management Offices. The Unit reports to the Human Resources Department and is staffed by employees with high technical literacy and analytics skills. The Unit aims to understand the needs and expectations of Information Technologies and Data Management Office staff more accurately. Assuming the role of business partner, the Unit demonstrates a proactive approach in all processes that affect employee experience – from recruitment and training-development planning to the performance system and the promotion system.

Human Resources Profile

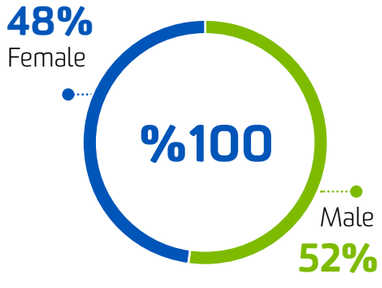
Educational Background



Seniority Rate (Years)



Female-Male Employment Breakdown (%)



Human Resources Practices

Performance Management System for All Employees
Focusing on sustainable development, Fibabanka implemented the Performance Evaluation System in 2020 to synchronize employees' individual performances and corporate goals and to spread the feedback culture.

Remuneration Based on Market and Seniority Structure
Fibabanka retained consultancy services to calculate employee wages in accordance with market conditions and the organizational position in 2020.

Excellent Onboarding Project Specific for New Employees
The Excellent Onboarding Project implemented to accelerate the orientation process for new employees joining the Bank has been continued in 2020 as well. This effort ensures that new hires have a quality onboarding experience during their first days of employment. In this context;

- Under the Excellent Onboarding project, online buddies were assigned to employees recruited during the pandemic to assist them while working remotely.
- New employee welcome kits were sent to employees who joined Fibabanka during the pandemic.
- Employees who start working at Fibabanka are invited to an online orientation within a week of their start date; meanwhile, new managers have the opportunity to meet all Executive Board Members at a mini get-acquainted meeting.

"We Are All Members of the Fibabanka Family" Internship Program
Launched in 2018, "We Are All Members of Fibabanka Family" internship program in which one-week internship opportunities are offered to the children of employees in various departments/ divisions/branches of Fibabanka continued in 2020.

Significant Increase in Employee Engagement
Offering continuous development opportunities for employees, Fibabanka tracks the employees' engagement level closely through annual surveys. Attaching great importance to increasing its engagement score every year, Fibabanka increased its engagement score to 65, up by 10 points compared to the previous year.

Academy Training Sessions with a Focus on Continuous Development
Fibabanka established the Bank Academy for the continuous development of its employees. In 2020, it offered further professional training opportunities to employees on a regular basis, via the Operation Academy, the Sales Academy, the Financial Affairs Academy, the Law Academy, the Loans Academy, the Treasury Academy, the General Directorate Academy and IT Academy. Numerous e-Learning channels were created for Fibabanka employees in line with current developments in educational technologies. Competency-based trainings were completed with the microlearning program Journey. A continuous learning approach was adopted across the organization with daily videos. To mitigate family issues due to the coronavirus pandemic, awareness trainings were held with the presence of a clinical psychologist.

HUMAN RESOURCES

By using the slogan "Be Open-Minded and Brave, Push the Limits" in communications efforts in line with the "You Set the Rule" employee value proposition, Fibabanka aimed to add these values to its staff's business and private lives alike.

Communication Activities that Boost Internal Synergy

Fibabanka organized various online events throughout the year. These efforts were designed for employees to feel valued and bring together the workforce in internal/external social activities. Additionally, the Bank develops internal communication strategies and corporate culture designs to benefit employee engagement. The employee value proposition launched at the end of 2019 named "You Set the Rule" started to be used in communications to employees and employee candidates in 2020. Accordingly, Fibabanka aimed to add these values to its staff's business and private lives alike by using the slogan "Be Open-Minded and Brave, Push the Limits" in communications efforts,

During the pandemic, Fibabanka implemented various projects and initiatives to help employees adapt to the current situation and maintain their motivation level. Other internal communication activities and practices launched in fiscal year 2020 included:

- Internal information, announcements and practices across the Bank, as well as FibaSocial, platform where employees can share content such as photos, videos and messages;
- Mobile application Symphony, which includes occupational activities such as reports, approvals, training and many supplementary applications such as FibaSocial and FibaFit;
- Communication efforts undertaken for employees to commemorate special days;
- Online internal communication efforts and social responsibility projects to bolster employee synergy;
- Leader and employee meetings to consolidate leader & employee communications;
- Online Rule-Setters Inspiration Days conferences where subject matter experts are hosted to consolidate the employee value proposition: "You Set the Rule";
- Dietitian and psychologist services, exercise sessions and Workplace Physician chat meetings initiated in response to the coronavirus pandemic;
- Internal Communication Committee, consisting of Fibabanka employee volunteers, that convenes regularly.

Java Bootcamp

The Istanbul Java Bootcamp initiative, organized in collaboration with "We Are Coding," aims to train software developers in line with the needs of Fibabanka. Following completion of the candidate recruitment process by "We Are Coding," the 30-person program will be administered online and total over 70 hours. Launched in December 2020, the bootcamp program gives priority to female candidates in order to increase women's employment in information technology in line with the Bank's gender equality approach.

Fintern MT Program

A two-week Fintern MT Program was designed for university students to improve their technical and personal competencies. The program was supported by informational workshops and entertaining quizzes. In the long-term internship program, students were assigned employee buddies to assist them. Students are assigned special projects and are asked to present these projects. Those who are successful are included in the MT Program if they wish to work in the banking industry.



"You Set the Rule" Manifesto

A Fibabanka employee;

Sees opportunities that adding value to the lives of customers.

Changes the rules of the game by using technology.

Focuses on solution rather than a problem.

Pushes the limits and makes a difference.

Does not say "We have always done it like that" and is open to changes and new ideas.

Does not give up on the first try. Comes up with creative solutions.

Is never afraid of challenges and always bold!

SUMMARY OF THE BOARD OF DIRECTORS' REPORT

The Bank recorded total assets of TL 27,2 billion as of December 31, 2020, on consolidated and solo bases. From the same period, on solo and consolidated bases, total equity amounted to TL 1,9 billion and paid-in capital stood at TL 941 million. Current year net profit was TL 237 million according to consolidated financial statements, and TL 230 million according to solo financial statements.

The Bank's total loans amounted to TL 18,8 billion in 2020, according to consolidated and unconsolidated financial statements, while the share of loans in total assets was 69%. The Bank's non-performing loans ratio was 3,2%.

The Bank's solo and consolidated capital adequacy ratio is 19,4% as of December 31, 2020.

BOARD OF DIRECTORS

Hüsnü M. ÖZYEĞİN
Chairman of the Board of Directors
Born in 1944, Hüsnü M. Özyeğin graduated from Robert Academy in 1963 and then obtained his undergraduate degree in Civil Engineering from Oregon State University. Hüsnü M. Özyeğin obtained his Master's degree from Harvard Business School in 1969.

He served as General Manager and Member of the Board of Directors at Pamukbank T.A.Ş. from 1974 to 1984, and founded Finansbank A.Ş. in October 1987, after serving as Deputy Chairman, Executive Director and General Manager of Yapı Kredi Bankası A.Ş. from 1984 to 1987. Hüsnü M. Özyeğin served as Chairman at Finansbank A.Ş. from the date of its establishment until 2010. Over the years, he has made numerous social investments with exemplary social awareness.

Currently, he serves as Chairman of the Board of Directors of Fibabanka A.Ş. and Credit Europe Bank (Russia). Hüsnü M. Özyeğin is also Chairman of the Board of Trustees at Özyeğin University and a member of the Dean Advisory Board at Harvard Business School, where he is an alumnus.

Fevzi BOZER
Vice Chairman of the Board of Directors, Chair of the Corporate Governance Committee and the Credit Committee and the Remuneration Committee
Born in 1955, Fevzi Bozer graduated from the Department of Business Administration at Indiana University, and then he completed his MBA at Roosevelt University. Starting his banking career at Citibank in 1984, Bozer joined Finansbank A.Ş. in 1988 as a Branch Manager. He served as General Manager at Finansbank Suisse (currently called Credit Europe Bank Suisse S.A.) between 1991 and 1993, and at Finansbank A.Ş. between 1995 and 1999. Bozer has served as a Member of the Board of Directors at Fiba Group's banks abroad and at Fiba Holding A.Ş. since 1999. Fevzi Bozer serves at the Board of Directors of Fibabanka A.Ş. and Credit Europe Bank Suisse A.S.

İsmet Kaya ERDEM
Member of the Board of Directors and the Audit Committee and Substitute Member of the Credit Committee
Born in 1928, İsmet Kaya Erdem graduated from Marmara University. He served as Undersecretary of Treasury, Social Security Institution General Director, Minister of Finance, State Minister in charge of the Economy, and as Speaker of the Turkish Parliament between 1961 and 1999. Having joined Fiba Group in 2000, İsmet Kaya Erdem is a Member of the Board of Directors at Fibabanka A.Ş.

Mehmet GÜLEŞCİ
Member of the Board of Directors and the Remuneration Committee and the Information Security Committee
Born in 1962, Mehmet Güleşci graduated from Boğaziçi University, Department of Business Administration, where he later obtained a Master's degree. From 1984 to 1996, Güleşci worked in the Istanbul and Boston offices of Ernst & Young as an Associate Partner and received CPA certification in Turkey and the USA state of Massachusetts. As he continued working as Associate Partner, Güleşci joined Finansbank A.Ş. as Assistant General Manager in early 1997, where he served as Executive Director of the Board of Directors until year-end 2009. He currently is a Member of the Board of Directors and the Executive Board of the Fiba Group, as well as a Member of the Board of Directors in the Group's financial and non-financial investments in Turkey and abroad.

Memduh Aslan AKÇAY
Member of the Board of Directors and Corporate Governance Committee
Born in 1965, Memduh Aslan Akçay graduated from Ankara University's Faculty of Political Sciences, Department of Economics, and obtained a Master's degree in Economic Policy from the University of Illinois. He worked at Etibank between 1990 and 1993, and at the State Planning Organization between 1993 and 2000. He later worked at the Banking Regulation and Supervision Agency, as Head of the Economic Evaluations Department and Foreign Relations Department, as well as Chair of the Systemic Risk Committee between 2001 and 2004. He served as the Director-General of Foreign Economic Relations at the Undersecretariat of Treasury between 2004 and 2010.

During Akçay's tenure at the Undersecretariat of Treasury, he assumed roles on various internal executive committees (Debt Management Committee, Disciplinary Committee). He also served as Board Member for the Council of Europe Development Bank (CEB), Industrial Development Bank of Turkey (TSKB), Black Sea Trade and Development Bank (BSTDB), Economic Cooperation Organization Trade and Development Bank (ECOBANK), and as a Member of the Audit Committee at Milli Reasürans A.Ş. In addition to these roles, Akçay represented Turkey as an Alternate Governor in international financial institutions such as World Bank (WB), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), and Islamic Development Bank (IDB). He served as a Member of the Board of Directors at EBRD between 2010 and 2013 in London, in addition to chairing the Budget and Administrative Affairs Committee of the EBRD Board of Directors for two terms. Then, he worked for the Undersecretariat of Treasury between 2013 and 2016. In April 2016, Memduh Aslan Akçay was appointed to his current position as a Member of the Board of Directors at Fibabanka A.Ş.

Hülya KEFELİ
Member of the Board of Directors and Corporate Governance Committee
Born in 1960, Hülya Kefeli graduated from Robert College and Istanbul Technical University, Department of Management Engineering. Kefeli started her career in banking at Akbank in 1983 as Assistant Specialist, followed by various positions at the Bank. Between 2007 and 2015, she served as Assistant General Manager in charge of International Banking. Having assumed Board Member roles at various Akbank subsidiaries, Hülya Kefeli has been a Member of the Board of Directors at Fibabanka since May 15, 2017 as the World Bank International Finance Corporation Nominee Director. As of November 2020, Kefeli serves as a Board Member of Bandhan Financial Services Ltd. in India as the Nominee Director of IFC.

Faik Onur UMUT
Member of the Board of Directors, the Audit Committee and Credit Committee
Born in 1962, Faik Onur Umut graduated from Boğaziçi University, Department of Industrial Engineering. He started his professional banking career at İktisat Bankası, where he worked between 1985 and 1988. Joining Fiba Group in 1988, Mr. Umut served as General Manager at Finansbank N.V. (currently called Credit Europe Bank N.V.) between 1996 and 1999 and at Finansbank A.Ş. between 1999 and 2003. He is currently a Member of the Board of Directors at Fiba Group overseas banks, Fiba Holding A.Ş. and Fibabanka A.Ş.

Seyfettin Ata KÖSEOĞLU
Member of the Board of Directors
Seyfettin Ata Köseoğlu was born in 1960 and graduated from Boğaziçi University, Mechanical Engineering Department. He went on to receive a Master's degree in Electrical Engineering from Lehigh University, and an MBA from Boston University. Mr. Köseoğlu started his banking career in 1986 at İktisat Bank and later worked at Finansbank. He served as Managing Director responsible for the Middle East at Bear Stearns New York and Société Générale Paris between 1994 and 1999. Seyfettin Ata Köseoğlu served as CEO at Credit Suisse First Boston (Turkey) between 2000 and 2005; Chairman of the Board and CEO at TEB Yatırım from 2006 to 2011; and Head of Strategy and Business Development at Sabancı Holding A.Ş. between 2011 and 2019. He was also Chairman of the Board of Directors and Head of the Retail Group at Çimsa and Akçansa, and Chairman of the Board at Carrefoursa and Teknosa in the period 2011 to 2019. He currently serves as Senior Advisor at Simon Kucher Partners and as board consultant at various companies.

BOARD OF DIRECTORS

Ömer MERT
General Manager and Member of the Board of Directors
Born in 1969, Ömer Mert graduated from the Industrial Engineering Department at ITU, he obtained a Master's degree in the Engineering Management program at the same university. In 1993, he embarked upon his career in the insurance industry, working for various companies. Following that, between 2003 and 2005, he worked at Fortis Emeklilik ve Hayat A.Ş.; and between 2005 and 2012, at Garanti Emeklilik ve Hayat A.Ş. as Assistant General Manager.

He served as General Manager and Member of the Board of Directors at Fiba Emeklilik ve Hayat A.Ş. between 2012 and 2017. Since January 2017, he has served as a Member of the Board of Directors and General Manager at Fibabanka. Additionally, Ömer Mert is Chairman of the Board of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., Deputy Chairman of the Fiba Portföy Yönetimi A.Ş. and a Member of the Board of Directors at Fiba Emeklilik ve Hayat A.Ş.

Chairman and Members of the Board

NAME SURNAME	ROLE	APPOINTMENT DATE	EDUCATION	PROFESSIONAL EXPERIENCE IN BANKING AND BUSINESS ADMINISTRATION
Hüsnü M. ÖZYEĞİN	Chairman of the Board of Directors	27.12.2010	Post Graduate	46
Fevzi BOZER	Deputy Chairman of the Board of Directors	27.12.2010	Post Graduate	38
İsmet Kaya ERDEM	Member of the Board of Directors	11.02.2013	Graduate	70
Mehmet GÜLEŞCİ	Member of the Board of Directors	27.12.2010	Post Graduate	36
Memduh Aslan AKÇAY	Member of the Board of Directors	13.04.2016	Post Graduate	30
Hülya KEFELİ	Member of the Board of Directors	15.05.2017	Graduate	35
Faik Onur UMUT	Member of the Board of Directors	23.01.2019	Graduate	35
Seyfettin Ata KÖSEOĞLU	Member of the Board of Directors	23.01.2020	Post Graduate	31
Ömer MERT	General Manager and Member of the Board of Directors	19.01.2017	Post Graduate	25

SENIOR MANAGEMENT



Ömer MERT
General Manager and Member of the Board of Directors
Born in 1969, Ömer Mert graduated from the Industrial Engineering Department at ITU, he obtained a Master's degree in the Engineering Management program at the same university. In 1993, he embarked upon his career in the insurance industry, working for various companies. Following that, between 2003 and 2005, he worked at Fortis Emeklilik ve Hayat A.Ş.; and between 2005 and 2012, at Garanti Emeklilik ve Hayat A.Ş. as Assistant General Manager. He served as General Manager and Member of the Board of Directors at Fiba Emeklilik ve Hayat A.Ş. between 2012 and 2017. Since January 2017, he has served as a Member of the Board of Directors and General Manager at Fibabanka. Additionally, Ömer Mert is Chairman of the Board of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., Deputy Chairman of the Fiba Portföy Yönetimi A.Ş. and a Member of the Board of Directors at Fiba Emeklilik ve Hayat A.Ş.



Elif Alsev UTKU ÖZBEY
Deputy General Manager
Born in 1971, Elif Alsev Utku Özbey graduated from Boğaziçi University Business Administration and obtained a Master's degree at Rotterdam School of Management, Erasmus University. Utku Özbey worked at PwC in 1994-1995, and then at Finansbank A.Ş., assuming various roles in the Financial Control and Reporting departments between 1995 and 2009. Later, she served as Assistant General Manager in charge of Financial Reporting and Planning. Utku Özbey was appointed Financial Affairs Director at Fiba Holding in 2009 and then Assistant General Manager in charge of Financial Control and Financial Reporting at Fibabanka in January 2011. Since January 2017, she has served as the Deputy General Manager at Fibabanka. Utku Özbey is also a Member of the Executive Board at Fibabanka A.Ş. In addition to her aforementioned roles, Elif Alsev Utku Özbey is a Member of the Board of Directors at both Fiba Portföy Yönetimi A.Ş. and Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.



Ahu DOLU
Assistant General Manager
Born in 1975, Ahu Dolu graduated from Marmara University, Economics Department. She started her banking career in 1997 in the International Relations Department at Finansbank A.Ş. and held several positions there until 2007, followed by her appointment as Director in charge of International Relations and Financing at Fiba Holding. Ahu Dolu is still a Member of the Executive Board and Assistant General Manager in charge of Financial Institutions and Project Finance at Fibabanka A.Ş.

SENIOR MANAGEMENT



Sezin ERKEN
Assistant General Manager
Born in 1977, Sezin Erken graduated from the Business Administration Department of Middle East Technical University. She later earned an MBA from Columbia University. Starting her career at McKinsey & Company in 1998 as Business Analyst, Erken went on to hold various managerial positions at Capital One Bank - New York between 2003 and 2014, after which she served as Assistant General Manager of Retail Banking at ABank between 2014 and 2017. Joining Fibabanka in 2017, Sezin Erken is currently a Member of the Executive Board and Assistant General Manager in charge of Retail Banking and Resource Management, as well as a Board Member at Fiba Portföy Yönetimi A.Ş.



Turgay HASDİKER
Assistant General Manager
Born in 1969, Turgay Hasdiker graduated from Istanbul University, Faculty of Economics in 1991. His banking career started at Yapı Kredi Bankası A.Ş. in 1991, where he worked as a Specialist, Assistant Specialist and Unit Manager in the Corporate & Commercial Loans and Credit Allocation Departments until 2003. He served in the Corporate and Commercial Credits Allocation Department at Oyakbank A.Ş. between 2003 and 2006, and as Group Manager (Director) of the Commercial and Marketing Department at ING Bank A.Ş., until 2011. Having joined Fibabanka in 2011, Turgay Hasdiker is a Member of the Executive Board and Assistant General Manager in charge of Credits.



Kerim L. KURİŞ
Assistant General Manager
Born in 1973, Kerim L. Kuriş graduated from American University, Business Administration Department. He started to work at Finansbank A.Ş. as a Management Trainee in 1998. He worked in the Corporate Banking Department of Finansbank Holland N.V. (currently named Credit Europe Bank N.V.) between 1999 and 2004. He returned to Finansbank A.Ş. for the period of 2005-2008, and held various positions in the Department of Corporate and Commercial Marketing, including Branch Manager. He assumed roles in Corporate Banking for Credit Europe Bank N.V. between 2008 and 2010. Having joined Fibabanka in 2011, Kerim L. Kuriş is a Member of the Executive Board and Assistant General Manager in charge of Corporate and Commercial Banking.



Gerçek ÖNAL
Assistant General Manager and Chief Legal Counsel
Born in 1975, Gerçek Önal graduated from Ankara University, Department of Law. He obtained a Master's degree from International Business Law at Yeditepe University. He started his career at a private law firm, after which he worked as a Lawyer at T. Garanti Bankası A.Ş. between 2001 and 2008, and as a Legal Counsel at Garanti Ödeme Sistemleri A.Ş. between 2008 and 2012. Having begun working for Fibabanka in 2012, Gerçek Önal is a Member of the Executive Board, as well as Chief Legal Counsel and Corporate Secretary in charge of Legal Consultancy Services, Execution Proceedings Services, Claims Services, and Legal Operations Services at Fibabanka A.Ş. Önal is also a Member of the Board in Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.



İbrahim TOPRAK
Assistant General Manager
İbrahim Toprak was born in 1975 and graduated from Middle East Technical University, Civil Engineering Department. He obtained an MBA from the same university. In 2003, Mr. Toprak started his professional career as an Assistant Dealer at Akbank A.Ş. in the Fixed Yield Security Department. He went on to serve as a Dealer in the Treasury Marketing Department between 2004 and 2005. Mr. Toprak worked in Akbank's Derivative Financial Instruments Department in 2005; he served as Manager in the Derivative Financial Instruments Trading Department from 2005 to 2010. After working as Manager in Akbank's Asset Liability Management & Funds Transfer Pricing Department between 2011 and 2018, Mr. Toprak served as Manager in the bank's Balance Sheet Management Department. In 2020, İbrahim Toprak joined Fibabanka A.Ş. where is currently a Member of the Executive Board and Assistant General Manager in charge of Treasury. In addition, he is a Member of the Board of Directors at Fiba Portföy Yönetimi A.Ş.



Serdar YILMAZ
Assistant General Manager
Serdar Yılmaz was born in 1973 and graduated from Middle East Technical University, Electrical and Electronic Engineering Department in 1995. He went on to complete his Master's degree at the same university in Electric and Electronic Engineering in 1998. Mr. Yılmaz later earned an MBA from Istanbul Bilgi University in 2014. He started his professional career as Software Specialist at Türkiye İş Bankası in the Software Development Department in 1995. While at Türkiye İş Bankası, he served as Application Architect and Project Manager between 1998 and 2004, Program Manager at Softtech from 2004 to 2008, IT Architecture and Business Intelligence Manager between 2008 and 2011, IT Architecture and Data Management Manager from 2011 until 2015, Chief Data Officer and Data Management Department Manager between 2015 and 2019, and Artificial Intelligence Area Leader from 2019 to 2020. Mr. Yılmaz was also a Board Member at Anadolu Hayat Emeklilik between 2015 and 2020. In September 2020, Serdar Yılmaz joined Fibabanka where he is currently Assistant General Manager in charge of Information Technologies and Banking Operations. In addition, Mr. Yılmaz is a Board Member at Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.

SENIOR MANAGEMENT

General Manager and Assistant General Managers

NAME SURNAME	ROLE	APPOINTMENT DATE	EDUCATION	PROFESSIONAL EXPERIENCE IN BANKING AND BUSINESS ADMINISTRATION
Ömer MERT	General Manager and Member of the Board of Directors	19.01.2017	Post Graduate	25
Elif Alsev UTKU ÖZBEY	Deputy General Manager - Financial Control and Financial Reporting	07.01.2011	Post Graduate	26
Ahu DOLU	Assistant General Manager - Financial Institutions and Project Finance	01.12.2015	Graduate	23
Sezin ERKEN	Assistant General Manager - Retail Banking and Resource Management	10.08.2017	Post Graduate	20
Turgay HASDİKER	Assistant General Manager - Loans	01.12.2015	Graduate	29
Kerim L. KURİŞ	Assistant General Manager - Corporate and Commercial Banking	01.12.2015	Graduate	22
Gerçek ÖNAL	Assistant General Manager and Chief Legal Counsel	01.02.2016	Post Graduate	20
İbrahim TOPRAK	Assistant General Manager - Treasury	01.04.2020	Post Graduate	19
Serdar YILMAZ	Assistant General Manager - Information Technologies and Banking Operations	01.09.2020	Post Graduate	25

MANAGERS IN INTERNAL SYSTEMS

Ahmet Cemil BORUCU
Head of the Inspection Board
Born in 1975, Ahmet Cemil Borucu graduated from Bilkent University, Business Administration Department. Subsequently, he obtained a Master's degree in Business Administration at Istanbul Technical University and a Ph.D. in Financial Economics from Yeditepe University. Borucu started his banking career as Inspector in 1997 at Dışbank A.Ş. and worked in the Credits Department at Türk Ekonomi Bankası A.Ş. between 2004 and 2006. After working for Deloitte - DRT Denetim A.Ş. between 2006-2007, he worked in the Risk Management Department at Fortis Bank (Türk Ekonomi Bankası) A.Ş. between 2007 and 2011. Ahmet Cemil Borucu has served as Head of the Inspection Board at Fibabanka A.Ş. since February 7, 2011.

Ayşe TULGAR AYÇA
Head of the Risk Management Department
Born in 1977, Ayşe Tulgar Ayça graduated from Marmara University, Business Administration Department. She obtained a Master's degree in Financial Engineering and Risk Management from Özyeğin University. She started her banking career as an Inspector in the Inspection Board at İktisat Bankası A.Ş. in 1999. She went on to work in Treasury Profitability Unit at Alternatif Bank A.Ş. between 2000 and 2002, and worked in Treasury Control Department at Oyak Bank A.Ş. between 2002 and 2004. Having assumed managerial roles at Financial Control, Risk and Treasury Profitability departments at Finansbank A.Ş. starting from 2004, Ayşe Tulgar Ayça joined Fibabanka A.Ş. on 15 March 2011, and serves as Head of the Risk Management Department.

Serdal YILDIRIM
Head of the Legislation and Compliance Department
Born in 1973, Serdal Yıldırım graduated from Ankara University, Business Administration Department of and obtained a Master's degree in Banking and Stock Exchange at Çukurova University. He worked as Inspector at Türkbank and TSKB between 1996 and 2002; he went on to work for Fortis Bank as Manager in the Internal Control, Legislation & Compliance and Risk Departments between 2002 and 2009. Yıldırım served as a Member of the Executive Board in charge of Risk Management and Internal Control at Fortis Bank Malta between 2009 and 2010. Having joined Fibabanka A.Ş. in 2011, Serdal Yıldırım is the Head of Legislation, Compliance and Fraud Prevention units under Fibabanka A.Ş. He is also a Member of the Board of Corporate Governance.

Kansu PULULAR
Head of the Internal Control and Operational Risk Department
Born in 1976, Kansu Pulular graduated from Boğaziçi University, Civil Engineering Department. He obtained an MBA from Boğaziçi University and a Master's degree in Financial Engineering and Risk Management from Özyeğin University. He started his banking career on the Inspection Board of Akbank T.A.Ş. in 2003 and served as Manager in the Internal Control and Operational Risk Department of Fortis Bank A.Ş. between 2007 and 2011. Kansu Pulular took office as Manager of Operational Risk Unit at Fibabanka A.Ş. on March 22, 2011. Since 2 January 2017, he has served as Head of the Internal Control and Operational Risk Department.

NAME SURNAME	ROLE	APPOINTMENT DATE	EDUCATION	PROFESSIONAL EXPERIENCE IN BANKING AND BUSINESS ADMINISTRATION
Ahmet Cemil BORUCU	Head of Department - Inspection Board	07.02.2011	PhD	23
Ayşe TULGAR AYÇA	Head of Department - Risk Management	15.03.2011	Post Graduate	21
Serdal YILDIRIM	Head of Department - Legislation and Compliance	06.04.2011	Post Graduate	24
Kansu PULULAR	Head of Department - Internal Control and Operational Risk	02.01.2017	Post Graduate	17

INFORMATION REGARDING BOARD OF DIRECTORS' COMMITTEES AND MEMBER ATTENDANCE AT MEETINGS

Board of Directors
The Board of Directors of the Bank convenes at the Head Office of the Bank, or at an appropriate place in or out of Turkey at the times when required by the business and transactions of the Bank and in accordance with the provisions of the Turkish Commercial Code.

Committees
Committees which carried out activities in 2020 and their duties are as follows:

1-Corporate Governance Committee

Corporate Governance Committee Chair:
1. Fevzi Bozer (Deputy Chairman of the Board of Directors)

Members:
2. Ömer Mert (General Manager and Board Member)
3. Memduh Aslan Akçay (Board Member)
4. Hülya Kefeli (Board Member)
5. Elif Alsev Utku Özbey (Deputy General Manager)
6. Serdal Yıldırım (Head of Legislation and Compliance)

The Corporate Governance Committee has been established under the chairmanship of Fevzi Bozer to monitor the Bank's compliance with Corporate Governance Principles, undertake improvement efforts, and submit proposals to the Board of Directors. The Committee convenes at least four times in a year.

2-Audit Committee

Audit Committee Members:
1. İsmet Kaya Erdem (Board Member)
2. Faik Onur Umut (Board Member)

The Audit Committee has been established by the Board of Directors to assist in the performance of audit and oversight activities of the Board of Directors. The Committee convenes at least four times a year.

The Audit Committee meetings were held on January 14, February 11, May 11, August 11 and November 10 in the applicable fiscal period.

3-Credit Committee

Credit Committee Chair:
1. Fevzi Bozer (Deputy Chairman of the Board of Directors)

Permanent Members:
2. Faik Onur Umut (Board Member)
3. Ömer Mert (General Manager and Board Member)

Substitute Members:
4. İsmet Kaya Erdem (Board Member)

The Credit Committee has been established to perform the duties to be designated by the Board of Directors relating to credits. Credit Committee is the second highest body of the Bank following the Board of Directors. It is authorized to extend credits and it gives credit approvals within the framework of authorization given by the Board of Directors in compliance with the provisions of the Bank's credit policy. The Credit Committee convenes regularly once in a week, chaired by Fevzi Bozer.

4-Risk Management Committee

Risk Management Committee Members:
1. Ömer Mert (General Manager and Board Member) (Committee Chair)
2. Elif Alsev Utku Özbey (Deputy General Manager) (Member)
3. Sezin Erken (Assistant General Manager) (Member)
4. Turgay Hasdiker (Assistant General Manager) (Member)
5. Kerim L. Kuriş (Assistant General Manager) (Member)
6. İbrahim Toprak (Assistant General Manager) (Member)
7. Ayşe Tulgar Ayça (Head of Risk Management) (Member)

The Risk Management Committee has been established to determine the risk management policies and implementation procedures thereof according to opinion and within the knowledge of the Board of Directors and to ensure their implementation. Chaired by the General Manager, the Committee convenes monthly.

5-Assets and Liabilities Committee

Assets and Liabilities Committee Members:
1. Ömer Mert (General Manager and Board Member) (Committee Chair)
2. Elif Alsev Utku Özbey (Deputy General Manager) (Member)
3. Ahu Dolu (Assistant General Manager) (Member)
4. Sezin Erken (Assistant General Manager) (Member)
5. Turgay Hasdiker (Assistant General Manager) (Member)
6. Kerim L. Kuriş (Assistant General Manager) (Member)
7. İbrahim Toprak (Assistant General Manager) (Member)
8. Ayşe Tulgar Ayça (Head of Risk Management) (Member)

Authorized by the Board of Directors and convening regularly once in a week and chaired by the General Manager, the Assets and Liabilities Committee performs the following activities:

- Carrying out the administrative activities regarding the assets and liabilities of the Bank and define policies for all fund transactions of the Bank;
- Taking decisions to be implemented for managing the Bank's balance sheet and profitability;
- Monitoring the practices undertaken as per the resolutions of executive units and the outcomes thereof regarding the balance sheet and profitability of the Bank;
- Managing and implementing risk strategies in line with the Bank's risk appetite;
- Deciding to start and stop the Bank's hedge accounting, and reporting to the Board of Directors regularly on these decisions and outcomes.

6-Remuneration Committee

Remuneration Committee Members:
1. Fevzi Bozer (Deputy Chairman of the Board of Directors)
2. Mehmet Güleşci (Board Member)

The Committee convenes at regular intervals a year.

7-Information Security Committee

Information Security Committee Chair:
1. Mehmet Güleşci (Board Member)

Members:
2. Ömer Mert (General Manager and Board Member)
3. Elif Alsev Utku Özbey (Deputy General Manager)
4. Gerçek Önal (Assistant General Manager and Chief Legal Counsel)
5. Serdar Yılmaz (Assistant General Manager)
6. Tolga Durdu (Executive Advisor to CEO)
7. Yavuz Çelik (Human Resources Director)
8. Rıfat Deregözü (Information Security, Governance and Compliance Department Manager)
9. Kansu Pulular (Head of the Internal Control and Operational Risk Department)
10. Özge Seyhan (Data Governance Director)
11. Serdal Yıldırım (Head of Legislation and Compliance)

The Information Security Committee was established to develop and implement Fibabanka's Information Security Policy. The Committee is responsible for ensuring that the Information Security Strategy complies with Fibabanka's requirements and best practices, and for monitoring compliance with the Information Security Policy, applicable standards, legal and regulatory requirements. The Information Security Committee convenes at least two times a year.

8-Information Technologies Strategy and Steering Committee

Information Technologies Strategy and Steering Committee Chair:
1. Serdar Yılmaz (Assistant General Manager)

Members:
2. Ömer Mert (General Manager and Board Member)
3. Elif Alsev Utku Özbey (Deputy General Manager)
4. Ahu Dolu (Assistant General Manager)
5. Sezin Erken (Assistant General Manager)
6. Turgay Hasdiker (Assistant General Manager)
7. Kerim L. Kuriş (Assistant General Manager)
8. Gerçek Önal (Assistant General Manager and Chief Legal Counsel)
9. İbrahim Toprak (Assistant General Manager) (Member)
10. Tolga Durdu (Executive Advisor to CEO)
11. Yavuz Çelik (Human Resources Director)
12. Rıfat Deregözü (Information Security, Governance and Compliance Department Manager)
13. Hakan Menderes (Sr. Principal Software Engineer)
14. Nazife Neslihan Erten (Project Management Office Manager)
15. Serdal Yıldırım (Head of Legislation and Compliance)

The Information Technologies Strategy and Steering Committee was formed to ensure that Fibabanka's IT strategies are compliant with the overall strategies and goals of the Bank. The Committee prioritizes IT investments, ensures sure that the Bank's IT investments are made in accordance with the IT strategy and budget, and monitors compliance of the Bank's IT architecture, projects and service levels with the prescribed definitions. The Committee convenes on a quarterly basis.

9-Information Systems Sustainability Committee

Information Systems Sustainability Committee Chair
1. Kansu Pulular (Head of the Internal Control and Operational Risk Department)

Members:
2. Gerçek Önal (Assistant General Manager and Chief Legal Counsel)
3. Serdar Yılmaz (Assistant General Manager)
4. Tolga Durdu (Executive Advisor to CEO)
5. Ayşe Akdaş (Financial Control and Financial Reporting Director)
6. Çağatay Avşar (System Infrastructure Director)
7. Yavuz Çelik (Human Resources Director)
8. Rıfat Deregözü (Information Security, Governance and Compliance Department Manager)
9. Engin Eker (Customer Analytics, Campaign Management and Call Center Director)
10. Erman Eltut (Branch and Head Office Operations Director)
11. Erkan Erdir (Corporate Banking Director)
12. Hakan Menderes (Sr. Principal Software Engineer)
13. Sertaç Polat (Corporate Loans Director)
14. Özge Seyhan (Data Governance Director)
15. Serdal Yıldırım (Head of Legislation and Compliance)

Established to address continuity studies holistically across the organization, to ensure internal coordination and to carry out other functions pursuant to regulatory requirements. Convenes when needed, at least once annually.

AUDITOR

Title: KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
Duty: Auditor
Elected General Assembly: 27.03.2020
Term of Office: 1 year
Tax ID No: 5890269940

AUDIT COMMITTEE'S EVALUATIONS ON THE FUNCTIONING OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND INFORMATION REGARDING THE ACTIVITIES DURING THE ACCOUNTING PERIOD

1- Risk Management Department

The main purpose of the Risk Management Department is to establish the methods, instruments and implementation procedures required to determine, measure, follow and control the risks carried by the Bank. Periodic assessment, measurement, reporting and control activities are conducted on a daily, weekly, monthly, quarterly and annual basis to this end. At the Assets and Liabilities Committee meetings, held once a week, and at the Risk Committee meetings, held once a month, an analysis of the details of trading portfolios, liquidity, market, interest rates and credit risks are made, and reporting activities are conducted accordingly. The Risk Management Department carries out its tasks based on a structure by which all Risk Management activities and calculations are performed using relevant systems and infrastructure.

Risk Management Department is composed of three units, including Market Risk, Capital Planning, Modeling and Validation, and Retail Decision Support.

a. Market Risk Unit: The aim is to manage the possible losses to which the Bank may be exposed due to general market risk, currency risk, specific risk, commodity risk and settlement risk, and the structural interest risk as well as liquidity risk arising from banking accounts. At Assets and Liabilities Committee meetings, held once a week, and at Risk Committee meetings, held once a month, an analysis of the details of trading portfolios, liquidity, market, interest rates and credit risks are made, and reporting activities are conducted accordingly. Moreover, for transactions performed to manage the interest rate risk arising from banking accounts subjected to hedge accounting, analyses are carried out to identify the presence of the related hedge; its effectiveness is measured periodically; and regular analyses are performed to identify the presence of necessary circumstances for such a relation to be terminated.

In the work carried out by the Market Risk Unit, the testing stages of the software that will ensure the establishment of a qualified risk database which includes the assets-liabilities, off-balance-sheet commitment and derivative transactions and systematic calculation of the Liquidity Coverage Ratio, calculated pursuant to the "Regulation on Calculation of Liquidity Coverage Ratio of Banks," have been finalized.

b. Capital Planning & Modeling and Validation Unit: The aim is to manage the possible losses to which the Bank may be exposed due to the failure of credit customers to comply with the requirements of the concluded contract and failure to fulfill the obligations partially or completely. In addition to IFRS 9 provision modeling, the tasks of the Unit include management and regular validation of the scoring models used in the legal person loan portfolio of the Bank. The ICAAP (Internal Capital Adequacy Assessment Process) carried out annually, monthly reports pursuant to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" under Basel II, and all the risks borne by the Bank are tracked to the extent allowed by law and the Fibabanka Risk Appetite Policy approved by the Board of Directors. Applicable reports are presented and information regarding the risk profile of the Bank is provided to the Board on a monthly basis.

c. Retail Decision Support Unit: This Unit is intended to integrate credit policies in the Retail, Agricultural and Micro segments into the decision support system and independently manage the decision tree models. Furthermore, information regarding the Bank's risk profile in this segment is provided by this Unit, with reports and analyses via implementation, allocation, follow-up and collections in the portfolio that fall under retail loans.

In 2020, a project was carried out for redesigning the internal rating system for corporate customers, and a specific focus was placed on modeling studies for all corporate customer segments.

2- Internal Control and Operational Risk Department

For the operational risks to be managed more effectively under best practices and in integration with the Bank's control systems, the Internal Control and Operational Risk Department is organized in three separate units, Internal Control, Operational Risk and Information Systems Internal Control, and directly reports to the Audit Committee. The Internal Control and Operational Risk Department is comprised of 11 people.

The Internal Control Unit conducts its activities for the purposes of protecting the Bank's assets; ensuring maintenance of the Bank's activities in an efficient and productive manner in compliance with the Law and other related regulations, internal policies and rules of the Bank and general banking practices; and ensuring the reliability and integrity of accounting and financial reporting systems and having access to relevant information on time. The Internal Control Unit conducts auditing activities at the Head Office and at branches, and also performs the Management Declaration studies relating to banking processes.

The Operational Risk Unit is charged with determining operational risks defined as actual losses - incurred due to inadequate or failed internal processes, people and systems or from external events - differ, can differ, or may differ from projected losses, and their impacts, and managing them within the scope of the limits set by the Bank Risk Appetite Policy applied by the Bank, via methods such as prevention, mitigation and transfer. The activities related to the services received within the scope of the Business Continuity Management of the Bank, the "Regulation on Banks" Information Systems and Electronic Banking Services" and the "Regulation on Banks' Information Systems and Electronic Banking Services" are also carried out by this unit.

The Information Systems Internal Control Unit was formed within the scope of "Regulation on Banks' Information Systems and Electronic Banking Services." The Unit aims to support business units in the establishment of controls within the framework of the relevant regulation, COBIT and best practices and to ensure that developments are made by testing the effectiveness of the controls in place.

3- Board of Inspection

Internal auditors holding 'Certified Internal Auditor', 'Certified Information Systems Auditor', 'Certified Fraud Examiner', and 'Independent Accountant and Financial Advisor' certification are on the Fibabanka Inspection Board, comprising 14 members. The organizational layout of the Internal Audit Department is designed to address the Banking Processes and Information Technologies processes separately.

The Annual Internal Audit Program is prepared in parallel with the risk level determined as a result of risk assessment studies performed by the Internal Audit Department.

Within the scope of annual process and the Branch Audit Program of the Internal Audit Department, the Banking Process, COBIT Information Technologies Process within the scope of BRSA (Banking Regulation and Supervision Agency) Governance Statement, branch audits and other examinations are performed. Findings in these fields are submitted to the Audit Committee for assessment and evaluation.

4- Legislation and Compliance Department

The Legislation and Compliance Department operates with a total of four different units and a team of 20 persons. The Department reports to the Audit Committee.

Legislation Unit: Responsible for ensuring that all current and prospective activities, products and services of the Bank comply with applicable laws, internal policies and procedures. The Legislation Unit is also directly in charge of governing and monitoring the Bank's corporate governance structure, processes and principles.

Compliance Unit: Responsible for activities to be performed under the Bank in compliance with national and international regulations, within the scope of Prevention of Money Laundering and Financing of Terrorism. In addition, the Compliance Unit is responsible for determining the Ethics Policy of the Bank and ensuring compliance of Bank employees with this policy.

Digital Security Unit: Responsible for the security of all kinds of electronic banking services where Fibabanka customers can carry out their banking transactions or instruct the Bank to do so without the need to visit a branch, such as Internet Banking, Mobile Banking, Telephone Banking, Television Banking, open banking services, ATM and kiosk devices provided by the Bank.

Application Fraud Prevention Unit: Responsible for the security of all customer acceptance channels of the Bank.

INFORMATION REGARDING THE RISK POLICIES IMPLEMENTED BY RISK TYPES

Market Risk Arising from Trading Portfolio

Various efforts are undertaken to ensure compliance with BRSA legislation in defining, measuring, reporting and tracking the market risk of the Bank; to minimize the losses that may be caused by the market risk of the Bank; and to improve the processes and standards.

The Bank cannot carry any positions exceeding the legal limits determined by BRSA. Additionally, Value at Risk limits has been determined for the risk due to the relevant portfolio maintained by the Bank within the scope of the Trading Portfolio Policy. Compliance with these limits is tracked daily by the Risk Management Department.

Interest Rate Risk Arising from Banking Accounts

Pursuant to the Assets & Liabilities Policy, all components included in the assets and liabilities of the Bank sensitive to interest are divided into maturity tranches based on remaining maturity periods by way of repricing, and predetermined interest shocks are applied to calculate the change in net economic value. By the stress tests made on the interest risk maintained by the Bank through the Interest Risk Analysis, sensitivity of the risk level intended to be carried out is tested against crisis scenarios and studies are performed to keep them under control.

Liquidity and Funding Risk

The Bank determines its policies for defining, measuring, reporting and controlling the liquidity risk according to international best practices and the rules and regulations set by the Banking Regulation and Supervision Agency.

When considering the liquidity position of the Bank; existing and expected assets quality, existing and future profitability capacity, funding needs based on previous experiences, existing liquidity position, and funding needs estimating to occur in the future, funding resources and cash flows are taken into account.

The organization, duties and responsibilities of the Bank's Liquidity Risk Management have been defined in detail within the scope of the Liquidity and Funding Risk Policy and the basic principles, implementations, limits and reporting activities to be adopted for Liquidity Risk Management are specified. The short- and long-term liquidity risks carried by the Bank and the scenario analyses on the current positions of the Bank are presented to the Management via Liquidity Reports.

Credit Risk

The Bank has set model development and validation standards to anticipate, determine, measure, monitor, eliminate, mitigate and manage credit risk. These standards are developed for the purpose of correctly defining reliable credit clients with regards to credit policies.

Various internal limits are determined for the management of credit risk and are regularly monitored. Relevant reports are prepared, and controls are undertaken to determine, measure, report and control the credit risk. Loan provisions are calculated via an IFRS9-compliant model and based on the applicable legislation.

Limits have been set for the Bank regarding the credit risk arising from transactions performed by the Treasury Department with other banks. Counter-party credit risk is also tracked via stress tests conducted monthly.

Concentration and risk limits developed for the Bank's loan portfolio are reviewed through the Credit Risk Reports.

TRANSACTIONS MADE WITH THE RISK GROUP IN WHICH THE BANK IS INVOLVED

Loans and other receivables within the scope of the risk group, in which the Bank is involved (According to consolidated data - TL Thousand)

Current Period:						
Risk Group in which the Bank is Involved*	Subsidiaries, Affiliates and Jointly Controlled Subsidiaries		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables **						
Opening Balance	-	-	-	20	331.014	61.073
Closing Balance	-	-	-	20	635.851	70.760
Income Received on Interests and Commissions	-	-	-	-	36.884	126

*As defined in Article 49 of the Banking Law No. 5411.
**Includes all transactions accepted as loans under Article 48 of the Banking Law No. 5411

Information on deposits of the risk group, in which the Bank is involved (According to consolidated data - TL Thousand)

Risk Group in which the Bank is Involved*	Subsidiaries, Affiliates and Jointly Controlled Subsidiaries		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Deposits						
Opening Balance	7.685	1.774	57.840	80.750	231.137	460.871
Closing Balance	2.544	7.685	18.479	57.840	512.953	231.137
Deposit Interest Expens	728	408	4.778	20.577	20.532	49.554

*As defined in Article 49 of the Banking Law No. 5411.

TRANSACTIONS MADE WITH THE RISK GROUP IN WHICH THE BANK IS INVOLVED

Information regarding the funds the Bank borrowed from its risk group (according to consolidated data - TL Thousand)
There are no non-deposit funds borrowed by the Bank from the real and legal persons included in its risk group as of December 31, 2020 (December 31, 2019: None).

Information relating to forward transactions and options contracts and other similar contracts made by the Bank with parties in the risk group, in which the Bank is involved (according to consolidated data - TL Thousand)

Risk Group in which the Bank is Involved*	Subsidiaries, Affiliates and Jointly Controlled Subsidiaries		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Financial Assets at Fair Value Through Profit or Loss:						
Opening Balance	-	-	-	-	741.741	780.609
Closing Balance	-	-	-	-	1.181.279	741.741
Total Profit/(Loss)	-	-	-	-	578	(37.471)
Transactions for Hedging Purposes:						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

*As defined in Article 49 of the Banking Law No. 5411.

FINANCIAL STATUS, PROFITABILITY AND SOLVENCY ASSESSMENT

Fibabanka's asset size increased by 24% to TL 27,2 billion as of year-end 2020 on solo and consolidated bases.

According to consolidated and unconsolidated financial statements, the volume of loans amounted to TL 18,8 billion as of year-end 2020, up from TL 15,6 billion in 2019. The share of loans in total assets was 69%.

The creditworthiness of loans and other receivables is monitored at certain intervals, under applicable legislation. For new loans, the Bank complies with the limits determined under the Banking Laws and Regulations. Collateral is taken for loans disbursed to reduce risk. According to consolidated and unconsolidated financial statements, non-performing loans as of year-end 2020 amounted to TL 619 million, for which a provision of TL 389 million was set aside.

According to consolidated and unconsolidated financial statements, the securities portfolio was TL 2,4 billion at 2020 year-end, while the ratio of securities to total assets was 8,7%.

The consolidated and unconsolidated deposit volume totaled TL 17,7 billion as of year-end 2020.

As per the consolidated financial statements, there was a pre-tax profit of TL 325,5 million in 2020. After tax provision amounting to TL 88,4 million, net profit increased by 10% compared to last year to TL 237,1 million.

The Bank's net interest income for 2020 was TL 956,1 million and its operating gross profit was TL 1.337,1 million, with an increase of 6%.

These figures were TL 956,0 million and TL 1.353,2 million, respectively, on a consolidated basis.

Operating expenses for 2020, including personnel expenses, were TL 624,5 million on a solo basis, and TL 631,3 million on a consolidated basis.

In 2020, a total provision expense of TL 396,5 million was written off on a solo and consolidated basis.

As of December 31, 2020, the standard ratio of the Bank's solo and consolidated capital adequacy was 19,4%. The Bank's share capital is not unpaid and it suffers no insolvency.

There are no measures required to be taken to improve the financial structure of the Bank. The Bank continues to grow profitably according to its targets.

The bank's profit distribution statement for 2020 is included in the independent audit reports. The decision on dividend distribution for 2020 will be taken at the first Ordinary General Assembly meeting to be held.

The currency risk, interest rate risk and liquidity risk borne by the Bank are measured and monitored with several risk management systems, and the balance sheet is managed accordingly, within the framework of predetermined risk limits and legal limits.

To protect against market risks, for purposes of financial risk management, the Bank has identified market risk management activities and taken necessary measures under the "Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks" published in the Official Gazette dated July 11, 2014 with no. 29057 and the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette dated September 6, 2014 with No. 29111.

Market risk calculations are made monthly, and the obtained results of measurements are taken into account for the calculation of the Capital Adequacy Standard Ratio. The value at market risk as of 31.12.2020 is TL 597 million.

The Standard Method and Value at Risk Method are used in measuring the exchange rate risk encountered by the Bank. Legal position limits are used for the purpose of limiting the encountered exchange rate risk. As of 31.12.2020, TL 260 million foreign currency long position is carried.

Against the liquidity risk, attention is paid to ensure consistency of maturity between assets and liabilities, and liquid assets are maintained to completely meet the liquidity needs that may occur as a result of fluctuations in the market.

Efforts in this regard are supported through TL and FX cash flow projections, while changes in the maturity structure, cost and total amount of TL and FX deposits are tracked daily. Developments in previous periods and expectations regarding future developments are also taken into consideration as part of these efforts. Based on the cash flow projections, measures are taken to meet the need for liquidity by differentiating the pricing in various maturities, and alternative sources of liquidity are determined by estimating the liquidity that may be needed in exceptional circumstances.

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

Consolidated and unconsolidated financial statements and information regarding the financial structure of the Bank are incorporated in the Independent Auditor's Report section of this report.

Five-Year Summary of Unconsolidated Financial Information

(TL Thousand)	2016	2017	2018	2019	2020
Total Assets	15.393.509	20.116.206	20.618.271	21.885.760	27.224,995
Loans	11.441.272	15.088.157	14.121.417	15.624.411	18.796.219
Deposits	9.621.503	12.272.743	11.313.226	13.566.698	17.667.425
Fund Borrowed	1.536.663	2.084.851	1.339.212	859.381	1.155.142
Securities Issued	991.975	1.255.066	1.842.585	1.718.332	1.480.900
Subordinated Loans and Borrowing Instruments	397.278	1.194.561	1.596.143	1.789.018	2.127.599
Equity	1.289.866	1.464.590	1.321.872	1.655.804	1.873.904
Profit Before Tax	160.917	200.386	237.823	250.130	316.169
Net Profit	114.915	167.002	196.659	212.044	229.835

Five-Year Summary of Consolidated Financial Information

(TL Thousand)	2016	2017	2018	2019	2020
Total Assets	15.388.872	20.111.668	20.619.176	21.889.207	27.237.631
Loans	11.441.272	15.088.157	14.121.417	15.624.411	18.796.219
Deposits	9.616.738	12.267.905	11.313.141	13.565.688	17.667.408
Fund Borrowed	1.536.663	2.084.851	1.339.212	859.381	1.155.142
Securities Issued	991.975	1.255.066	1.842.585	1.718.332	1.480.900
Subordinated Loans and Borrowing Instruments	397.278	1.194.561	1.596.143	1.789.018	2.127.599
Equity	1.289.761	1.464.612	1.322.249	1.659.092	1.884.412
Profit Before Tax	161.020	200.545	238.278	253.866	325.455
Net Profit	114.997	167.129	197.014	214.956	237.055

CREDIT RATINGS

The Bank holds the following credit ratings from the credit rating agency Fitch.

Fitch Ratings	Rating Note		Outlook
	Long-Term	Short Term	
Foreign Currency	B+	B	Negative
Local Currency	B+	B	Negative
National	A-(tur)		

IMPORTANT DEVELOPMENTS REGARDING 2020 ACTIVITIES

Other matters to be explained pursuant to the provisions of the Customs and Trade Ministry's "Regulation on Determination of Minimum Content of Annual Report of Companies" promulgated in the Official Gazette on 28 August 2012 with No. 28395, and "Regulation on the Principles and Procedures for Preparation of Annual Reports by Banks" on the basis of Article 516, 518, 565 and 610 of the Turkish Commercial Code No. 6102:

Trade Name of the Company:
Fibabanka Anonim Şirketi

Trade Registry No.:
272902

Preferred Shares
The Bank does not have any preferred shares.

Relations with the Controlling Company, Its Affiliated Companies and Controlling Shareholder
On the date of realization of legal transactions made with the controlling company, affiliated companies of the controlling company and the controlling initiative, details of which are given in the Affiliation Report, according to the terms and conditions known to us as of the date when the legal transactions specified in the report, are executed appropriate consideration has been provided for each transaction. There is no measure taken or refrained for being taken nor any loss incurred by our Bank in this context. As a result of examination of financial transactions conducted by Fibabanka with its controlling initiative, controlling company and the affiliated companies of the controlling company, according to article 199 of the Turkish Commercial Code, it is understood that all transactions conducted by the Bank are made exactly according to the market conditions and the precedents/applicable prices, prevailing at the time when the related transaction is conducted, as if they were concluded with third persons.

With regards to the transactions made with Fiba Holding A.Ş., the direct controlling company of Fibabanka and its other affiliated companies, there is no measure taken or refrained for being taken in favor of Fibabanka. Likewise, with regards to transactions made with Mr. Hüsnü M. Özyeğin, the controlling entrepreneur of Fibabanka, there is also no measure taken or refrained for being taken in favor of Fibabanka. In all legal transactions, details of which are given in the Affiliation Report, the agreements have been subject to similar procedures, principles and terms and conditions, as if they were made with third parties outside the group companies. No measure has been implemented to the detriment of Fibabanka, according to an attempt or for interests of the Fibabanka's controlling initiative, controlling company or its affiliated companies.

Financial Benefits Provided to the Board of Directors and Senior Executives
In 2020;

- The total amount of financial benefits such as attendance fee, salary, premium, bonus, profit share, etc. provided to the Board of Directors and senior managers of the Bank, is TL 21.134.114 on a solo basis, and TL 21.892.328 on a consolidated basis.
- The total amount of allowances, travel, accommodation and representation costs and benefits in rem and cash, insurances and similar warranties given to the Board of Directors and senior managers of the Bank, is TL 1.650.284.

Investments Made during the Accounting Period
The Bank's transactions related to investments in 2020 are on Article 12 and 13 of the Independent Auditor's Report-Section 5/I. Explanations and Disclosures Related to the Assets.

Subsidiaries and Shares Held in Them
The Bank holds shares of Kredi Garanti Fonu A.Ş. in the amount of TL 4.896.642,32. This amount corresponds to 1,54% of the shares at the said subsidiary.

Affiliates and Shares Held in Them
1, "Fiba Portföy Yönetimi Anonim Şirketi" has the share capital of TL 5.500.000, 99% of which is held by Fibabanka A.Ş. and 1% by Fiba Holding A.Ş. The company was incorporated to form and manage investment funds in accordance with the provisions of the applicable legislation. Its field of activity also includes management of investment trusts, the private pension funds under the Law on Personal Pension Savings and Investment System dated 28 March 2001 with no. 4632, and the equivalent foreign organizations' portfolios of mutual funds.

2, The Bank has an affiliate with the trade name "Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş." with the amount of TL 112.500.000. Fibabanka A.Ş. holds 100% of the share capital of the said company. Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. was incorporated to undertake entrepreneurial activities, create new fields of activity and technologies, make investments in fin-techs, and provide consulting services for mobile payments, P&L follow-ups, and money transfers.

Information Regarding the Bank's Acquired Shares
There are no shares of the Bank, which have been acquired.

Remarks on the Independent Audit and Public Supervision Conducted in the Statement Period
The Bank is audited by an independent audit firm at the end of each quarterly period in a limited scope and at the end of each year comprehensively. Furthermore, the Bank is subject to constant monitoring and supervision by the Banking Regulation and Supervision Agency pursuant to banking laws and regulation.

Information Regarding Lawsuits Filed Against the Bank and Potential Effects
There is no lawsuit filed against the Bank which may affect the financial situation and activities of the Bank.

Administrative and Penal Sanctions
The amount of penalties paid by the Bank due to practices in breach of related laws and regulations is TL 1.381.436.

Targets Set in the Previous Reporting Period and Execution of General Assembly Resolutions
The Bank reached its targets and executed General Assembly resolutions in 2020.

Extraordinary General Assembly Meetings Held in the Reporting Period
No Extraordinary General Assembly Meetings were held in 2020.

Aid and Donations
The total amount of donations and aid made by the Bank in 2020 and the expenses incurred under social responsibility projects are TL 4.724.105.

SUPPORT SERVICES PROVIDERS

Information on the Fields of Activity of Support Services Received and Persons and Organizations from which the Service is Received Pursuant to the "Regulation on Support Services Received by Banks" and the "Regulation on Banks' Information Systems and Electronic Banking Services"

1)Banking Operating Systems

Trade Name of the Company	Services Procured/Field of Activity
Alterna Yazılım Danışmanlık ve Eğitim Ticaret A.Ş.	Software Service
Arksoft Bilişim Teknoloji Ticaret Sanayi A.Ş.	Software Inventory Tracking Application
Basistek Bilgi Teknolojileri San. ve Tic. A.Ş.	License and Installation Service
Bilgi Birikim Sistemleri Elektronik ve Bilgisayar Endüstrisi Mühendislik Hizm. San. ve Tic. Ltd. Şti.	System Support, Hardware Repair and Maintenance Services
ComPay Ödeme Çözümleri A.Ş.	Software Service
CRIF Enformasyon Derecelendirme ve Danışmanlık Hizmetleri A.Ş.	Risk-meter Rating Software Solution Application
DDI Teknoloji ve Bilişim Çözümleri Araştırma ve Geliştirme Hizmetleri Ltd. Şti.	Software Development
Dengage İnteraktif Dijital Teknoloji Hizmetleri ve Pazarlama A.Ş.	Messaging Service
Dilişim Bilgi Bilgisayar İletişim Tek. San. Tic. Ltd. Şti.	Data Systems Maintenance and Support Services
Eretim Bilgisayar Hizm. ve Danışmanlık Ltd. Şti.	Campaign Automation Platform
Finastra Global Ltd. Şti.	Software Service
Fineksus Bilişim Çözümleri Ticaret A.Ş.	SWIFT Service
Globit Global Bilgi Teknolojileri A.Ş.	Software Service
IBM Global Services İş ve Teknoloji Hiz. ve Tic. Ltd. Şti.	Extraordinary Situation Server and Maintenance Services
IDVLABS Yazılım ve Danışmanlık Hizmetleri A.Ş.	Software Service
İHS Kurumsal Teknoloji Hizmetleri A.Ş.	Remote Identification Infrastructure
Innova Bilişim Çözümleri A.Ş.	Corporate Transaction Center Service Study
Innovance Bilgi Teknolojileri Danışmanlık Yazılım Geliştirme İnş. ve Otom. Ltd. Şti.	Analysis Consulting and Software Development
İdeal Bilişim Hizmetleri San. ve Tic. Ltd. Şti.	FX Matching/FX Nostro Settlement Software
JForce Bilişim Teknolojileri A.Ş.	System Monitoring and Management, Software and Consulting Services
Mapa Global Bilgisayar Yazılım Dan. San. Ltd. Şti.	Kasbox and TCMB IBS Software Pack Maintenance Service
Netsec Bilişim Çözümleri San. ve Tic. Ltd. Şti.	Access Authorization Definition and Automatic Profiling of Devices in the Network
Özyeğin University	Software and Consulting Services
Paycore Ödeme Hizmetleri Takas ve Mutabakat Sistemleri A.Ş.	Debit Card/Credit Card and ATM Operation Support Services
Platin A.Ş.	SIEM Product
Postkom Basım Posta ve İletişim Hizmetleri A.Ş	Account Statement Printing and Enveloping Service
Secure Future Bilgi Teknolojileri ve Hizmetleri Ticaret A.Ş	Monitoring Application Maintenance and Support Services
Soitron Siber Güvenlik Servisleri A.Ş.	Firewall Services
Servicium Bilgisayar Hizm. San. ve Dış Tic. A.Ş.	Core Banking Analysis Consulting
SR Bilişim Yönetim Hizm. Tic. A.Ş.	Management Center of Capsule-Mail Application
Superonline İletişim Hizmetleri A.Ş.	Data Center Hosting Service
Telcoset İleri Teknoloji Stratejik İş Geliştirme Dan. A.Ş.	Product Maintenance Service
Tümsaş Teknolojik End. Bilgisayar Ürün. Müh. ve Paz. A.Ş.	Q-matic Algorithm and Code Support, Maintenance Repair and Screen Development Service

2) Telephone Banking

Trade Name of the Company	Services Procured/Field of Activity
UCS Bilişim Sistemleri Ltd. Şti.	Replacing Infrastructure of the Call Centre

3) Internet Banking

Trade Name of the Company	Services Procured/Field of Activity
V.R.P Veri Raporlama Programlama Bilişim Yazılım ve Danışmanlık Hizm. Tic. A.Ş.	Internet Banking Software and Operating Systems Services

4) Services Other Than Information Technologies

Trade Name of the Company	Services Procured/Field of Activity
Austria Card Turkey Kart Operasyonları A.Ş.	Debit Card Printing and Enveloping Services
Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş.	Intermediary Services for "Transfer on Duty" Services
Brinks Güvenlik Hizmetleri A.Ş.	Precious Goods Transportation Services
Bizim Hesap Bilgi Sistemleri San. ve Tic. A.Ş.	Credit API Integration
DESMER Güvenlik Hizmetleri Tic. A.Ş.	Money Transportation Services
ETCBASE Yazılım ve Bilişim Teknolojileri A.Ş.	Application Support Services for Monitoring Companies in Follow-Up and Past Due
Figo Ticari Bilgi ve Uygulama Patformu A.Ş.	Software Interface Service
FU Gayrimenkul Yatırım Danışmanlık A.Ş.	Execution of Land Registry Transactions by Proxy
	Ekspertiz Yazılım Hizmeti
Key İnternet Hizmetleri Bilgisayar Yazılım Donanım Mühendislik Müşavirlik San. ve Tic. Ltd. Şti.	Appraisal Software Services
Kurye Net Motorlu Kuryecilik ve Dağ. Hiz. A.Ş.	Debit/Credit Card Distribution Service
MTM Holografi Güvenlikli Basım ve Bilişim Teknolojileri San. ve Tic. A.Ş.	Checkbook Printing Services
NCR Bilişim Sistemleri Ltd. Şti.	ATM Money Depositing NCR Banknote Recognition Template Services
Nemesis Alarmsis Teknoloji San. Tic. A.Ş.	Alarm Control Center Support
Reisswolf Doküman Yönetim Hizmetler A.Ş.	Secure Document Destruction and Archiving Service
Tele Kurye Dağıtım ve Kurye Hizm. A.Ş.	Courier Services for Signing Agreements
Webhelp Çağrı Merkezi ve Müşteri Hizmetleri A.Ş.	Call Center Staff Support
268 Contracted Firms	Customer Contract Signing and Delivery

STATEMENT ON ANNUAL REPORT 2020

Fibabanka A.Ş. 2020 Annual Report was prepared and submitted in accordance with the principles and procedures stipulated in the "Regulation on Principles and Procedures Concerning the Preparation and Publication of Annual Reports by Banks" promulgated in the Official Gazette no. 26333 on 1 November 2006 and Customs and Trade Ministry's "Regulation on Determination of Minimum Content of Annual Report of Companies," promulgated in the Official Gazette on 28 August 2012 with no. 28395.

Hüsnü Mustafa Özyeğin
Chairman of the Board of Directors

Ömer Mert
General Manager and Member of the Board of Directors

İsmet Kaya Erdem
Member of the Board of Directors, Committee and Substitute Member of the Credit Committee

Elif Alsev Utku Özbey
Deputy General Manager

Faik Onur Umut
Member of the Board of Directors, Member of the Audit Committee and Credit Committee

Ayşe Akdaş
Director of the Financial Control and Financial Reporting Department

Fibabanka Anonim Şirketi
Unconsolidated Financial Statements as of and for the Year Ended 31 December 2020 with Independent Auditors' Report Thereon
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

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

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

To the Shareholders of Fibabanka Anonim Şirketi

A) Report on the Audit of the Unconsolidated Financial Statements

Qualified Opinion

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

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

Basis for Qualified Opinion

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative, a Swiss entity

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

Key Audit Matters

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

Impairment of loans measured at amortised cost

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

Key audit matter	*How the matter is addressed in our audit*
As of 31 December 2020, loans measured at amortised cost comprise 72% of the Bank's total assets. The Bank recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 29750 dated 22 June 2016 and TFRS 9 Financial Instruments standard ("Standard"). The Bank applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Bank management annually. The significant assumptions and estimates of the Bank's management are as follows: - significant increase in credit risk; - incorporating the forward looking macroeconomic information in calculation of credit risk; and - design and implementation of expected credit loss model.	Our procedures for testing the impairment of loans included below: • We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists. • We evaluated the adequacy of the subjective and objective criteria that is defined in the Bank's impairment accounting policy compared with the Regulation and Standard. • We evaluated the Bank's business model and methodology and the evaluation of the calculations were carried out with the control testing and detailed analysis by the involvement of specialist. • We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and testing their classification. In this context, the current status of the loan customer has been evaluated by including the impact of COVID-19 on prospective information and macroeconomic variables.
The determination of the impairment of loans measured at amortised cost depends on the (i) credit default status, (ii) the model based on the change in the credit risk at the first recognition date and (iii) the classification of the loans measured at amortised cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets. The Bank calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the fair value of the collateral provided for credit transactions. The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward looking expectations are reflected by macroeconomic models. Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, assumptions including the impact of COVID-19, the level of judgements and its complex structure as explained above.	• We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis and discussed the assumptions and estimates with the Bank management. • We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated. • We assessed the macroeconomic models which are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method. • We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk. • We also evaluated the adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.

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

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

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

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

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

Responsibilities of auditors in an audit are as follows:

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

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

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

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

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

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

B) Report on Other Legal and Regulatory Requirements

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

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

Additional paragraph for convenience translation to English:

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM
Partner

15 February 2021
İstanbul, Türkiye

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

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

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

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

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

Hüsnü Mustafa Özyeğin	İsmet Kaya Erdem	Faik Onur Umut	Ömer 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
Fax Number : (212) 258 37 78

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

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

SECTION ONE

GENERAL INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Name Surname	Title	Assignment Date
Board of Directors (*)		
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.

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

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

Assistant General Managers		
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 – 31 DECEMBER 2020

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

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

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

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

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

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

VI. Other Information

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

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

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

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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

AS AT 31 DECEMBER 2020

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

	ASSETS	Footnotes	CURRENT PERIOD (31/12/2020)			PRIOR PERIOD (31/12/2019)		
			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (Net)		2.109.314	3.970.228	6.079.542	3.399.454	3.418.554	6.818.008
1.1	Cash and Cash Equivalents	(5.I.1)	1.269.815	2.950.698	4.220.513	633.116	2.595.084	3.228.200
1.1.1	Cash and Balances at Central Bank		466.024	2.455.668	2.921.692	200.986	2.506.889	2.707.875
1.1.2	Banks	(5.I.3)	465.564	422.967	888.531	402.621	88.195	490.816
1.1.3	Money Market Placements		340.168	72.063	412.231	30.010	-	30.010
1.1.4	Expected Credit Loss (-)		1.941	-	1.941	501	-	501
1.2	Financial Assets Measured at Fair Value Through Profit or Loss	(5.I.2)	124.135	3	124.138	2.037.723	718	2.038.441
1.2.1	Government Debt Securities		27.480	3	27.483	24.835	706	25.541
1.2.2	Equity Securities		-	-	-	-	-	-
1.2.3	Other Financial Assets		96.655	-	96.655	2.012.888	12	2.012.900
1.3	Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.I.4)	18.405	1.009.121	1.027.526	16.849	795.616	812.465
1.3.1	Government Debt Securities		13.508	381.334	394.842	11.952	177.546	189.498
1.3.2	Equity Securities		4.897	5.466	10.363	4.897	3.800	8.697
1.3.3	Other Financial Assets		-	622.321	622.321	-	614.270	614.270
1.4	Derivative Financial Assets	(5.I.2)	696.959	10.406	707.365	711.766	27.136	738.902
1.4.1	Derivative Financial Assets Measured at Fair Value Through Profit and Loss		696.959	10.406	707.365	711.766	27.136	738.902
1.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(5.I.6)	11.759.762	8.243.953	20.003.715	6.656.778	7.594.623	14.251.401
2.1	Loans	(5.I.5)	12.302.304	7.218.181	19.520.485	7.270.746	7.206.662	14.477.408
2.2	Lease Receivables	(5.I.10)	-	-	-	-	-	-
2.3	Factoring Receivables	(5.I.5)	100.322	5.529	105.851	1.723	1.369	3.092
2.4	Financial Assets Measured at Amortised Cost	(5.I.6)	187.659	1.020.243	1.207.902	188.506	386.592	575.098
2.4.1	Government Debt Securities		187.659	1.006.930	1.194.589	188.506	386.592	575.098
2.4.2	Other Financial Assets		-	13.313	13.313	-	-	-
2.5	Expected Credit Losses (-)		830.513	-	830.513	804.197	-	804.197
III.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.I.16)	102.748	-	102.748	63.247	-	63.247
3.1	Assets Held for Sale		102.748	-	102.748	63.247	-	63.247
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		117.945	-	117.945	36.945	-	36.945
4.1	Investments in Associates (Net)	(5.I.7)	-	-	-	-	-	-
4.1.1	Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	Investments in Subsidiaries (Net)	(5.I.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.I.9)	-	-	-	-	-	-
4.3.1	Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	(5.I.12)	359.768	-	359.768	323.651	-	323.651
VI.	INTANGIBLE ASSETS (Net)	(5.I.13)	90.977	-	90.977	69.877	-	69.877
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		90.977	-	90.977	69.877	-	69.877
VII.	INVESTMENT PROPERTY (Net)	(5.I.14)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		1.264	-	1.264	3.509	-	3.509
IX.	DEFERRED TAX ASSET	(5.I.15)	191.700	-	191.700	54.427	-	54.427
X.	OTHER ASSETS	(5.I.17)	252.281	25.055	277.336	236.034	28.661	264.695
	TOTAL ASSETS		14.985.759	12.239.236	27.224.995	10.843.922	11.041.838	21.885.760

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

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

AS AT 31 DECEMBER 2020

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

	LIABILITIES	Footnotes	CURRENT PERIOD (31/12/2020)			PRIOR PERIOD (31/12/2019)		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(5.II.1)	9.286.215	8.381.210	17.667.425	6.658.925	6.907.773	13.566.698
II.	FUNDS BORROWED	(5.II.3)	20.370	1.134.772	1.155.142	16.773	842.608	859.381
III.	MONEY MARKET FUNDS		-	610.160	610.160	-	733.257	733.257
IV.	SECURITIES ISSUED (Net)	(5.II.4)	-	1.480.900	1.480.900	383.937	1.334.395	1.718.332
4.1	Bills		-	-	-	383.937	-	383.937
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	1.480.900	1.480.900	-	1.334.395	1.334.395
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	(5.II.2)	1.097.100	10.392	1.107.492	761.112	27.093	788.205
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		1.097.100	10.392	1.107.492	761.112	27.093	788.205
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	(5.II.6)	52.635	767	53.402	63.465	4.929	68.394
X.	PROVISIONS	(5.II.8)	205.252	-	205.252	96.772	-	96.772
10.1	Provisions for Restructuring		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		36.894	-	36.894	29.588	-	29.588
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		168.358	-	168.358	67.184	-	67.184
XI.	CURRENT TAX LIABILITIES	(5.II.9)	186.711	-	186.711	40.580	-	40.580
XII.	DEFERRED TAX LIABILITIES	(5.II.9)	-	-	-	-	-	-
XIII.	LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.10)	-	-	-	-	-	-
13.1	Held for Sale		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBTS	(5.II.11)	-	2.127.599	2.127.599	-	1.789.018	1.789.018
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	2.127.599	2.127.599	-	1.789.018	1.789.018
XV.	OTHER LIABILITIES	(5.II.5)	579.002	178.006	757.008	382.924	186.395	569.319
XVI.	SHAREHOLDERS' EQUITY	(5.II.12)	1.855.491	18.413	1.873.904	1.643.063	12.741	1.655.804
16.1	Paid-in Capital		941.161	-	941.161	941.161	-	941.161
16.2	Capital Reserves		213.775	-	213.775	210.253	-	210.253
16.2.1	Equity Share Premium		128.678	-	128.678	128.678	-	128.678
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		85.097	-	85.097	81.575	-	81.575
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(10.787)	-	(10.787)	(7.777)	-	(7.777)
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		3.850	18.413	22.263	3.033	12.741	15.774
16.5	Profit Reserves		496.393	-	496.393	284.349	-	284.349
16.5.1	Legal Reserves		42.321	-	42.321	31.719	-	31.719
16.5.2	Statutory Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		454.072	-	454.072	252.630	-	252.630
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit or Loss		211.099	-	211.099	212.044	-	212.044
16.6.1	Prior Periods' Profit or Loss		(18.736)	-	(18.736)	-	-	-
16.6.2	Current Period Net Profit or Loss		229.835	-	229.835	212.044	-	212.044
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		13.282.776	13.942.219	27.224.995	10.047.551	11.838.209	21.885.760

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

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

AS AT 31 DECEMBER 2020

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

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

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

FİBABANKA A.Ş.

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

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

	INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD (01/01/2020 - 31/12/2020)	PRIOR PERIOD (01/01/2019 - 31/12/2019)
I.	**INTEREST INCOME**		**2.179.521**	**2.496.581**
1.1	Interest on Loans	(5.IV.1)	2.018.195	2.232.296
1.2	Interest on Reserve Requirements		3.496	24.574
1.3	Interest on Banks	(5.IV.1)	25.153	117.175
1.4	Interest on Money Market Placements		15.180	28.968
1.5	Interest on Marketable Securities Portfolio	(5.IV.1)	112.395	89.228
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		8.520	17.803
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		46.300	42.829
1.5.3	Financial Assets Measured at Amortized Cost		57.575	28.596
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		5.102	4.340
II.	**INTEREST EXPENSE (-)**		**1.223.461**	**1.680.551**
2.1	Interest on Deposits	(5.IV.2)	810.441	1.276.701
2.2	Interest on Funds Borrowed	(5.IV.2)	208.688	184.436
2.3	Interest on Money Market Borrowings		19.477	21.760
2.4	Interest on Securities Issued	(5.IV.2)	138.708	179.864
2.5	Lease Interest Expense		17.886	16.975
2.6	Other Interest Expenses		28.261	815
III.	**NET INTEREST INCOME (I - II)**		**956.060**	**816.030**
IV.	**NET FEES AND COMMISIONS INCOME**		**150.342**	**199.787**
4.1	Fees and Commisions Received		184.654	234.079
4.1.1	Non-cash Loans		16.504	12.697
4.1.2	Other	(5.IV.12)	168.150	221.382
4.2	Fees and Commisions Paid (-)		34.312	34.292
4.2.1	Non-cash Loans		77	226
4.2.2	Other	(5.IV.12)	34.235	34.066
V	**DIVIDEND INCOME**	(5.IV.3)	-	-
VI.	**TRADING INCOME / LOSS (Net)**	(5.IV.4)	**146.735**	**71.978**
6.1	Trading Gain / Loss on Securities		42.649	61.235
6.2	Gain / Loss on Derivative Financial Transactions		72.351	(441)
6.3	Foreign Exchange Gain / Loss		31.735	11.184
VII.	**OTHER OPERATING INCOME**	(5.IV.5)	**83.997**	**171.685**
VIII.	**TOTAL OPERATING INCOMEI (III+IV+V+VI+VII)**		**1.337.134**	**1.259.480**
IX.	**EXPECTED CREDIT LOSS (-)**	(5.IV.6)	**285.864**	**489.872**
X.	**OTHER PROVISION EXPENSES (-)**	(5.IV.6)	**110.595**	**98**
XI.	**PERSONNEL EXPENSES (-)**		**299.730**	**258.683**
XII.	**OTHER OPERATİNG EXPENSES (-)**	(5.IV.7)	**324.776**	**260.697**
XIII.	**NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)**		**316.169**	**250.130**
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)	**316.169**	**250.130**
XVIII.	**TAX PROVISION FOR CONTINUING OPERATIONS (±)**	(5.IV.9)	**(86.334)**	**(38.086)**
18.1	Current Tax Provision		(224.323)	(22.747)
18.2	Deferred Tax Expense Effect (+)		(101.288)	(15.339)
18.3	Deferred Tax Income Effect (-)		239.277	-
XIX.	**NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)**	**(5.IV.10)**	**229.835**	**212.044**
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)**	**229.835**	**212.044**
	Earnings per share		0,00244	0,00225

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

FİBABANKA A.Ş.

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

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

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

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

FİBABANKA A.Ş.

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

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share Certificate	Other Capital Reserves	Other Accumulated Comprehensive Income or Expense That Will Be Reclassified to Profit or Loss		Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified to Profit or Loss		Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity
					1	2	3	4	5	6				
PRIOR PERIOD (31/12/2019)												
I. Balances at beginning of the period	941.161	128.678	-	-	-	(5.743)	-	-	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)	-	-	410.286	(322.597)	196.659	1.321.872
IV. Total Comprehensive Income	-	-	-	-	-	(2.034)	-	-	42.346	-	212.044	252.356
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	81.575	-	-	-	-	-	-	-	81.575
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	322.597	(196.659)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	(125.938)	322.597	(196.659)	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	81.575	-	(7.777)	-	-	284.349	-	212.044	1.655.804
CURRENT PERIOD (31/12/2020)												
I. Prior period ending balance	941.161	128.678	-	81.575	-	(7.777)	-	-	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 balances (I+II)	941.161	128.678	-	81.575	-	(7.777)	-	-	284.349	-	212.044	1.655.804
IV. Total Comprehensive Income	-	-	-	-	-	(3.010)	-	-	6.489	-	229.835	233.314
V. Capital Increase in cash	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal reserves	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt (*)	-	-	-	(15.214)	-	-	-	-	-	-	-	(15.214)
X. Increase/decrease due to other changes	-	-	-	18.196	-	-	-	-	-	(18.716)	(212.044)	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	212.044	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	(212.044)	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	212.044	(212.044)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	941.161	128.678	-	85.057	-	(10.787)	-	-	496.393	(18.716)	229.835	1.873.904

(*) The Bank has recognized 18.196 thousand TL increase, net of 1.950 thousand TL deferred tax, as "Other capital reserves" under equity with the decision of "TAS 32 Financial Instruments: Presentation".

(**) Income and expenses which are recognized under equity previously, are presented in "Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified to Profit or Loss" and "Other Accumulated Comprehensive Income or Expense That Will Be Reclassified to Profit or Loss".

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 translation,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measure at fair value through other comprehensive income,
6. Other (accumulated gains or losses on cash flow hedges, 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.

FİBABANKA A.Ş.

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

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

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

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

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

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

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

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

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

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

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

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

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

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

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

3. Other

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

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

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

1. Usage strategy of the financial instruments

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

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

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

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

2. Foreign currency transactions

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

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

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

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

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

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

III. Explanations on Equity Investments

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

IV. Explanations on forward transactions, options and derivative instruments

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

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

V. Explanations on interest income and expenses

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

VI. Explanations on fee and commission income and expenses

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

VII. Explanations on financial assets

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

1. Financial assets at fair value through profit or loss

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

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

2. Financial assets at fair value through other comprehensive income

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

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

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

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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;

- Costumer 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

VIII. Explanations on expected credit loss (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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.

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.

XVII. Explanations on liabilities for employee benefits

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

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

- Calculation is based on discount rate of 13,00%, inflation rate of 8,50%.

- Effective as of 31 December 2020, ceiling salary amount is considered as TL 7.117,17 (full TL).

- Individuals' earliest retirement age is considered as retirement age.

- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There are no employee foundation fund or similar institutions.

XVIII. Explanations on taxation

1. Current Tax

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

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

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

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

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

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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 2018 and 2019, in which the deferred tax assets and liabilities emerges and liabilities are met, while it is calculated with 20% for 2021 and following periods. As of the end of 2020, the rate for all items was taken into account as 20%.

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

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

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

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

3. Transfer Pricing

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

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

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

XIX. Additional explanations on borrowings

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

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

Additional Tier I Capital

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

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

XX. Explanations on share certificates issued

None.

XXI. Explanations on bank acceptances and bills of guarantee

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

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

XXII. Explanation on government incentives

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

XXIII. Explanations on segment reporting

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

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

	Retail Banking(*)	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period -1 January - 31 December 2019				
Operating Income	231.332	879.290	148.859	1.259.481
Operating Profit	(176.072)	259.912	166.290	250.130
Taxation				(38.086)
Net Profit/(Loss) for the Period				**212.044**
Prior Period -31 Aralık 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 segmet as of March due to the new segmentation study has been reported under retail banking for first two months.

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XXIV. Profit reserves and distribution of the profit

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

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

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

XXV. Earnings Per Share

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

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

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

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

XXVI. Cash and Cash Equivalent Assets

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

XXVII. Other Disclosures

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

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

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

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

XXVII. Other Disclosures (continued)

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

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

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

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

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

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

(**)The difference between the expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated with the method before TFRS 9 has been recorded in the "Retained Earnings" account; in accordance with Provisional Article 5 of the Regulation on Equity of Banks, related amount is shown net by adding back 40% of the provision difference, net of tax.
(***) Based on the decision of BRSA, dated 23 March 2020 and numbered 3397, if the net valuation differences of the securities held by banks in the portfolio of "Financial Assets at Fair Value through Other Comprehensive Income" are negative, they are not included in the equity calculation.

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	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	--	--
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Other items to be defined by the BRSA	--	
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
Total Deductions From Common Equity Tier I Capital	**237.936**	--
Total Common Equity Tier I Capital	**1.736.415**	--
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	320.215	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
Additional Core Capital before Deductions	**320.215**	--
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	--	--
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	**320.215**	**--**
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	**2.056.630**	**--**
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.868.480	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	238.308	--
Tier II Capital before Deductions	**2.106.788**	**--**
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	**2.106.788**	

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	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
Total Tier I Capital and Tier II Capital (Total Equity)	**4.163.418**	--
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	**4.163.418**	
Total Capital (Total of Tier I Capital and Tier II Capital)	**4.163.418**	--
Total Risk Weighted Assets (****)	**21.472.702**	--
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	8,09	--
Tier I Capital Adequacy Ratio (%)	9,58	--
Capital Adequacy Ratio (%)	19,39	--
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	--

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	Current Period (31/12/2020) 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 (%)	3,58	--
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)	451.871	--
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	238.308	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets	--	--
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**	--

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

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--
Other items to be defined by the BRSA	--	--
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	**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)	1.868.480	100.000	220.215
Nominal value of debt instrument (Thousand TL)	2.202.150	100.000	220.215
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity	Subordinated Debt Instruments
Issuing date of debt instrument	24/03/16-10/05/17	20/03/19	31/12/19
Maturity structure of debt instrument (Demand/Time)	Time	Demand	Demand
Initial term of debt instrument	11 years	--	--
Issuer call subject to prior BRSA approval	Has pre-payment right	Has pre-payment right	Has pre-payment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million	31/12/2024; USD 30 million
Subsequent call date, if any	None	At the end of every 5th year following	On each interest payments date after first 5 years

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Interest/Dividend Payments			
Fixed or floating interest/dividend payments	Floating interest	Floating interest	Floating interest
Interest rate or index value of interest rate	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
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 reducement			
If there are a feature of value reducement, trigger incidents cause this reducement	--	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 reducement, feature of full or partially reducement of value	--	Partially and totally	Partially and totally
If there are a feature of value reducement, feature of being constant of temporary	--	--	--
If there are a feature of value reducement, 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
Whether meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation	Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article.	Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.	Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.
The conditions not met which were defined by 7th or 8th of the 7th or 8th articles of Shareholders' Equity of Banks Regulation	--	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	1.736.415	1.658.407	1.580.397
Common Equity if transition process not implemented [a]	1.580.397	1.580.397	1.580.397
Tier 1 Capital	2.056.630	1.978.622	1.900.612
Tier 1 Capital if transition process not implemented [b]	1.900.612	1.900.612	1.900.612
Total Capital	4.163.418	4.085.410	4.007.400
Equity if transition process not implemented [c]	4.007.400	4.007.400	4.007.400
TOTAL RISK WEIGHTED AMOUNTS			
Total Risk Weighted Amounts	21.472.702	21.472.702	21.472.702
CAPITAL ADEQUACY RATIO			
Common Equity Adequacy Ratio (%)	8,09	7,72	7,36
Common Equity Ratio if transition process not implemented [d] (%)	7,36	7,36	7,36
Tier 1 Capital Adequacy Ratio (%)	9,58	9,21	8,85
Tier 1 Capital Adequacy Ratio if transition process not implemented [d] (%)	8,85	8,85	8,85
Capital Adequacy Ratio (%)	19,39	19,03	18,66
Capital Adequacy Ratio if transition process not implemented [d] (%)	18,66	18,66	18,66
LEVERAGE			
Leverage Ratio Total Risk Amount(*)	29.791.264	29.791.264	29.791.264
Leverage (%)	6,90	6,64	6,38
Leverage Ratio if transition process not implemented [e] (%)	6,38	6,38	6,38

[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

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

II. Explanations on Credit Risk

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

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

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

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

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

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

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

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

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

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

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

Industry	Proportional Limit
Construction	20%
Tourism	20%
Factoring	15%
Wholesale and Retail Business	15%

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

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

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

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

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

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1 JANUARY 2020 – 31 DECEMBER 2020

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

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

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

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

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

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

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

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

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1. Profile of significant exposures in major regions:

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

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
(**) Includes OECD countries other than EU countries, USA and Canada.
(***) Includes assets and liability items that cannot be allocated on a consistent basis.

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

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
(**) Includes OECD countries other than EU countries, USA and Canada.
(***) Includes assets and liability items that cannot be allocated on a consistent basis.

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2. Risk profile by sectors or counterparties

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

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
(**) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation c
1: Conditional and unconditional exposures to central governments or central banks
2: Conditional and unconditional exposures to regional or local governments
3: Conditional and unconditional exposures to banks and brokerage houses
4: Conditional and unconditional exposures to corporates
5: Conditional and unconditional retail exposures
6: Conditional and unconditional exposures secured by real estate property
7: Past due receivables
8: Receivables defined in high risk category by BRSA
9: Exposures in the form of collective investment undertakings
10: Other receivables
11: Equity Share Investments

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

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

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

	Term to Maturity				
Exposure Categories / Current Period*	Up to 1 Month	1 - 3 Months	3 - 6 Months	6-12 Months	Over 1 year
Conditional and Unconditional Exposures to Central Governments or Central Banks	2.600.130	78.861	224.971	86.658	975.142
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--	14.447	4.104	181.264
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.842.867	51.840	115.806	178.806	897.751
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to SME Corporates	--	--	--	--	-
Conditional and Unconditional Exposures to Corporates	824.956	1.543.326	1.543.149	1.993.313	6.270.891
Conditional and Unconditional Retail Exposures	361.184	993.356	1.080.329	1.133.283	1.563.996
Conditional and Unconditional Exposures Secured by Real Estate Property	92.664	95.589	42.679	30.076	1.306.927
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	23.109	736	247	782	3.127
Exposures in the Form of Bonds Secured by Mortgages	--	--	--	--	--
Short term Exposures to Banks, Brokerage Houses and Corporates	--	--	--	--	--
Exposures in the Form of Collective Investment Undertakings	--	--	--	--	--
Other Receivables	--	--	--	--	--
Total**	5.764.910	2.763.708	3.021.628	3.427.022	11.199.098

* Items with determined maturities are classified according to remaining maturities

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

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

	Term to Maturity				
Exposure Categories / Prior Period*	Up to 1 Month	1 - 3 Months	3 - 6 Months	6-12 Months	Over 1 year
Conditional and Unconditional Exposures to Central Governments or Central Banks	2.441.738	6.195	102.282	23.467	938.172
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--	--	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.585.010	54.894	29.674	76.704	761.914
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to Corporates	1.011.186	1.037.506	1.136.771	1.667.593	6.383.099
Conditional and Unconditional Retail Exposures	299.620	450.232	832.010	728.814	870.809
Conditional and Unconditional Exposures Secured by Real Estate Property	44.488	81.490	59.187	96.503	1.231.802
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	24.665	3.488	1.335	3.569	21.165
Exposures in the Form of Bonds Secured by Mortgages	--	--	--	--	--
Short term Exposures to Banks, Brokerage Houses and Corporates	--	--	--	--	--
Exposures in the Form of Collective Investment Undertakings	--	--	--	--	--
Other Receivables	-	-	-	-	-
Total**	5.406.707	1.633.745	2.161.259	2.596.650	10.206.961

* Items with determined maturities are classified according to remaining maturities

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

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

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

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

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

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4. Exposures by risk weights

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

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

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

5. Information by major sectors and type of counterparties

As per TFRS;

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

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

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

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

6. Information on movements in value adjustments and provisions

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

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

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

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

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7. Exposures subject to countercyclical capital buffer

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

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

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

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

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

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

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

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

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

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

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

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

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III. Explanations on currency risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT	748.122	1.564.671	142.875	2.455.668
Due From Banks	163.968	233.598	25.401	422.967
Financial Assets at Fair Value through Profit/Loss (*)	--	3	--	3
Money Market Placements	72.063	--	--	72.063
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	261.966	747.155	--	1.009.121
Loans and Receivables(**)	6.154.515	1.112.897	9.870	7.277.282
Investments in Assoc., Subsidiaries and Entities under Common	--	--	--	--
Financial Assets Measured at Amortized Cost	704.701	315.542	--	1.020.243
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	1.429	1.276	380	3.085
Total Assets	**8.106.764**	**3.975.142**	**178.526**	**12.260.432**
Liabilities				
Bank Deposits	36.092	518.782	20.669	575.543
Foreign Currency Deposits	996.741	5.871.621	937.305	7.805.667
Money Market Borrowings	20.841	589.319	--	610.160
Funds Provided from Other Financial Institutions	353.750	781.022	--	1.134.772
Securities Issued(****)	--	3.608.499	--	3.608.499
Sundry Creditors	4.841	124.048	--	128.889
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(*****)	24.701	25.183	--	49.884
Total Liabilities	**1.436.966**	**11.518.474**	**957.974**	**13.913.414**
Net Balance Sheet Position	**6.669.798**	**(7.543.332)**	**(779.448)**	**(1.652.982)**
Net Off-Balance Sheet Position	**(6.521.053)**	**7.601.889**	**832.534**	**1.913.370**
Financial Derivative Assets (******)	2.804.595	10.922.254	1.209.021	14.935.870
Financial Derivative Liabilities (******)	9.325.648	3.320.365	376.487	13.022.500
Non-Cash Loans (*******)	298.514	358.375	3.082	659.971
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 10.406 are not included.
(**) Includes foreign currency indexed loans and accruals amounting to TL 53.572.
(***) TL 21.970 of prepaid expenses are not included.
(****) Securities issued as subordinated loan classified under "Subordinated debt instruments - Other debt instruments" in the balance sheet are included.
(*****) TL 10.392 of accruals of derivative financial liabilities are not included.
(******) In the current period, foreign currency purchase commitments within the financial derivative assets amounted to TL 316.665 (31 December 2019: TL 2.115.194), foreign currency sale commitments within the derivative financial liabilities amounted to TL 294.748 (31 December 2019: TL 2.129.285).
(*******) There is no effect on the net off-balance sheet position.

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

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

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

(*) Includes derivative financial assets.
(**) Non-performing loans TL 619.425, net-off related stage 3 loans expected credit losses TL 388.750 and expected losses for stage 1 TL 155.743 and for stage 2 TL 285.623 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 105.851.
(***) Non-interest bearing column includes TL 117.945 investments in subsidiaries, TL 359.768 tangible assets, TL 90.977 intangible assets, TL 192.964 tax asset, TL 102.748 assets held for sale, 277.336 other assets and TL 1.941 of expected credit losses on financial assets.
(****) Securities issued as subordinated loan classified under "Subordinated debt instruments - Other debt instruments" in the balance sheet are included.
(*****) Non-interest bearing column includes TL 1.873.904 shareholders' equity, TL 757.008 other liabilities, TL 205.252 provisions and TL 186.711 tax liabilities.

IV. Explanations on interest rate risk (continued)

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

Prior Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.793.051	--	--	--	--	914.824	2.707.875
Banks	379.617	--	--	--	--	111.199	490.816
Financial Assets at Fair Value Through Profit or Loss(*)	133.111	64.695	158.441	472.922	154	--	829.323
Interbank Money Market Placements	30.010	--	--	--	--	--	30.010
Financial Assets Measured at Fair Value through Other Comprehensive Income	98.944	1.027	23.741	664.919	15.137	8.697	812.465
Loans(**)	2.418.490	3.444.489	3.760.128	4.436.418	1.448.658	116.228	15.624.411
Financial Assets Measured at Amortized Cost	20.983	--	--	144.239	409.788	--	575.010
Other Assets(***)	--	--	--	--	--	815.850	815.850
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 Turkey	--	--	--	--
Banks	--	--	--	17,50
Financial Assets at Fair Value Through Profit/ Loss	--	3,15	--	11,74
Interbank Money Market Placements	0,01	--	--	18,08
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,12	5,65	--	13,81
Loans	5,91	4,76	--	18,13
Financial Assets Measured at Amortized Cost	4,52	6,70	--	9,04
Liabilities				
Bank Deposits	--	1,17	--	16,87
Other Deposits	0,85	1,85	--	16,52
Interbank Money Market Received	1,47	2,17	--	--
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	7,19	--	--
Funds Borrowed from Other Financial Institutions	2,38	1,27	--	10,66

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

Prior Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	--	--	--	11,00
Financial Assets at Fair Value Through Profit/ Loss	2,43	6,68	--	31,29
Interbank Money Market Placements	--	--	--	12,21
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,28	5,55	--	8,79
Loans	6,03	6,14	--	18,47
Financial Assets Measured at Amortized Cost	5,22	--	--	9,10
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.

Interest rate on banking book

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

Interest rate sensitivity of equity as of 31 December 2020:

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

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

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

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

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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)

		Total Unweighted Value *		Total Weighted Value *	
Current Period		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)			3.871.763	3.454.865
CASH OUTFLOWS					
2	Deposits from natural persons and retail deposits	13.443.587	7.787.753	1.250.430	778.775
3	Stable deposits	1.878.584	--	93.929	--
4	Less stable deposits	11.565.003	7.787.753	1.156.500	778.775
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	3.698.768	1.781.162	2.100.637	1.087.082
6	Operational deposits	--	--	--	--
7	Non-Operational deposits	2.615.663	1.136.152	1.046.265	454.461
8	Other unsecured funding	1.083.105	645.010	1.054.372	632.621
9	Secured funding	--	--	303.472	279.062
10	Other cash outflows	3.143.418	1.033.621	760.049	547.628
11	Outflows related to derivative exposures and other collateral requirements	488.506	467.146	488.506	467.146
12	Outflows related to restructured financial instruments	--	--	--	--
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments	2.654.912	566.475	271.543	80.482
14	Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15	Other irrevocable or conditionally revocable off-balance sheet obligations	9.329	56	9.329	56
16	TOTAL CASH OUTFLOWS			4.423.918	2.692.603
CASH INFLOWS					
17	Secured receivables	30.623	25.205	30.623	25.205
18	Unsecured receivables	2.242.825	868.534	1.626.647	763.528
19	Other cash inflows	246.404	230.374	246.404	230.374
20	TOTAL CASH INFLOWS	2.519.852	1.124.114	1.903.674	1.019.108
21	TOTAL HQLA			3.871.763	3.454.865
22	TOTAL NET CASH OUTFLOWS			2.520.244	1.675.171
23	LİQUIDITY COVERAGE RATIO (%)			153,63	206,24

* 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)

		Total Unweighted Value *		Total Weighted Value *	
Prior Period		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	LİQUIDITY 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 October – 31 December 2020 period.

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

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

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

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

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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 Purcheased) and Balances with the Central Bank of Turkey	1.526.247	1.395.445	--	--	--	--	--	2.921.692
Banks	452.305	436.226	--	--	--	--	--	888.531
Financial Assets at Fair Value Through Profit or Loss(*)	--	287.557	24.139	102.990	416.814	3	--	831.503
Interbank Money Market Placements	--	412.231	--	--	--	--	--	412.231
Financial Assets Available-for-Sale	10.363	192.033	22.533	353.440	414.006	35.151	--	1.027.526
Loans (**)	--	2.122.271	3.731.833	6.664.467	5.713.625	774.714	(210.691)	18.796.219
Financial Assets Measured at Amortizec Cost	--	--	52.051	231.707	406.955	516.783	--	1.207.496
Other Assets(***)	--	--	--	--	--	--	1.139.797	1.139.797
Total Assets	**1.988.915**	**4.845.763**	**3.830.556**	**7.352.604**	**6.951.400**	**1.326.651**	**929.106**	**27.224.995**
Liabilities								
Bank Deposits	50.626	576.030	373.840	--	--	--	--	1.000.496
Other Deposits	1.947.985	11.963.450	2.574.787	90.603	3.136	86.968	--	16.666.929
Funds Borrowed from Other Financial Institutions	--	1.505	178.776	723.339	251.522	--	--	1.155.142
Interbank Money Market Received	--	362.845	247.315	--	--	--	--	610.160
Marketable Securities Issued(****)	--	37.310	38.843	61	1.443.590	2.088.695	--	3.608.499
Sundry Creditors	--	454.351	--	--	--	--	--	454.351
Other Liabilities (*****)	--	472.826	429.176	145.409	404.089	2.602	2.275.316	3.729.418
Total Liabilities	**1.998.611**	**13.868.317**	**3.842.737**	**959.412**	**2.102.337**	**2.178.265**	**2.275.316**	**27.224.995**
Net Liquidity Surplus / (Gap)	**(9.696)**	**(9.022.554)**	**(12.181)**	**6.393.192**	**4.849.063**	**(851.614)**	**(1.346.210)**	**--**
Net Off-Balance Sheet Position	**--**	**(132.550)**	**(248.246)**	**(87.296)**	**37.180**	**--**	**--**	**(430.912)**
Derivative Financial Assets	--	6.895.549	5.241.626	3.619.924	2.056.419	--	--	17.813.518
Derivative Financial Liabilities	--	7.028.099	5.489.872	3.707.220	2.019.239	--	--	18.244.430
Non-Cash Loans	**--**	**70.868**	**169.508**	**520.054**	**96.829**	**409.303**	**--**	**1.266.562**
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.

Contractual maturity analysis of liabilities according to remaining maturities

Current Period	Carrying Values	Gross Nominal Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposit	1.000.496	1.002.033	50.626	576.744	374.663	--	--	--
Other Deposit	16.666.929	16.758.718	1.947.983	11.992.441	2.615.113	95.128	3.585	104.468
Money Market Funds	610.160	611.843	--	363.104	248.739	--	--	--
Securities Issued	1.480.900	1.660.129	--	43.308	--	43.308	1.573.513	--
Funds Borrowed	1.155.142	1.197.536	--	521	168.932	768.225	259.858	--
Subordinated Debts	2.127.599	2.906.266	--	--	72.404	72.404	579.229	2.182.229
Total	**23.041.226**	**24.136.525**	**1.998.609**	**12.976.118**	**3.479.851**	**979.065**	**2.416.185**	**2.286.697**

Prior Period	Carrying Values	Gross Nominal Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposit	49.126	49.282	22.159	12.263	14.860	--	--	--
Other Deposit	13.517.572	13.562.692	1.258.638	9.780.215	2.232.550	290.484	805	--
Money Market Funds	733.257	735.252	--	267.977	467.275	--	--	--
Securities Issued	1.718.332	1.957.608	--	139.018	283.867	39.018	1.495.705	--
Funds Borrowed	859.381	955.232	--	3.038	30.678	428.540	492.976	--
Subordinated Debts	1.789.018	2.576.717	--	--	61.147	61.147	489.175	1.965.248
Total	**18.666.686**	**19.836.783**	**1.280.797**	**10.202.511**	**3.090.377**	**819.189**	**2.478.661**	**1.965.248**

VII. Explanations on leverage level

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

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

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

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

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

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

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

(*)Securities issued as subordinated loan classified under "Subordinated debt - Other debt instruments" in the balance sheet are included.
Fair values of "Financial Assets at Fair Value Through Other Comprehensive Income" and "Financial Assets Measured at Amortised Cost" are identified either by their market prices or, when the market price is not available, market prices of similar securities in the respect of interest rate, maturity and similar other conditions.
Fair value of fixed rate loans is calculated by discounting the future cash flows with current market prices. Book value of floating rate loans refer to their fair value.
Fair value of other asset and liabilities is measured as amortised cost of the financial asset or liability calculated by effective interest rate method.

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

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

None.

X. Explanations on securitisations positions

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

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

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

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

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

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

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

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

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

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

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

a) - Overview of Risk Weighted Assets:

		Risk Weighted Amounts		Minumum Capital Requirements
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	18.542.919	16.132.769	1.483.434
2	Of which standardised approach (SA)	18.542.919	16.132.769	1.483.434
3	Of which internal rating-based (IRB) approach	--	--	--
4	Counterparty credit risk	432.266	499.911	34.581
5	Of which standardised approach for counterpary credit risk (SA-CCR)	432.266	499.911	34.581
6	Of which internal model method (IMM)	--	--	--
7	Equity position in banking book under basic risk weighting or internal rating-based	--	--	--
8	Equity investments in funds - look-through approach	89.461	83.713	7.157
9	Equity investments in funds - mandate-based approach	--	--	--
10	Equity investments in funds - 1250% risk weighting approach	--	--	--
11	Settlement risk	--	--	--
12	Securitisation exposures in banking book	--	--	--
13	Of which IRB ratings-based approach (RBA)	--	--	--
14	Of which IRB supervisory formula approach (SFA)	--	--	--
15	Of which SA/simplified supervisory formula approach (SSFA)	--	--	--
16	Market risk	596.750	552.463	47.740
17	Of which standardised approach (SA)	596.750	552.463	47.740
18	Of which internal model approaches (IMM)	--	--	--
19	Operational risk	1.811.306	1.480.881	144.904
20	Of which basic indicator approach	1.811.306	1.480.881	144.904
21	Of which standardised approach	--	--	--
22	Of which advanced measurement approach	--	--	--
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	--	--	--
24	Floor adjustment	--	--	--
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**21.472.702**	**18.749.737**	**1.717.816**

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

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

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

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

(*) Disclosec based on gross amounts of the securities.
(**)Disclosed based on gross position amounts subject to general market risk and specific risk.

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

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

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

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

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

c) The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

		Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
	Current Period					
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Statements"	27.224.995	26.229.085	--	1.333.899	707.365
2	Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	610.160	1.107.492
3	Total Net Amount	27.224.995	26.229.085	--	723.739	(400.127)
4	Off-balance sheet amounts(**)	21.172.856	3.736.469	--	17.436.387	17.436.387
5	Valuation differences	--	--	--	--	--
6	Differences due to different netting rules	--	--	--	--	(16.439.510)
7	Differences due to consideration of provisions	--	--	--	--	--
8	Differences resulted from the BRSA's applications	--	--	--	(17.235.065)	--
9	Differences due to risk mitigation	--	--	--	610.160	--
10	**Risk Amounts**	**48.397.851**	**29.965.554**	**-**	**1.535.221**	**596.750**

(*)Risk amounts include financial instruments in trading accounts as per to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and market risk due to calculated capital requirement for currency risk.
(**)Off-balance sheet amounts subject to capital adequacy ratio calculation.

		Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
	Prior Period					
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Statements"	21.815.883	21.021.418	-	1.241.952	738.902
2	Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	-	733.257	788.205
3	Total Net Amount	21.815.883	21.021.418	-	508.695	(49.303)
4	Off-balance sheet amounts(**)	23.806.134	6.671.862	-	17.134.271	17.134.271
5	Valuation differences	--	--	-	-	--
6	Differences due to different netting rules	--	--	-	-	(16.532.505)
7	Differences due to consideration of provisions	--	--	-	-	--
8	Differences resulted from the BRSA's applications	--	--	-	(16.843.709)	--
9	Differences due to risk mitigation	--	--	-	733.257	--
10	**Risk Amounts**	**45.622.017**	**27.693.280**	**-**	**1.532.514**	**552.463**

(*)Risk amounts include financial instruments in trading accounts as per to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and market risk due to calculated capital requirement for currency risk.
(**)Off-balance sheet amounts subject to capital adequacy ratio calculation.

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Explanation on the differences between the risk amounts and the amounts assessed in accordance With TAS in the financial statements:

Disclosures regarding differences between amounts valued according to TAS and risk exposures

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

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

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

Information on Credit Risk

General Qualitative Information on Credit Risk:

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

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

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

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

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

General Qualitative Information on Credit Risk (continued):

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

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

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

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

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

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

General Qualitative Information on Credit Risk (continued):

Credit Quality of Assets

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

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

Changes in stock of default loans and debt securities

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

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

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

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

Breakdown by geographical area

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

:

Sectoral Breakdown:

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

Breakdown by outstanding maturity:

Breakdown by outstanding maturity:

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

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

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

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

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

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

Aging analysis:

Aging analysis:

Days past due	Current Amount	Prior Amount
0-30	18.802.229	15.307.058
31-60	42.201	82.355
61-90	120.917	118.770
90+	660.989	920.338
Total	**19.626.336**	**16.428.520**

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

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

Current Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	4.305
Not provisoned (*)	2.059.527	2.761.574	--
Total	**2.059.527**	**2.761.574**	**4.305**

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

Prior Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	24.322
Not provisoned (*)	56.505	1.100.594	--
Total	**56.505**	**1.100.594**	**24.322**

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

Credit risk mitigation techniques-Overview

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

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

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

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1 JANUARY 2020 - 31 DECEMBER 2020

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Credit risk exposure and credit risk mitigation techniques

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	4.116.994	--	4.184.030	--	--	%0,0
2 Exposures to regional and local governments	199.815	--	199.815	--	99.908	%50,0
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	%0,0
4 Exposures to multilateral development banks	--	--	--	--	--	%0,0
5 Exposures to international organizations	--	--	--	--	--	%0,0
6 Exposures to banks and brokerage houses	3.039.599	84.034	3.039.599	47.490	746.851	%24,2
7 Exposures to corporates	11.636.069	987.347	11.619.810	579.733	11.984.494	%98,2
8 Retail exposures	5.050.336	1.440.118	5.013.662	364.891	4.032.652	%75,0
9 Exposures secured by residential property	152.068	1.815	151.639	528	118.854	%78,1
10 Exposures secured by commercial property	1.385.231	46.874	1.377.189	39.387	942.441	%66,5
11 Past-due items	246.057	1.340	240.405	1.340	203.080	%84,0
12 Exposures in high-risk categories	26.256	3.489	26.256	1.745	26.313	%94,0
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	%0,0
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	%0,0
15 Exposures in the form of coll. investment undertakings(*)	89.461	--	89.461	--	89.461	%100,0
16 Other exposures	1.107.128	1.171.451	1.107.128	64.940	737.064	%62,9
17 Equity share investments	9.764	--	9.764	--	9.764	%100,0
18 Total	**27.058.758**	**3.736.468**	**27.058.758**	**1.100.054**	**18.990.882**	%67,4

(*)Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodology.
(**)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	3.273.949	--	3.589.913	--	554.500	%15,4
2 Exposures to regional and local governments	--	--	--	--	--	%0,0
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	%0,0
4 Exposures to multilateral development banks	--	--	--	--	--	%0,0
5 Exposures to international organizations	--	--	--	--	--	%0,0
6 Exposures to banks and brokerage houses	2.473.858	57.992	2.473.858	34.345	687.579	%27,4
7 Exposures to corporates	10.875.808	772.631	10.815.675	433.879	10.838.666	%96,3
8 Retail exposures	3.272.479	1.020.155	3.066.049	278.75*	2.506.369	%74,9
9 Exposures secured by residential property	271.085	1.851	267.589	777	179.952	%67,1
10 Exposures secured by commercial property	1.255.880	44.625	1.209.966	35.760	801.550	%64,3
11 Past-due items	356.201	--	356.201	--	294.493	%82,7
12 Exposures in high-risk categories	49.506	9.432	49.506	4.716	33.380	%61,6
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	%0,0
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	%0,0
15 Exposures in the form of coll. investment undertakings(*)	83.713	--	83.713	--	83.713	%100,0
16 Other exposures	912.762	4.765.176	912.762	75.985	647.747	%65,5
17 Equity share investments	--	--	--	--	--	%0,0
18 Total	**22.825.232**	**6.671.862**	**22.825.232**	**864.213**	**16.627.949**	%70,1

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

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Exposures by asset classes and risk weights

Current Period

	Risk classes/ Risk weight	0%	10%	20%	%35(*)	50%	%50(*)	75%	100%	150%	200%	Total Risk Amount (**)
1	Exposures to sovereigns and their central banks	4.184.030	--	--	--	--	--	--	--	--	--	4.184.030
2	Exposures to regional and local governments	--	--	--	--	199.815	--	--	--	--	--	199.815
3	Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	--	--
4	Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--
5	Exposures to international organizations	--	--	--	--	--	--	--	--	--	--	--
6	Exposures to banks and brokerage houses	763.008	--	1.401.051	--	912.782	--	--	10.250	--	--	3.087.089
7	Exposures to corporates	215.049	--	--	--	--	--	--	11.984.494	--	--	12.199.543
8	Retail exposures	1.683	--	--	--	--	--	5.376.870	--	--	--	5.378.553
9	Exposures secured by residential property	--	--	--	51.251	--	--	--	100.916	--	--	152.167
10	Exposures secured by commercial property	--	--	--	--	--	948.269	--	468.307	--	--	1.416.576
11	Past-due items	--	--	--	--	140.449	--	--	38.177	63.119	--	241.745
12	Exposures in high-risk categories	--	--	--	--	3.612	--	--	24.153	236	--	28.001
13	Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--	--
14	Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--	--
15	Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	89.461	--	--	89.461
16	Equity share investments	--	--	--	--	--	--	--	9.764	--	--	9.764
17	Other Exposures	435.004	--	--	--	--	--	--	737.064	--	--	1.172.068
18	Total	**5.598.772**	--	**1.401.051**	**51.251**	**1.256.658**	**948.269**	**5.376.870**	**13.462.586**	**63.355**	--	**28.158.812**

(*) Collateralized by real estate mortgages
(**) After CCF and CRM
(***) Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, final value obtained by using the content methodology.
(****)It was used simple arithmetic mean of Central Bank's foreign currency buying rates

Prior Period

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

(*) Collateralized by real estate mortgages
(**) After CCF and CRM
(***) Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, final value obtained by using the content methodology.

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Information on credit risk mitigation techniques

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

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

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

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

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

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

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

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

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

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

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Counterparty credit risk (CCR) approach analysis

	Current Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	205.281	201.322	--	(1,4)	406.603	261.009
2	Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	..	..	..	..	..	..
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	..	..	..	..	958.534	89.527
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	..	..	..	..	170.084	7.966
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	..	..	..	..	..	..
6	**Total**	--	--	--	--	1.535.221	358.502

*It was used simple arithmetic mean of Central Bank's foreign

	Prior Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	160.284	290.562	--	1,4	450.846	289.823
2	Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	--	--
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	1.051.658	121.621
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	30.010	23
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	--	--	--	--	--	--
6	**Total**	160.284	290.562	--	--	1.532.514	411.467

Capital requirement for credit valuation adjustment (CVA)

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

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

CCR exposures by risk class and risk weights – standardised approach

Current Period

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

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

Prior Period

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

Collaterals Used for Counterparty Credit Risk

	Collateral for derivative transactions				Collateral for other	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
Current Period	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**		
Cash-local currency	..	..	..	..	..	170.084
Cash-foreign currency	632	..	..	..	610.160	..
Domestic sovereign debts	..	..	..	..	130.256	..
Other sovereign debts	..	..	..	..	..	..
Government agency debts	..	..	..	..	..	..
Corporate debts	..	..	..	..	..	..
Equity securities	..	..	..	..	..	..
Other collateral	..	..	..	..	..	..
Total	**632**	**--**	**--**	**--**	**740.416**	**170.084**

buying rates belonging to the last 252 business days from the calculation

	Collateral for derivative transactions				Collateral for other	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
Prior Period	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**		
Cash-local currency	--	--	--	--	--	30.010
Cash-foreign currency	2.746	--	--	--	733.257	--
Domestic sovereign debts	--	--	--	--	29.894	--
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	1.051.658
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
Total	**2.746**	**--**	**--**	**--**	**763.151**	**1.081.668**

Explanations on market risk

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

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

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

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

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

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

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Explanations on market risk (continued)

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

Market risk under standardised approach

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

1. Quantitative information on counterparty risk

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

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

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

(*) Repo transactions
(**) Includes option, currency swap and forward contracts.
(***) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.
(****)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 businessdays from the calculation date.

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

(*) Repo transactions
(**) Includes option, currency swap and forward contracts.
(***) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

Explanations on operational risk

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

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

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

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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	54.967	281.636	48.386	211.408
Balances with the Central Bank of Turkey	411.057	2.174.032	152.600	2.295.481
Other	--	--	--	--
Total	**466.024**	**2.455.668**	**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	407.561	782.078	152.527	659.002
Unrestricted Time Deposits	3.496	--	73	498.795
Restricted Time Deposits	--	1.391.954	--	1.137.684
Total	**411.057**	**2.174.032**	**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% - 6% (31 December 2019: 1%-7%) for TL liabilities and at the rates varying from 5% - 21% (31 December 2019: 5%-21%) for FC liabilities, especially USD and EUR, depending on maturities of liabilities.

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	2.796	--	24.580	--
Total	**2.796**	**--**	**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 31 December 2020, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 121.342 (31 December 2019: TL 65.841).

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

Loans recognized at fair value through profit or loss

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

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

2.2 Information on financial assets at fair value through profit or loss subject to repurchase agreements

None.

2.3 Positive differences relating to derivative financial assets (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	97.046	--	59.591	--
Swap Transactions	368.124	--	368.713	--
Futures Transactions	--	--	--	--
Options	231.789	10.406	195.923	27.136
Other	--	--	--	--
Total	**696.959**	**10.406**	**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	465.103	39.805	400.563	740
Foreign	461	383.162	2.058	87.455
Foreign head-offices and branches	--	--	--	--
Total	**465.564**	**422.967**	**402.621**	**88.195**

3.2 Due from foreign banks

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

4. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income

4.1 Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral / blocked

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

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

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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	**1.017.163**	**803.864**
Quoted on Stock Exchange	1.017.163	803.864
Unquoted on Stock Exchange	--	--
Share certificates	**10.363**	**8.697**
Quoted on Stock Exchange	10.363	8.697
Unquoted on Stock Exchange	--	--
Impairment provision (-)	**--**	**96**
Total	**1.027.526**	**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	6.497	--	4.653	--
Total	6.497	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	**15.921.532**	**323.805**	**2.408.979**	**352.595**
Working Capital Loans	6.385.151	119.536	1.446.735	331.004
Export Loans	--	--	894	--
Import Loans	--	--	--	--
Loans to Financial Sector	141.271	--	--	--
Consumer Loans	2.643.793	47.991	16.335	3.933
Credit Cards	15.097	968	--	--
Others	6.736.220	155.310	945.015	17.658
Specialization Loans	--	--	--	--
Other Receivables	--	--	--	--
Total (*)	**15.921.532**	**323.805**	**2.408.979**	**352.595**

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

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

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

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

5.2 *Information on Loans under Close Monitoring that are restructured with Standard Loans and Close Monitoring Loans (continue)*

The overdue analysis of close monitoring loans

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

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

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

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

Maturity analysis of cash loans

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

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

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

5.5 *Allocation of loans by customers*

	Current Period	Prior Period
Public Sector	--	--
Private Sector	19.006.911	15.508.182
Total (*)	**19.006.911**	**15.508.182**

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

5.6 *Allocation of Domestic and Foreign Loans*

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

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

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5.7 *Loans granted to subsidiaries and associates*

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

5.8 *Provisions provided against loans (third stage)*

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	33.606	165.920
Loans and Receivables with Doubtful Collectability	56.774	133.848
Uncollectible Loans and Receivables	298.370	215.350
Total	**388.750**	**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	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period	**18**	**1.779**	**2.508**
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	18	1.779	2.508
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	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Balances at the End of Prior Period	**268.082**	**216.051**	**436.205**
Additions (+)	258.983	51.340	18.057
Transfers from Other Categories of Non-Performing Loans (+)	14	320.477	409.449
Transfers to Other Categories of Non-Performing Loans (-)	320.477	409.449	14
Collections (-)	130.972	43.215	212.694
Write-offs (-)	--	--	--
Sold (-) (*)	11.043	52.259	179.110
Corporate and Commercial Loans	11.027	50.876	149.387
Retail Loans	16	539	23.995
Credit Cards	--	844	5.728
Other	--	--	--
Balances at End of the Period	**64.587**	**82.945**	**471.893**
Provisions (-)	**33.606**	**56.774**	**298.370**
Net Balance on Balance Sheet	**30.981**	**26.171**	**173.523**

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

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

5.9.3 *Information on expected loss provisions set aside for loans*

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

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

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

	III. Group	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	39.441	16.545	42.344
Provisions (-)	17.748	14.239	29.235
Net Balance on Balance Sheet	**21.693**	**2.306**	**13.109**
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**

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	**30.981**	**26.171**	**173.523**
Loans Granted to Real Persons and Legal Entities (Gross)	64.587	82.945	471.893
Provisions (-)	33.606	56.774	298.370
Loans Granted to Real Persons and Legal Entities (Net)	30.981	26.171	173.523
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)	**102.162**	**82.203**	**220.855**
Loans Granted to Real Persons and Legal Entities (Gross)	268.082	216.051	436.205
Provisions (-)	165.920	133.848	215.350
Loans Granted to Real Persons and Legal Entities (Net)	102.162	82.203	220.855
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

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

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

5.11 *Explanations about write-off policy*

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

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

6. Information on financial assets measured at amortized cost

6.1 Information on securities subject to repurchase agreement and given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	48.344	858.607	188.506	386.592
Other	--	--	--	--
Total	**48.344**	**858.607**	**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	187.659	1.006.930	188.506	386.592
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
Total	**187.659**	**1.006.930**	**188.506**	**386.592**

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt instruments	**1.207.902**	**575.098**
Quoted on Stock Exchange	1.207.902	575.098
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	**1.207.902**	**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	132.935	17.887
Revaluation adjustments	5.934	15.552
Purchases during the year	493.935	178.627
Disposals through Sales and Redemptions	--	--
Impairment provision (-)	--	--
Total	**1.207.902**	**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 31 December 2020 (31 December 2019: none).

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

8. Information on subsidiaries

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

Non-financial subsidiaries

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

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

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

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

Financial subsidiaries

The Bank has TL 5.445 investment in a financial subsidiary as of 31 December 2020 (31 December 2019: TL 5.445).

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)	Consolidation Type
Fiba Portföy Yönetimi A.Ş.	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 31 December 2020 is given below:

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
18.098	15.954	367	12	--	7.220	2.912	--

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

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

8. Information on subsidiaries (continued)

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

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

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

Valuation of investments made in subsidiaries within the scope of consolidation

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

Quoted consolidated investments in subsidiaries

None.

9. Information on entities under common control

The Bank does not have investments in entities under common control as of 31 December 2020.

10. Information on lease receivables

The Bank does not have lease receivables as of 31 December 2020.

11. Information on derivative financial assets held for hedging purposes

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

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

12. Information on tangible assets

Current Period	Real Estate	Cars	Investments In Progress**	Other Tangible Assets*	Total
Cost					
Beginning Balance, 1 January 2020	295.376	12.800	--	106.193	414.369
Additions	766	6.739	62.911	17.568	87.984
Disposals	5.225	--	--	6.907	12.132
Ending Balance, 31 December 2020	**290.917**	**19.539**	**62.911**	**116.854**	**490.221**
Accumulated Depreciation					
Beginning Balance, 1 January 2020	(29.056)	(897)	--	(60.766)	(90.718)
Depreciation	(22.497)	(2.269)	--	(21.134)	(45.900)
Disposals	(164)	--	--	6.329	6.165
Ending Balance, 31 December 2020	**(51.717)**	**(3.166)**	**--**	**(75.570)**	**(130.453)**
Net Book Value, 31 December 2020	**239.200**	**16.373**	**62.911**	**41.284**	**359.768**

* Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

** The item in progress includes the total capitalized project cost following the completion of the projects.

Prior Period	Real Estate	Cars	Other Tangible Assets*	Total
Cost				
- Beginning Balance, 1 January 2019	223.097	79	88.283	311.459
Additions	72.279	12.721	24.011	109.011
Disposals	--	--	6.101	6.101
Ending Balance, 31 December 2019	**295.376**	**12.800**	**106.193**	**414.369**
Accumulated Depreciation				
Beginning Balance, 1 January 2019	(6.541)	(99)	(48.002)	(54.642)
Depreciation	(22.404)	(798)	(18.910)	(42.112)
Disposals	(111)	--	6.146	6.036
Ending Balance, 31 December 2019	**(29.056)**	**(897)**	**(60.766)**	**(90.718)**
Net Book Value, 31 December 2019	**266.320**	**11.903**	**45.427**	**323.651**

* Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

12.1 Disclosure for impairment losses or releases individually material for financial statements

12.1.1 Conditions for allocating/releasing any impairment

None.

12.1.2 Amount of impairment losses provided or released in financial statements during current period

None.

12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually

None.

13. Information on intangible assets

13.1 Useful lives and depreciation rates

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

The Bank's intangible assets consist of software programs and rights, and their useful lives range between 3 to 10 years.

13.2 Depreciation methods

Depreciation for assets which are in balance sheet for less than one year is calculated by the straight line method by proportioning the duration of asset in the balance sheet to the predicted yearly depreciation amount.

13.3 Movements of intangible assets at beginning and end of the current period

	Current Period	Prior Period
Cost		
Beginning Balance, 1 January	138.228	90.570
Additions	51.342	50.274
Disposal	4.153	2.616
Ending Balance, 31 December	**185.417**	**138.228**
Accumulated Depreciation		
Beginning Balance, 1 January	(68.351)	(55.569)
Amortisation Expense for Current Period (-)	--	(24)
Disposal	(26.089)	(12.805)
Ending Balance, 31 December	**(94.440)**	**(68.351)**
Net Book Value, 31 December	**90.977**	**69.877**

13.4 Details for any individually material intangible assets

None.

13.5 Intangible assets capitalised under government incentives at fair values

None.

13.6 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

13.7 Net book value of intangible asset that are restricted in usage or pledged

None.

13.8 Commitments to acquire intangible assets

None.

13.9 Disclosure on revalued intangible assets

None.

13.10 Research and development costs expensed during current period

None.

13.11 Godwill

None.

14. Information on investment properties

None.

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15. Information on deferred tax asset

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

As of 31 December 2020, the deferred tax asset amounting to TL 191.700 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2019: TL 54.427 deferred tax asset).

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

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	294.394	58.879
Unearned Commission Income/Prepaid Commission Expenses	43.865	8.773
Reserve for Employee Benefits	36.894	7.379
Tangible Assets Base Differences	(36.743)	(7.349)
Provisions	605.826	121.166
Other	14.268	2.852
Deferred Tax Asset/(Liability)	**958.504**	**191.700**

	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	(124.029)	(24.671)
Unearned Commission Income/Prepaid Commission Expenses	13.823	3.041
Reserve for Employee Benefits	29.588	6.210
Tangible Assets Base Differences	(29.517)	(5.903)
Provisions	345.106	73.403
Other	10.852	2.347
Deferred Tax Asset/(Liability)	**245.823**	**54.427**

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

15. Information on deferred tax asset (continued)

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

	1 January-31 December 2020	1 January - 31 December 2019
Deferred Tax Asset, 1 January	54.427	79.305
Deferred Tax Income / (Expense)	137.989	(15.339)
Deferred Tax Recognized Directly Under Equity	(716)	(9.539)
Deferred Tax Asset/(Liability) , Period End Balance	**191.700**	**54.427**

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 31 December 2020, the Bank has TL 102.748 assets held for sale (31 December 2019: TL 63.247).

17. Information on other assets

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

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

As of 31 December 2020, total prepaid expenses are TL 41.579 (31 December 2019: TL 42.003).

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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	239.170	--	3.296.030	2.162.226	82.919	40.295	19.070	--	5.839.710
Foreign Currency Deposits	1.022.955	--	3.826.483	1.841.608	143.243	12.482	124.436	--	6.971.207
Residents in Turkey	921.277	--	3.805.228	1.832.539	143.243	12.428	124.345	--	6.839.060
Residents Abroad	101.678	--	21.255	9.069	--	54	91	--	132.147
Public Sector Deposits	1.394	--	409	865	--	--	--	--	2.668
Commercial Deposits	308.639	--	469.252	2.082.225	4.362	3.572	29	--	2.868.079
Other Ins. Deposits	3.340	--	3.485	125.948	17.516	516	--	--	150.805
Precious Metal Deposits	372.485	--	461.975	--	--	--	--	--	834.460
Interbank Deposits	50.624	--	558.252	391.620	--	--	--	--	1.000.496
Central Bank of Turkey	--	--	386.108	--	--	--	--	--	386.108
Domestic Banks	79	--	146.815	379.982	--	--	--	--	526.876
Foreign Banks	45.473	--	25.329	11.638	--	--	--	--	82.440
Special Finan.Inst.	5.072	--	--	--	--	--	--	--	5.072
Other	--	--	--	--	--	--	--	--	--
Total	1.998.607	--	8.615.886	6.604.492	248.040	56.865	143.535	--	17.667.425

Prior Period

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

II. Explanations and disclosures related to liabilities (continued)

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	2.701.076	2.739.691	3.100.426	2.736.619
Foreign Currency Saving Deposits	1.554.183	1.025.106	5.118.091	4.415.973
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
Total	**4.255.259**	**3.764.797**	**8.218.517**	**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	11.366	23.907
Deposits of Chairman and Members of the Board of Directors and their Close Families	43.256	21.646
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	--	--
Saving Deposits in Banks Established in Turkey Exclusively for Off Shore Banking Activities	--	--

2. Information on derivative financial liabilities held for trading

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	100.750	--	65.341	--
Swap Transactions	767.895	--	386.379	--
Futures Transactions	--	--	--	--
Options	228.455	10.392	195.948	27.093
Other	--	--	--	--
Total	**1.097.100**	**10.392**	**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	20.370	180.458	16.773	391.415
From Foreign Banks, Institutions and Funds	--	954.314	--	451.193
Total	**20.370**	**1.134.772**	**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	20.370	98.963	16.773	112.037
Medium and Long Term	--	1.035.809	--	730.571
Total	**20.370**	**1.134.772**	**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	--	--	--	1.443.590
Book Value	--	--	--	1.480.900

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

5. Other Liabilities

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

6. Obligations under financial lease

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	50.641	37.376	31.743	37.657
Between 1-4 Years	33.330	15.470	54.263	29.917
More than 4 Years	2.774	556	3.429	820
Total	**86.745**	**53.402**	**89.435**	**68.394**

6.1 Additional explanations related to the changes in agreements and the additional liabilities brought by these changes

None.

II. Explanations and disclosures related to liabilities (continued)

7. Information on derivative financial liabilities for hedging purposes

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

8. Information on provisions

8.1 Foreign exchange losses on the foreign currency indexed loans

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

8.2 The specific provisions provided for unindemnified non cash loans

As of 31 December 2020, the specific provision provided for unindemnified non cash loans is TL 4.566 (31 December 2019: TL 11.449).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	151.000	44.500

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

None.

8.3.3 Explanations on reserves for employee benefits

As of 31 December 2020, reserves for employee benefits amounting to TL 36.894 (31 December 2019: TL 29.588) comprise of TL 19.659 reserve for employee termination benefits (31 December 2019: TL 14.959), TL 5.689 unused vacation pay liability (31 December 2019: TL 4.724) and TL 11.546 personnel bonus accrual (31 December 2019: TL 9.905).

The table below shows the predicted total net cost from employee termination benefits.

	Current Period	Prior Period
Balance at the Beginning	14.959	11.116
Change in the period	6.800	6.285
Aktuerial Loss/Profit Transferred to Equity	3.763	2.542
Paid in the Period	(5.863)	(4.984)
Balance at the End	**19.659**	**14.959**

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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 31 December 2020, the Bank's current tax liability is TL 186.711 (31 December 2019: TL 40.580).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	143.871	--
Taxation on securities	13.359	17.703
Property tax	173	357
Banking and Insurance Transaction Tax (BITT)	13.228	10.510
Taxes on foreign exchange transactions	1.433	584
Value added taxes payable	1.715	1.364
Income tax ceased from wages	6.114	4.389
Other	1.004	787
Total	**180.897**	**35.694**

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	2.467	2.068
Social Security Premiums- Employer	2.831	2.387
Bank Social Aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee	172	144
Unemployment Insurance- Employer	344	287
Other	--	--
Total	**5.814**	**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).

II. Explanations and disclosures related to liabilities (continued)

11. Explanations on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments subject to common equity	100.000	220.276	100.000	178.263
Subordinated loans	--	--	--	--
Subordinated debt instruments(*)	100.000	220.276	100.000	178.263
Debt instruments subject to Tier 2 equity	--	1.907.323	--	1.610.755
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	1.907.323	--	1.610.755
Total	**100.000**	**2.127.599**	**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.

12.8 Common stock issue premiums, shares and equity instruments

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

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

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II. Explanations and disclosures related to liabilities (continued)

12.9 Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	3.850	18.413	3.033	12.741
Exchange Difference	--	--	--	--
Total	**3.850**	**18.413**	**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 related interest expenses belonging to 2020 are presented under "Other Capital Reserves" account for 2020.

12.11 Information on revaluation reserve

None.

12.12 Bonus shares of subsidiaries, associates and joint ventures

None.

12.13 Information on legal reserves

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

12.14 Information on extraordinary reserves

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

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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	996.421	4.527.252
Credit Card Limit Commitments	27.643	32.901
Credit Card and Bank Trans. Promo. Guarantee	--	1
Commitments for Credit Allocation with the Guarantee of Usage	1.332.248	876.316
Export Commitments	8.878	5.940
Commitment for Cheques	184.090	187.578
Other Irrevocable Commitments	14.927	15.152
Total	**2.564.207**	**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	584.041	432.859
Letters of Guarantee FC	277.530	317.754
Letters of Credit	248.224	168.208
Bills of Exchange and Acceptances	156.767	105.847
Total	**1.266.562**	**1.024.668**

The Bank has set aside TL 9.788 of expected credit loss allowance for non-cash loans (31 December 2019: TL 13.331).

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	18.446	37.188
Irrevocable Letters of Guarantee	728.239	659.784
Letters of Guarantee Given in Advance	66.645	28.699
Letters of Guarantee Given to Customs	14.100	5.423
Other Letters of Guarantee	34.141	19.519
Total	**861.571**	**750.613**

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	--	7.898
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	--	7.898
Other Non-Cash Loans	1.266.562	1.016.770
Total	**1.266.562**	**1.024.668**

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III. Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)

1. Information on sectorial risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	**1.767**	%0,3	**21.193**	%3,2	**2.050**	%1,4	**27.275**	%1,3
Farming and raising livestock	389	%0,1	13.569	%2,1	--	%0,1	--	%0,0
Forestry	1.378	%0,2	7.624	%1,2	2.050	%1,3	27.275	%1,3
Fishing	--	%0,0	--	%0,0	--	%0,0	--	%0,0
Manufacturing	**130.215**	%21,5	**318.836**	%48,3	**28.713**	%11,4	**180.630**	%52,0
Mining	3.237	%0,5	--	%0,0	2.406	%1,1	1.496	%0,7
Production	123.266	%20,3	311.495	%47,2	20.674	%7,8	179.134	%51,3
Electric, gas and water	3.712	%0,6	7.341	%1,1	5.633	%2,5	--	%0,0
Construction	**146.632**	%24,2	**47.920**	%7,3	**86.747**	%26,9	**39.551**	%18,4
Services	**138.531**	%22,8	**203.524**	%30,8	**148.571**	%48,5	**186.821**	%26,8
Wholesale and retail trade	40.268	%6,6	37.854	%5,7	57.757	%11,4	93.435	%11,0
Hotel, food and beverage services	14.783	%2,4	47.561	%7,2	4.312	%3,6	36.930	%8,7
Transportation and telecommunication	20.047	%3,3	28.693	%4,3	15.030	%3,8	9.014	%1,5
Financial Institutions	49.256	%8,1	78.810	%11,9	41.370	%24,2	37.608	%4,3
Real estate and renting services	1.245	%0,2	1.172	%0,2	14.626	%0,2	655	%0,0
Self-employement services	4.013	%0,7	143	%0,0	10.986	%1,4	7.482	%0,0
Education services	2.687	%0,4	--	%0,0	1.687	%0,7	--	%0,1
Health and social services	6.232	%1,0	9.291	%1,4	2.803	%3,1	1.697	%1,3
Other	**189.446**	**%31,2**	**68.498**	**%10,4**	**166.778**	**%11,8**	**157.532**	**%1,5**
Total	**606.591**	**%100,0**	**659.971**	**%100,0**	**432.859**	**%100,0**	**591.809**	**%100,0**

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

	Stage I		Stage II	
Current Period	**TL**	**FC**	**TL**	**FC**
Letters of Guarantee	545.520	272.645	38.521	4.885
Bills of Exchange and Bank Acceptances	22.550	134.217	--	--
Letters of Credit	--	230.213	--	18.011
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties				
Non-Cash Loans	**568.070**	**637.075**	**38.521**	**22.896**

	Stage I		Stage II	
Prior Period	**TL**	**FC**	**TL**	**FC**
Letters of Guarantee	406.915	312.347	25.944	5.407
Bills of Exchange and Bank Acceptances	--	105.847	--	--
Letters of Credit	--	168.208	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties				
Non-Cash Loans	**406.915**	**586.402**	**25.944**	**5.407**

3. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	**33.526.782**	**28.917.977**
Forward Transactions	4.022.259	4.459.648
Swap Transactions	23.374.081	18.989.037
Futures Transactions	--	--
Option Transactions	6.130.442	5.469.292
Interest Related Derivative Transactions (II)	**2.899.546**	**644.020**
Forward Rate Transactions	--	--
Interest Rate Swap Transactions	2.899.546	644.020
Interest Option Transactions	--	--
Futures Interest Transactions	--	--
Other Trading Derivative Transactions (III)	420.836	1.157.032
A. Total Derivative Transactions Held for Trading (I+II+III))	**36.847.164**	**30.719.029**
Types of hedging transactions		
Fair Value Hedges	--	2.197.519
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
B. Total Derivative Transactions Held for Hedging Purposes	**--**	**2.197.519**
Total Derivative Transactions (A+B)	**36.847.164**	**32.916.548**

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

None.

5. Information related to derivative financial instruments

The bank recognised a provision of TL 6.198 for the legal cases pending against the Bank where the cash out flows are probable (31 December 2019: TL 2.107).

6. Custodian and intermediary services

The Bank provides trading and safe keeping services in the name and account of third parties. Such transactions are presented in off-balance statements.

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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(*)	**1.500.921**	**501.698**	**1.815.576**	**406.944**
Short Term Loans	692.596	65.373	1.039.354	88.811
Medium and Long Term Loans	808.325	436.325	776.222	318.133
Interest on Non-Performing Loans	15.576	--	9.776	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	**1.516.497**	**501.698**	**1.825.352**	**406.944**

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

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	--	--	5.831	--
Domestic Banks	24.871	53	109.555	375
Foreign Banks	--	229	--	1.414
Branches and Head Office Abroad	--	--	--	--
Total	**24.871**	**282**	**115.386**	**1.789**

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	8.389	131	17.736	67
Financial Assets at Fair Value Through Other Comprehensive Income	549	45.751	903	41.926
Financial Assets Measured at Amortized Cost	15.930	41.645	10.220	18.376
Total	**24.868**	**87.527**	**28.859**	**60.369**

1.4 Information on interest income received from associates and subsidiaries

None (31 December 2019: None).

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	**1.613**	**41.668**	**1.548**	**35.922**
The Central Bank of Turkey	--	--	--	--
Domestic Banks	1.613	23.116	1.548	22.468
Foreign Banks	--	18.552	--	13.454
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	165.407	--	146.966
Total	**1.613**	**207.075**	**1.548**	**182.888**

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

2.2 Information on interest expenses to associates and subsidiaries

Total interest expense given to subsidiaries is TL 729 (1 January – 31 December 2019: TL 409).

2.3 Information on interest expenses to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	28.310	110.398	100.699	79.165

2.4 Information on maturity structure of interest expenses paid for deposits

Account Description	Demand Deposits	Time Deposits						Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	Cumulative Deposits	
Turkish Lira								
Bank Deposits	--	7.506	--	--	--	--	--	**7.506**
Saving Deposits	--	388.931	153.898	13.003	6.759	10.055	--	**572.646**
Public Sector Deposits	--	46	80	--	--	--	--	**126**
Commercial Deposits	--	26.697	84.424	1.297	110	183	--	**112.711**
Other	--	270	2.739	470	20	22	--	**3.521**
7 Days Notice	--	--	--	--	--	--	--	--
Total	--	**423.450**	**241.141**	**14.770**	**6.889**	**10.260**	--	**696.510**
Foreign Currency								
Foreign Currency Deposits	--	46.886	50.228	6.699	3.054	2.251	--	**109.118**
Bank Deposits	--	3.011	--	--	--	--	--	**3.011**
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	1.802	--	--	--	--	--	**1.802**
Total	--	**51.699**	**50.228**	**6.699**	**3.054**	**2.251**	--	**113.931**
Grand Total	--	**475.149**	**291.369**	**21.469**	**9.943**	**12.511**	--	**810.441**

3. Information on dividend income

None (31 December 2019: None).

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

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

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

4. Information on net trading income / loss

	Current Period	Prior Period
Income	**2.418.803**	**1.802.390**
Gains on Capital Market Operations	61.618	65.208
Gains on Derivative Financial Instruments	1.371.297	807.204
Foreign Exchange Gains	985.888	929.978
Loss (-)	**2.272.068**	**1.730.412**
Losses on Capital Market Operations	18.969	3.973
Losses on Derivative Financial Instruments	1.298.946	807.645
Foreign Exchange Losses	954.153	918.794
Net Trading Income / (Loss)	**146.735**	**71.978**

5. Information on other operating income

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

6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	**285.864**	**489.872**
12 Months Expected Credit Losses (Stage 1)	41.832	16.442
Significant Increase In Credit Risk (Stage 2)	126.137	2.902
Impaired Credits (Stage 3)	117.895	470.528
Impairment Losses on Marketable Securities	--	--
Financial Assets Valued at Fair Value Through Profit or Loss	--	--
Financial Assets Valued at Fair Value Through Other Comprehensive Income	--	--
Impairment Losses on Associates, Subsidiaries and Joint Ventures	--	--
Associates	--	--
Subsidiaries	--	--
Joint-Ventures	--	--
Other (*)	**110.595**	**98**
Total	**396.459**	**489.970**

(*) TL 106.500 of the total is the provisions for possible losses (31 December 2019: None).

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

7. Information related to other operational expenses

	Current Period	Prior Period
Provision for Employee Termination Benefits	937	1.301
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	17.738	14.346
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	26.097	12.832
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	--
Depreciation of Right to Use Assets	28.162	27.766
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	138.564	119.647
Operational leases expenses related with TFRS 16 exceptions (*)	630	882
Repair and Maintenance Expenses	2.215	3.520
Advertisement Expenses	16.669	13.392
Other Expenses	119.050	101.853
Losses on Sale of Assets	4.060	2.283
Other	109.218	82.522
Total	**324.776**	**260.697**

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

	Current Period	Prior Period
Interest Income	2.179.521	2.496.581
Interest Expenses (-)	1.223.461	1.680.551
Net Fee and Commission income	150.342	199.787
Trading Profit/Loss (Net)	146.735	71.978
Other Operating Income(*)	83.997	171.685
Provision for Impairment in Loans and Other Receivables	285.864	489.872
Other Provision Expenses (-)	110.595	98
Personnel Expenses (-)	299.730	258.683
Other Operating Expenses (-)	324.776	260.697
Profit/(loss) Before Tax	**316.169**	**250.130**

9. Explanations on tax provision for resumed operations and discontinued operations

9.1 Current period taxation income or expense and deferred tax income or expense

As of 31 December 2020, the Bank provided current tax expense of TL 224.323 in the statement of profit or loss for the 12 months period (1 January – 31 December 2019: TL 22.747 expense).

As of 31 December 2020, the Bank provided the deferred tax expense of TL 101.288 and the deferred tax income of TL 239.277 in the statement of profit or loss for 12 months period (1 January – 31 December 2019: TL 15.339 deferred tax expense).

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

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	316.169	250.130
Tax Benefit/(Charge) on Continuing Operations	(86.334)	(38.086)
Net Profit/(Loss) from Continuing Operations	**229.835**	**212.044**

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

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

11. Information on net profit/loss for the period

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

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

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

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

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

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

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

1. Information on inflation adjustment difference of shareholders' equity

As per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005.

In accordance with the circular, TL 17.416 inflation adjustments to paid-in-capital until 31 December 2005 have been transferred to "Other Capital Reserves" account which was formerly recognized in "Inflation Adjustment to Paid-in-Capital" account. Mentioned inflation adjustment was used in the capital increase from TL 426.650 to TL 550.000 together with TL 9.502 profit from the disposal of real estate and TL 96.432 cash contribution of Fiba Holding A.Ş. in accordance with the Board of Directors decision dated 25 February 2013. Legal procedures were completed on 29 May 2013 and capital increase was accounted for in the financial statements.

2. Information on profit distribution

The decision relating to distribution of 2020 profit will be made at the General Assembly.

At the General Assembly meeting held on 27 March 2020, 2019 profit of the Bank was decided to be distributed as follows:

Profit or Loss	**212.044**
A- Legal Reserves	10.602
B- Extraordinary Reserves	201.442

3. Information on foreign exchange difference

None.

4. Information on financial assets measured at fair value through other comprehensive income

Mark to market gains and losses on financial assets measured at fair value through other comprehensive income are not reflected to profit and loss but recognized in equity under "Securities Valuation Reserve" account until such securities are sold, redeemed, disposed of or impaired; recognised as "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under equity. In case the related assets are securities representing a share in the capital, in the account "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under equity.

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

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

VI. Explanations and disclosures related to the consolidated statement of cash flows

1. Information on cash and cash equivalents

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency, money in transfer, purchased bank cheques and deposits in all banks including Central Bank of Turkey are defined as "Cash", interbank money market placements with original maturity less than 3 months and investments onmarketable securities are defined as "Cash equivalents".

a) Cash and cash equivalents at the beginning of the period:

	1 January 2020	1 January 2019
Cash	259.794	138.331
Banks and Other Financial Institutions	1.833.189	1.643.318
Money Market Placements	30.010	306.208
Total Cash and Cash Equivalent Assets	**2.122.993**	**2.087.857**

b) Cash and cash equivalents at the end of the period:

	31 December 2020	31 December 2019
Cash	336.603	259.794
Banks and Other Financial Institutions	2.081.666	1.833.189
Money Market Placements	412.231	30.010
Total Cash and Cash Equivalents Assets	**2.830.500**	**2.122.993**

2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons

In the current period, demand deposits of TL 293.142 which is blocked at foreign banks as the guarantee of derivative transactions and required reserves at the Central Bank of Turkish Republic are not included in cash and cash equivalents (31 December 2019: TL 31.976).

3. Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents

"Other items" amounting to TL 88.002 in "operating profit before changes in operating assets and liabilities" consists of other operating expenses and realized derivative losses (31 December 2019: TL (260.990)).

"Net increase/decrease in other liabilities" amounting to TL (3.860) in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2019: TL (25.979)).

"Net increase/decrease in other assets" amounting to TL (7.458) in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2019: TL (118.315)).

"Other" amounting to TL (51.350) in "Net cash flows from investment activities" consists of purchases of intangible asset (31 December 2019: TL (47.658)).

"The effect of exchange rate changes on cash and cash equivalents" is the amount arising from conversion of the cash and cash equivalents denominated in foreign currencies with the average of the exchange rates effective at the beginning and at the end of the related periods and is TL (754.560) for the current period (1 January- 31 December 2019: TL (75.064)).

VII Explanations and disclosures on the risk group of the Bank

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at Period end and income and expenses in the current period

1.1 Current period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	20	331.014	61.073
Balance at the End of the Period	--	--	--	20	635.851	70.760
Interest and Commission Income Received	--	--	--	--	36.884	126

(*) Described in article 49 of the Banking Act No: 5411.
(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

Prior period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	20	402.272	55.468
Balance at the End of the Period	--	--	--	20	331.014	61.073
Interest and Commission Income Received	--	--	--	--	39.078	105

(*) Described in article 49 of the Banking Act No: 5411.
(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

1.2 Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	8.695	1.859	57.840	80.750	231.137	460.871
Balance at the End of the Period	2.561	8.695	18.479	57.840	512.953	231.137
Deposit Interest Expense	729	409	4.778	20.577	20.532	49.554

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

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

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

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

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	741.741	780.609
Balance at the End of the Period	--	--	--	--	1.181.279	741.741
Total Income/Loss	--	--	--	--	578	(37.471)
Transactions for Hedging Purposes:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

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

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

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

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

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

As of 31 December 2020, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 3,38% (31 December 2019: 2,12%) and the ratio of the deposits of entities of risk group to total deposits is 3,02% (31 December 2019: 2,19%). There are no funds obtained from entities of risk group (31 December 2019: None).

In the current period, benefits such as salaries and bonuses, provided to the key management are TL 21.134 (1 January - 31 December 2019: TL 15.475).

2.3 Total of similar type of transactions together, unless a separate disclosure is required to present the effect of the transactions on financial statements

None.

2.4 Transactions accounted for under equity method

None.

2.5 Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agency contracts, finance lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

None.

VIII. Explanations on the Bank's domestic, foreign, off-shore branches or investments in associates and foreign representative offices

1. Information related to the Bank's domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic Branch	50	1.550			
			Country of Incorporations		
Foreign Reprasantation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

VIII. Events after balance sheet date

None.

SECTION SIX

I. Other disclosures on activities of the Bank

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

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

SECTION SEVEN

DISCLOSURES ON AUDIT REPORT

I. Disclosures on audit report

The unconsolidated financial statements of the Bank as of 31 December 2020, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (The Turkish member firm of KPMG International Cooperative) and a audit report is presented before the accompanying financial statements.

II. Disclosures and footnotes prepared by independent auditors

None.

Fibabanka Anonim Şirketi and Its Subsidiary

Consolidated Financial Statements as of and for the Year Ended 31 December 2020 with Independent Auditors' Report Thereon

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

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

Convenience Translation of the Independent Auditor's Report Originally Prepared and Issued in Turkish to English

To the Shareholders of Fibabanka Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Qualified Opinion

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

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

Basis for Qualified Opinion

As stated in Note 2.8.3.1 of Section Five, the accompanying consolidated financial statements as at 31 December 2020 include a general provision of total of TL 151.000 thousands, of which TL 106.500 thousands was recognised as expense in the current period and TL 44.500 thousands had been recognised as expense in prior periods, which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Financial Reporting Legislation.
This general provision is provided by the Bank management for the possible effects of the negative circumstances which may arise in economy or market conditions.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative, a Swiss entity

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

Key Audit Matters

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

Impairment of loans measured at amortised cost

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented Note XX to the consolidated financial statements.

Key audit matter	*How the matter is addressed in our audit*
As of 31 December 2020, loans measured at amortised cost comprise 72% of the Group's total assets. The Group recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 29750 dated 22 June 2016 and TFRS 9 Financial Instruments standard ("Standard"). The Group applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Group management annually. The significant assumptions and estimates of the Group's management are as follows: - significant increase in credit risk; - incorporating the forward looking macroeconomic information in calculation of credit risk; and design and implementation of expected credit loss model.	Our procedures for testing the impairment of loans included below: • We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists. • We evaluated the adequacy of the subjective and objective criteria that is defined in the Group's impairment accounting policy compared with the Regulation and Standard. • We evaluated the Group's business model and methodology and the evaluation of the calculations were carried out with the control testing and detailed analysis by the involvement of specialist. • We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and testing their classification. In this context, the current status of the loan customer has been evaluated by including the impact of COVID-19 on prospective information and macroeconomic variables.
The determination of the impairment of loans measured at amortised cost depends on the (i) credit default status, (ii) the model based on the change in the credit risk at the first recognition date and (iii) the classification of the loans measured at amortised cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets. The Group calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the fair value of the collateral provided for credit transactions. The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward looking expectations are reflected by macroeconomic models. Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, assumptions including the impact of COVID-19, the level of judgements and its complex structure as explained above.	• We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis and discussed the assumptions and estimates with the Group management. • We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated. • We assessed the macroeconomic models which are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method. • We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk. • We also evaluated the adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

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

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

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

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

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

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

B) Report on Other Legal and Regulatory Requirements

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

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

Additional paragraph for convenience translation to English:

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM
Partner

15 February 2021
İstanbul, Turkey

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

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

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

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

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

Subsidiary:

- Fiba Portföy Yönetimi A.Ş.

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

Hüsnü Mustafa Özyeğin	İsmet Kaya Erdem	Faik Onur Umut	Ömer 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
Fax Number : (212) 258 37 78

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FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

SECTION ONE

GENERAL INFORMATION

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

On 21 December 2001, Share Transfer Agreement was signed with Novabank S.A. for the sale of all shares of Sitebank A.Ş. under the control of SDIF and the sale transaction was approved by the decision of 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" or "the Parent Bank")

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

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

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

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

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

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

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

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

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

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

Name Surname	Title	Assignment Date
Board of Directors (*)		
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.

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

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

Assistant General Managers (*)		
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.

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

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

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

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

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 December 2020, the Bank serves with 50 domestic branches and 1.564 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 – 31 December 2020

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

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

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

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

None

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

FİBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2020

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

	ASSETS	Footnotes	CURRENT PERIOD (31/12/2020)			PRIOR PERIOD (31/12/2019)		
			TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**2.123.398**	**3.970.228**	**6.093.626**	**3.406.780**	**3.418.554**	**6.825.334**
1.1	**Cash and Cash Equivalents**	(5.I.1)	**1.269.829**	**2.950.698**	**4.220.527**	**633.126**	**2.595.084**	**3.228.210**
1.1.1	Cash and Balances at Central Bank		466.024	2.455.668	2.921.692	200.986	2.506.889	2.707.875
1.1.2	Banks	(5.I.3)	465.578	422.967	888.545	402.631	88.195	490.826
1.1.3	Money Market Placements		340.168	72.063	412.231	30.010	-	30.010
1.1.4	Expected Credit Loss (-)		1.941	-	1.941	501	-	501
1.2	**Financial Assets Measured at Fair Value Through Profit or Loss**	(5.I.2)	**138.205**	**3**	**138.208**	**2.045.039**	**718**	**2.045.757**
1.2.1	Government Debt Securities		27.480	3	27.483	24.835	706	25.541
1.2.2	Equity Securities		-	-	-	-	-	-
1.2.3	Other Financial Assets		110.725	-	110.725	2.020.204	12	2.020.216
1.3	**Financial Assets Measured at Fair Value Through Other Comprehensive Income**	(5.I.4)	**18.405**	**1.009.121**	**1.027.526**	**16.849**	**795.616**	**812.465**
1.3.1	Government Debt Securities		13.508	381.334	394.842	11.952	177.546	189.498
1.3.2	Equity Securities		4.897	5.466	10.363	4.897	3.800	8.697
1.3.3	Other Financial Assets		-	622.321	622.321	-	614.270	614.270
1.4	**Derivative Financial Assets**	(5.I.2)	**696.959**	**10.406**	**707.365**	**711.766**	**27.136**	**738.902**
1.4.1	Derivative Financial Assets Measured at Fair Value Through Profit and Loss		696.959	10.406	707.365	711.766	27.136	738.902
1.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)**	(5.I.6)	**11.759.762**	**8.243.953**	**20.003.715**	**6.656.778**	**7.594.623**	**14.251.401**
2.1	Loans	(5.I.5)	12.302.304	7.218.181	19.520.485	7.270.746	7.206.662	14.477.408
2.2	Lease Receivables	(5.I.10)	-	-	-	-	-	-
2.3	Factoring Receivables	(5.I.5)	100.322	5.529	105.851	1.723	1.369	3.092
2.4	Financial Assets Measured at Amortised Cost	(5.I.6)	187.659	1.020.243	1.207.902	188.506	386.592	575.098
2.4.1	Government Debt Securities		187.659	1.006.930	1.194.589	188.506	386.592	575.098
2.4.2	Other Financial Assets		-	13.313	13.313	-	-	-
2.5	Expected Credit Losses (-)		830.523	-	830.523	804.197	-	804.197
III.	**ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	(5.I.16)	**102.748**	**-**	**102.748**	**63.247**	**-**	**63.247**
3.1	Assets Held for Sale		102.748	-	102.748	63.247	-	63.247
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		**112.500**	**-**	**112.500**	**31.500**	**-**	**31.500**
4.1	**Investments in Associates (Net)**	(5.I.7)	**-**	**-**	**-**	**-**	**-**	**-**
4.1.1	Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	**Investments in Subsidiaries (Net)**	(5.I.8)	**112.500**	**-**	**112.500**	**31.500**	**-**	**31.500**
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-financial Subsidiaries		112.500	-	112.500	31.500	-	31.500
4.3	**Joint Ventures (Net)**	(5.I.9)	**-**	**-**	**-**	**-**	**-**	**-**
4.3.1	Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	(5.I.12)	**360.135**	**-**	**360.135**	**324.109**	**-**	**324.109**
VI.	**INTANGIBLE ASSETS (Net)**	(5.I.13)	**91.027**	**-**	**91.027**	**69.894**	**-**	**69.894**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		91.027	-	91.027	69.894	-	69.894
VII.	**INVESTMENT PROPERTY (Net)**	(5.I.14)	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**CURRENT TAX ASSET**		**1.264**	**-**	**1.264**	**3.509**	**-**	**3.509**
IX.	**DEFERRED TAX ASSET**	(5.I.15)	**191.840**	**-**	**191.840**	**54.503**	**-**	**54.503**
X.	**OTHER ASSETS**	(5.I.17)	**255.721**	**25.055**	**280.776**	**237.049**	**28.661**	**265.710**
	TOTAL ASSETS		**14.998.395**	**12.239.236**	**27.237.631**	**10.847.369**	**11.041.838**	**21.889.207**

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2020

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

	LIABILITIES	Footnotes	CURRENT PERIOD (31/12/2020)			PRIOR PERIOD (31/12/2019)		
			TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	(5.II.1)	**9.286.198**	**8.381.210**	**17.667.408**	**6.658.867**	**6.906.821**	**13.565.688**
II.	**FUNDS BORROWED**	(5.II.3)	**20.370**	**1.134.772**	**1.155.142**	**16.773**	**842.608**	**859.381**
III.	**MONEY MARKET FUNDS**		**-**	**610.160**	**610.160**	**-**	**733.257**	**733.257**
IV.	**SECURITIES ISSUED (Net)**	(5.II.4)	**-**	**1.480.900**	**1.480.900**	**383.937**	**1.334.395**	**1.718.332**
4.1	Bills		-	-	-	383.937	-	383.937
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	1.480.900	1.480.900	-	1.334.395	1.334.395
V.	**FUNDS**		**-**	**-**	**-**	**-**	**-**	**-**
5.1	Borrower funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		**-**	**-**	**-**	**-**	**-**	**-**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	(5.II.2)	**1.097.100**	**10.392**	**1.107.492**	**761.112**	**27.093**	**788.205**
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		1.097.100	10.392	1.107.492	761.112	27.093	788.205
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING LIABILITIES**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**LEASE LIABILITIES (Net)**	(5.II.6)	**52.863**	**767**	**53.630**	**63.707**	**4.929**	**68.636**
X.	**PROVISIONS**	(5.II.8)	**205.971**	**-**	**205.971**	**97.137**	**-**	**97.137**
10.1	Provisions for Restructuring		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		37.613	-	37.613	29.953	-	29.953
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		168.358	-	168.358	67.184	-	67.184
XI.	**CURRENT TAX LIABILITIES**	(5.II.9)	**187.777**	**-**	**187.777**	**41.045**	**-**	**41.045**
XII.	**DEFERRED TAX LIABILITIES**	(5.II.9)	**-**	**-**	**-**	**-**	**-**	**-**
XIII.	**LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)**	(5.II.10)	**-**	**-**	**-**	**-**	**-**	**-**
13.1	Held for Sale		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBTS**	(5.II.11)	**-**	**2.127.599**	**2.127.599**	**-**	**1.789.018**	**1.789.018**
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	2.127.599	2.127.599	-	1.789.018	1.789.018
XV.	**OTHER LIABILITIES**	(5.II.5)	**579.134**	**178.006**	**757.140**	**383.021**	**186.395**	**569.416**
XVI.	**SHAREHOLDERS' EQUITY**	(5.II.12)	**1.865.999**	**18.413**	**1.884.412**	**1.646.351**	**12.741**	**1.659.092**
16.1	Paid-in Capital		941.161	-	941.161	941.161	-	941.161
16.2	Capital Reserves		213.775	-	213.775	210.253	-	210.253
16.2.1	Equity Share Premium		128.678	-	128.678	128.678	-	128.678
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		85.097	-	85.097	81.575	-	81.575
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(10.787)	-	(10.787)	(7.777)	-	(7.777)
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		3.850	18.413	22.263	3.033	12.741	15.774
16.5	Profit Reserves		496.392	-	496.392	284.348	-	284.348
16.5.1	Legal Reserves		42.321	-	42.321	31.719	-	31.719
16.5.2	Statutory Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		454.071	-	454.071	252.629	-	252.629
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit or Loss		221.449	-	221.449	215.246	-	215.246
16.6.1	Prior Periods' Profit or Loss		(15.534)	-	(15.534)	319	-	319
16.6.2	Current Period Net Profit or Loss		236.983	-	236.983	214.927	-	214.927
16.7	Minority Interest	(5.II.13)	159	-	159	87	-	87
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**13.295.412**	**13.942.219**	**27.237.631**	**10.051.950**	**11.837.257**	**21.889.207**

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS AT 31 DECEMBER 2020

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

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

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

FİBABANKA A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN
1 JANUARY 2020-31 DECEMBER 2020

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

	INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD (01/01/2020-31/12/2020)	PRIOR PERIOD (01/01/2019 - 31/12/2019)
I.	**INTEREST INCOME**	(5.IV.1)	**2.179.532**	**2.496.641**
1.1	Interest on Loans	(5.IV.1)	2.018.195	2.232.296
1.2	Interest on Reserve Deposits		3.496	24.574
1.3	Interest on Banks	(5.IV.1)	25.164	117.235
1.4	Interest on Money Market Placements		15.180	28.968
1.5	Interest on Marketable Securities Portfolio	(5.IV.1)	112.395	89.228
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		8.520	17.803
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		46.300	42.829
1.5.3	Financial Assets Measured at Amortized Cost		57.575	28.596
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		5.102	4.340
II.	**INTEREST EXPENSE (-)**		**1.223.484**	**1.680.573**
2.1	Interest on Deposits	(5.IV.2)	810.440	1.276.700
2.2	Interest on Funds Borrowed	(5.IV.2)	208.688	184.436
2.3	Interest on Money Market Placements		19.477	21.760
2.4	Interest on Securities Issued	(5.IV.2)	138.708	179.864
2.5	Interest on Leasing Expenses		17.910	16.998
2.6	Other Interest Expenses		28.261	815
III.	**NET INTEREST INCOME (I - II)**		**956.048**	**816.068**
IV.	**NET FEES AND COMMISIONS INCOME**		**165.054**	**206.746**
4.1	Fees and Commisions Received		200.053	241.360
4.1.1	Non-cash Loans		16.504	12.697
4.1.2	Other	(5.IV.12)	183.549	228.663
4.2	Fees and Commisions Paid (-)		34.999	34.614
4.2.1	Non-cash Loans		77	226
4.2.2	Other	(5.IV.12)	34.922	34.388
V	**DIVIDEND INCOME**	(5.IV.3)	-	-
VI.	**TRADING INCOME / LOSS (Net)**	(5.IV.4)	**148.118**	**73.115**
6.1	Trading Gain / Loss on Securities		43.699	62.340
6.2	Gain / Loss on Derivative Financial Transactions		72.351	(441)
6.3	Foreign Exchange Gain / Loss		32.068	11.216
VII.	**OTHER OPERATING INCOME**	(5.IV.5)	**83.957**	**171.485**
VIII.	**TOTAL OPERATING INCOMEI (III+IV+V+VI+VII)**		**1.353.177**	**1.267.414**
IX.	**EXPECTED CREDIT LOSS (-)**	(5.IV.6)	**285.864**	**489.872**
X.	**OTHER PROVISION EXPENSES (-)**	(5.IV.6)	**110.595**	**98**
XI.	**PERSONNEL EXPENSES (-)**		**303.949**	**261.476**
XII.	**OTHER OPERATİNG EXPENSES (-)**	(5.IV.7)	**327.314**	**262.102**
XIII.	**NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)**		**325.455**	**253.866**
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)	**325.455**	**253.866**
XVIII.	**TAX PROVISION FOR CONTINUING OPERATIONS (±)**	(5.IV.9)	**(88.400)**	**(38.910)**
18.1	Current Tax Provision		(226.453)	(23.601)
18.2	Deferred Tax Expense Effect (+)		(101.224)	(15.309)
18.3	Deferred Tax Income Effect (-)		239.277	-
XIX.	**NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)**	(5.IV.10)	**237.055**	**214.956**
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)	**237.055**	**214.956**
25.1	Group Profit/Loss		236.983	214.927
25.2	Minority Interest		72	29
	Earnings per share		0,00252	0,00228

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

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

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

		CURRENT PERIOD (01/01/2020- 31/12/2020)	PRIOR PERIOD (01/01/2019 - 31/12/2019)
I.	**CURRENT PERIOD PROFIT / LOSS**	**237.055**	**214.956**
II.	**OTHER COMPREHENSIVE INCOME**	**3.479**	**40.312**
2.1	**Not Reclassified Through Profit or Loss**	**(3.010)**	**(2.034)**
2.1.1	Property and Equipment Revalution Increase/Decrease	-	-
2.1.2	Intangible Assets Revalution Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurements Gain/Loss	(3.763)	(2.542)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	753	508
2.2	**Reclassified Through Profit or Loss**	**6.489**	**42.346**
2.2.1	Foreign Currency Conversion Differences Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other	-	-
2.2.2	Comprehensive Income	7.958	52.393
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(1.469)	(10.047)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**240.534**	**255.268**

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share Certificate	Other Capital Reserves	Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss 1	2	3	Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss 4	5	6	Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity Excluding Minority Interests	Minority Interests	Total Equity
PRIOR PERIOD (31/12/2019)																
I. Balances at beginning of the period	941.161	126.678	-	81.575	-	-	(5.743)	-	(24.572)	-	410.286	(322.439)	197.010	1.322.191	58	1.322.249
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	126.678	-	81.575	-	-	(5.743)	-	(24.572)	-	410.286	(322.439)	197.010	1.322.191	58	1.322.249
IV. Total Comprehensive Income	-	-	-	-	-	-	(2.034)	-	42.146	-	-	322.597	214.927	255.239	29	255.268
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	81.575	-	-	-	-	-	-	-	(197.010)	-	81.575	-	81.575
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	322.948	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	(125.938)	(125.938)	-	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	322.597	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	351	-	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	(351)	-	-	-	-
Balances at the end of the period (III+IV+.....+XI+XII)	941.161	126.678	-	81.575	-	-	(7.777)	-	17.574	-	284.348	319	214.927	1.659.005	87	1.659.092
CURRENT PERIOD (31/12/2020)																
I. Prior period ending balance	941.161	126.678	-	81.575	-	-	(7.777)	-	15.774	-	284.348	319	214.927	1.659.005	87	1.659.092
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	126.678	-	81.575	-	-	(7.777)	-	15.774	-	284.348	319	214.927	1.659.005	87	1.659.092
IV. Total Comprehensive Income	-	-	-	-	-	-	(3.010)	-	6.489	-	-	(18.736)	236.983	240.462	72	240.534
V. Capital Increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt (*)	-	-	-	(15.214)	-	-	-	-	-	-	-	-	-	(15.214)	-	(15.214)
X. Increase / decrease due to other changes (**)	-	-	-	18.736	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	212.044	2.883	(212.044)	(2.883)	-	(2.883)
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	212.044	-	(212.044)	(2.883)	-	(2.883)
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	2.883	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+XI+XII)	941.161	126.678	-	85.097	-	-	(10.787)	-	22.263	-	496.392	(15.534)	236.983	1.884.253	159	1.884.412

(*) The Bank has recognized the issued Tier I securities of TL 150.000 nominal and related interest expense, as "other capital reserves" under equity within the scope of "TAS 32 Financial Instruments: Presentation"

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

1. Tangible and intangible asset revaluation reserve
2. Accumulated gains/losses on remeasurement of defined benefit plans
3. Other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss
4. Exchange differences on translation
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.

FİBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020

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

		Footnotes	CURRENT PERIOD (01/01/2020 - 31/12/2020)	PRIOR PERIOD (01/01/2019 - 31/12/2019)
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**		**1.164.783**	**525.892**
1.1.1	Interest received (+)		2.081.303	2.278.852
1.1.2	Interest paid (-)		(1.180.233)	(1.641.379)
1.1.3	Dividend received (+)		-	-
1.1.4	Fees and commision received (+)		203.320	241.146
1.1.5	Other income (+)		224.181	242.412
1.1.6	Collections from previously written off loans and other receivables (+)		386.881	170.638
1.1.7	Cash payments to personnel and service suppliers (-)		(555.402)	(460.711)
1.1.8	Taxes paid (-)		(82.582)	(48.849)
1.1.9	Other (+/-)	(5.VI.3)	87.315	(256.217)
1.2	**Changes in Operating Assets and Liabilities**		**1.704.304**	**(132.784)**
1.2.1	Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		1.907.546	(452.701)
1.2.2	Net (increase) / decrease in due from banks (+/-)		(164.014)	(165.633)
1.2.3	Net (increase) / decrease in loans (+/-)		(2.589.660)	(1.229.672)
1.2.4	Net (increase) / decrease in other assets (+/-)	(5.VI.3)	(9.883)	(101.962)
1.2.5	Net (increase) / decrease in bank deposits (+/-)		951.405	(600.589)
1.2.6	Net (increase) / decrease in other deposits (+/-)		1.322.144	2.922.380
1.2.7	Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8	Net (increase) / decrease in funds borrowed (+/-)		289.648	(477.854)
1.2.9	Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10	Net (increase) / decrease in other liabilities (+/-)	(5.VI.3)	(2.882)	(26.753)
I.	**Net Cash Provided from Banking Operations (+/-)**		**2.869.087**	**393.108**
B.	**CASH FLOWS FROM INVESTMENT ACTIVITIES**		**-**	**-**
II.	**Net Cash Flow Provided from Investment Activities (+/-)**		**(1.031.655)**	**(318.700)**
2.1	Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		(81.000)	(10.000)
2.2	Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		-	-
2.3	Cash paid for the purchase of tangible and intangible assets (-)		(254.007)	(109.280)
2.4	Cash obtained from the sale of tangible and intangible assets (+)		54.051	6.101
2.5	Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(205.382)	(203.590)
2.6	Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		-	257.817
2.7	Cash paid for the purchase of financial assets at amortised cost (-)		(493.935)	(275.476)
2.8	Cash obtained from the sale of financial assets at amortised cost (+)		-	63.410
2.9	Other (+/-)	(5.VI.3)	(51.382)	(47.682)
C.	**CASH FİOWS FROM FINANCING ACTIVITIES**		**-**	**-**
III.	**Net Cash Provided from Financing Activities (+/-)**		**(668.501)**	**35.502**
3.1	Cash obtained from funds borrowed and securities issued (+)		-	191.995
3.2	Cash outflow from funds borrowed and securities issued (-)		(654.317)	(233.788)
3.3	Equity instruments issued (+)		-	77.295
3.4	Dividends paid (-)		-	-
3.5	Payments for financial leases liabilities (-)		(17.910)	-
3.6	Other (+/-)		3.726	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)**		**(754.562)**	**(75.065)**
V.	**Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)**		**414.369**	**34.845**
VI.	**Cash and Cash Equivalents at the Beginning of the Period (+)**	(5.VI.1)	**2.123.003**	**2.088.158**
VII.	**Cash and Cash Equivalents at the End of the Period (V+VI)**	(5.VI.1)	**2.537.372**	**2.123.003**

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED PROFIT DISTRIBUTION TABLE
FOR THE PERIODS ENDED 31 DECEMBER 2020 AND 2019

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

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

(*)As per the Turkish Commercial Code profit distributions are made based on unconsolidated financial statements.

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

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

The Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation which includes the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Agency ("BRSA") 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 consolidated 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 consolidated financial statements

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

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

3. Other

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

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

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

1. Usage strategy of the financial instruments

The major factor in managing interest rate and liquidity risk at the balance sheet is parallel movement of assets and liabilities.

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 Group recognizes the foreign currency transactions in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from the foreign currency transactions 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.

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

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

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

III. Explanations on consolidated subsidiaries

Fiba Portföy Yönetimi A.Ş. ("Fiba Portföy"); the subsidiary of the Bank was consolidated by using full consolidation method in the consolidated financial statements dated 31 December 2020. Fibabanka A.Ş. and Fiba Portföy Yönetimi A.Ş. together are referred to as "the Group" in the report.

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

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

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

IV. Explanations on forward transactions, options and derivative instruments

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

The Parent 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 and derivative instruments for hedging purpose are classified, measured and accounted in accordance with TAS 39 "Financial Instruments: Recognition and Measurement", respectively.

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.

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

Explanations on derivative financial instruments held for hedging

The Parent Bank enters into cross currency swap transactions in order to hedge the change in fair values of fixed-rate financial instruments. While applying fair value hedge accounting, the changes in fair values of hedging instrument and hedged item are recognised in 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 Parent Bank performs effectiveness tests at the beginning of the hedge accounting period and at each reporting period.

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

V. Explanations on interest income and expenses

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

VI. Explanations on fee and commission income and expenses

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

VII. Explanations on financial assets

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

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VII. Explanations on financial assets (continued)

2. Financial assets measured at fair value through other comprehensive income

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

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

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

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 Parent 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".

These 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;

- Costumer 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

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.

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VIII. Explanations on expected credit loss (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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 Group 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 of the Group 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

Explanation on TFRS 16 Leases standard

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 asset 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.

Explanation on TFRS 16 Leases standard (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 Bank's average borrowing interest rates. 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) Increase the book value to reflect the interest on the lease obligation
b) Reduces the book value to reflect the lease payments made and
c) The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

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

XV. 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”.

XVI. 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”.

XVII. 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.

XVIII. Explanations on liabilities for employee benefits

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

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

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

There is no employee foundation, fund or similar institutions.

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XIX. Explanations on taxation

1. Current Tax

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

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

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

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

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

2. Deferred Tax

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

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

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

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

As of 31 December 2020, the deferred tax asset is TL 191.840 (31 December 2019: TL 54.503 deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within “Deferred Tax Income Effect” and “Deferred Tax Expense Effect” in the statement of profit or loss; deferred tax income is TL 239.277 and deferred tax expense is TL 101.224 for the current period (1 January – 31 December 2019: TL 15.309 expense). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 716 of expense (1 January – 31 December 2019: TL 9.539 expense).

3. Transfer Pricing

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

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

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

XX. Additional explanations on borrowings

The Parent 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 Group'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.

XXI. Additional Tier I Capital

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

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

Explanations on share certificates issued

None.

XXII. 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.

XXIII. Explanation on government incentives

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

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XXIV. 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. The Bank's consolidated subsidiary Fiba Portföy is dealing with portfolio management and its activity outcomes and asset&liabilities are reported under "Treasury and Headquarters".

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period -1 January - 31 December 2020				
Operating Income	326.870	813.087	213.220	1.353.177
Operating Profit	50.677	280.339	(5.561)	325.455
Taxation				(88.400)
Net Profit/(Loss) for the Period				**237.055**
Current Period -31 December 2020				
Segment Assets	3.777.473	15.229.438	8.230.720	27.237.631
Total Assets				**27.237.631**
Segment Liabilities	12.673.602	3.993.327	8.686.290	25.353.219
Shareholders' Equity				1.884.412
Total Liabilities				**27.237.631**

	Retail Banking(*)	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period -1 January - 31 December 2019				
Operating Income	231.332	879.290	156.793	1.267.415
Operating Profit	(176.072)	259.912	170.026	253.866
Taxation				(38.910)
Net Profit/(Loss) for the Period				**214.956**
Prior Period -31 December 2019				
Segment Assets	2.066.449	13.441.734	6.381.024	21.889.207
Total Assets				**21.889.207**
Segment Liabilities	11.018.021	2.499.553	6.712.541	20.230.115
Shareholders' Equity				1.659.092
Total Liabilities				**21.889.207**

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

XXV. 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.

XXVI. Earnings Per Share

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

	31 December 2020	31 December 2019
Net Profit / (Loss) distributable to Common Shares	237.055	214.956
Average Number of Issued Common Shares (Thousand)	94.116.055	94.116.055
Earnings Per Share (Amounts presented as full TL)	**0,00252**	**0,00228**

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).

XXVII. 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 and time deposits at banks with original maturity periods of less than three months and receivables from reverse repo are considered as "Cash Equivalents". Required reserves kept in Central Bank under blocked account are not "Cash Equivalents" in the statement of cash flow.

XXVII. Other Disclosures

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

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

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

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

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

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

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XXVII. Other Disclosures (continued)

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

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SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT

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

As of 31 December 2020, the Group's total capital has been calculated as TL 4.173.852 and the capital adequacy ratio is 19,42% (As of 31 December 2019, the Group's total capital amounted to TL 3.667.384 and the capital adequacy ratio was 19,55%).

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

	Current Period (31/12/2020) 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	22.263	
Profit	240.294	
Current period profit	237.055	
Prior period profit	3.239	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
Tier I Capital Before Deductions	**1.984.811**	
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 (***)	44.426	--
Improvement costs for operational leasing	9.552	--
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	153.938	--
Excess amount arising from deferred tax assets from temporary differences	30.200	--
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains	--	
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

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

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	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	--	--
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Other items to be defined by the BRSA	--	
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
Total Deductions From Common Equity Tier I Capital	**238.316**	--
Total Common Equity Tier I Capital	**1.746.695**	--
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	320.215	--
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
Additional Core Capital before Deductions	**320.215**	--
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 (31/12/2020) 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	**320.215**	**--**
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	**2.066.910**	**--**
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.868.480	--
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	238.462	--
Tier II Capital before Deductions	**2.106.942**	**--**
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	**2.106.942**	
Total Equity (Total Tier I and Tier II Capital)	**4.173.852**	

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	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
Total Tier I Capital and Tier II Capital (Total Equity)	**4.173.852**	
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	**4.173.852**	
Total Capital (Total of Tier I Capital and Tier II Capital)	**4.173.852**	--
Total Risk Weighted Assets (****)	21.493.545	**--**
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	8,31	--
Tier I Capital Adequacy Ratio (%)	9,62	--
Capital Adequacy Ratio (%)	19,42	--
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 (%)	--	--

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

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	Current Period (31/12/2020) 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 (%)	3,62	--
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)	415.871	--
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	238.462	--
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	214.956	
Current period profit	214.956	
Prior period profit	--	
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	--	
Minority shares	**1.818.949**	
Tier I Capital Before Deductions		
Deductions From Tier I Capital	--	
Valuation adjustments calculated as per the Article 9 (i) of the Regulation on Bank Capital	26.524	
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (**)	11.382	--
Improvement costs for operational leasing	--	--
Goodwill and other intangible assets and related deferred taxes	100.064	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	9.790	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains	--	--
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.
(***) Within the scope of the relevant letter of BRSA dated 23 March 2020 and numbered 3397, among the securities included in the "Securities with Fair Value Difference to Other Comprehensive Income" portfolio, those with negative net valuation differences are not taken into account in the equity calculation.

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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	**147.760**	
Total Common Equity Tier I Capital	**1.671.189**	
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 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)	**1.949.395**	
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)	**3.667.384**	

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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)	**3.667.384**	
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	**3.667.384**	
Total Capital (Total of Tier I Capital and Tier II Capital)	**3.667.384**	**--**
Total Risk Weighted Assets	**18.757.549**	**--**
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	8,91	--
Tier I Capital Adequacy Ratio (%)	10,39	--
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 (%)	4,39	--
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)	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 consolidated 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)	1.868.480	100.000	220.215
Nominal value of debt instrument (Thousand TL)	2.202.150	100.000	220.215
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity	Subordinated Debt Instruments
Issuing date of debt instrument	24/03/16-10/05/17	20/03/19	31/12/19
Maturity structure of debt instrument (Demand/Time)	Time	Demand	Demand
Initial term of debt instrument	11 years	--	--
Issuer call subject to prior BRSA approval	Has pre-payment right	Has pre-payment right	Has pre-payment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million	31/12/2024; USD 30 million
Subsequent call date, if any	None	At the end of every 5th year following	On each interest payments date after first 5 years

Interest/Dividend Payments

Fixed or floating interest/dividend payments	Floating interest	Floating interest	Floating interest
Interest rate or index value of interest rate	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
Whether there are 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 are 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 reducement			
If there are a feature of value reducement, trigger incidents cause this reducement	--	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 reducement, feature of full or partially reducement of value	--	Partially and totally	Partially and totally
If there are a feature of value reducement, feature of being constant of temporary	--	--	--
If there are a feature of value reducement, 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
Whether meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation	Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article.	Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.	Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.
The conditions not met which were defined by 7th or 8th of the 7th or 8th articles of Shareholders' Equity of Banks Regulation	--	Cannot be converted to stock.	Cannot be converted to stock.

Explanations on TFRS 9 Transition Process

	2020	2021	2022
EQUITY ITEMS			
Common Equity	1.746.695	1.706.155	1.628.145
Common Equity if transition process not implemented [a]	1.628.145	1.628.145	1.628.145
Tier 1 Capital	2.066.910	2.026.370	1.948.360
Tier 1 Capital if transition process not implemented [b]	1.948.360	1.948.360	1.948.360
Total Capital	4.173.852	4.133.312	4.055.302
Equity if transition process not implemented [c]	4.055.302	4.055.302	4.055.302
TOTAL RISK WEIGHTED AMOUNTS			
Total Risk Weighted Amounts	21.493.545	21.493.545	21.493.545
CAPITAL ADEQUACY RATIO			
Common Equity Adequacy Ratio (%)	8,13	7,94	7,58
Common Equity Ratio if transition process not implemented [d] (%)	7,58	7,58	7,58
Tier 1 Capital Adequacy Ratio (%)	9,62	9,43	9,06
Tier 1 Capital Adequacy Ratio if transition process not implemented [d] (%)	9,06	9,06	9,06
Capital Adequacy Ratio (%)	19,42	19,23	18,87
Capital Adequacy Ratio if transition process not implemented [d] (%)	18,87	18,87	18,87
LEVERAGE			
Leverage Ratio Total Risk Amount	29.803.543	29.803.543	29.803.543
Leverage (%)	6,94	6,80	6,54
Leverage Ratio if transition process not implemented [e] (%)	6,54	6,54	6,54

[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

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

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II. Explanations on Consolidated Credit Risk

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

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

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

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

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

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

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

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

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

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

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

Industry	Proportional Limit
Construction	20%
Tourism	20%
Factoring	15%
Wholesale and Retail Business	15%

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

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

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

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

Expected credit loss for total cash and nonsh credit risk of the Parent Bank amounts to TL 447.960 (Stage 1 and Stage 2) (31 December 2019: TL 296.663).

II. Explanations on Consolidated Credit Risk (continued)

	Current Period Risk Amount *	Average Risk Amount * *
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	4.117.134	3.767.754
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	199.815	53.845
Conditional and Unconditional Exposures to Banks and Brokerage Houses	3.087.104	2.589.049
Conditional and Unconditional Exposures to Corporates	12.215.782	11.343.045
Conditional and Unconditional Retail Exposures	5.415.227	3.861.471
Conditional and Unconditional Exposures Secured by Real Estate Property	1.577.214	1.551.653
Past Due Receivables	247.397	318.170
Receivables Defined in High Risk Category by BRSA	28.001	23.745
Exposures in the Form of Collective Investment Undertakings	103.531	87.572
Equity share investments	9.764	4.853
Other Receivables	1.170.302	1.053.777
Total	**28.171.271**	**24.654.934**

(*)- Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.
(**) Represents the arithmetical average of quarterly reports.
(***)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

	Prior Period Risk Amount *	Average Risk Amount * *
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	3.274.025	3.171.761
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	2.508.213	3.032.250
Conditional and Unconditional Exposures to Corporates	11.309.687	9.844.832
Conditional and Unconditional Retail Exposures	3.551.221	3.705.244
Conditional and Unconditional Exposures Secured by Real Estate Property	1.563.502	1.638.160
Past Due Receivables	356.201	300.081
Receivables Defined in High Risk Category by BRSA	54.222	24.055
Exposures in the Form of Collective Investment Undertakings	91.029	71.698
Other Receivables	984.592	958.015
Total	**23.692.692**	**22.746.096**

(*)- Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.
(**) Represents the arithmetical average of quarterly reports.

1. Profile of significant exposures in major regions:

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Collective investment undertakings	Equity share investments	Other receivables	Total
Current Period *												
Domestic	4.184.170	199.815	1.508.447	11.356.031	5.378.422	1.568.434	241.745	6.308	103.531	4.896	1.170.302	**25.722.101**
EU Countries	--	--	1.516.245	243.957	14	274	--	21.693	--	4.868	--	**1.787.051**
OECD Countries **	--	--	37.502	--	61	--	--	--	--	--	--	**37.563**
Off-Shore Banking Region	--	--	--	419.099	--	--	--	--	--	--	--	**419.099**
USA, Canada	--	--	13.280	28.297	--	--	--	--	--	--	--	**41.577**
Other Countries	--	--	11.630	152.159	56	35	--	--	--	--	--	**163.880**
Associates, Subsidiaries and Joint -Ventures	--	--	--	--	--	--	--	--	--	--	--	**--**
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--	**--**
Total	**4.184.170**	**199.815**	**3.087.104**	**12.199.543**	**5.378.553**	**1.568.743**	**241.745**	**28.001**	**103.531**	**9.764**	**1.170.302**	**28.171.271**

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
(**) Includes OECD countries other than EU countries, USA and Canada.
(***) Includes assets and liability items that cannot be allocated on a consistent basis.
(****)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Collective investment undertakings	Other receivables	Total
Prior Period (*)											
Domestic	3.589.989	--	1.040.255	10.493.460	3.344.639	1.513.509	356.201	53.735	91.029	984.592	**21.467.409**
EU Countries	--	--	1.116.960	192.220	36	307	--	--	--	--	**1.309.523**
OECD Countries **	--	--	308.236	--	105	--	--	--	--	--	**308.341**
Off-Shore Banking Region	--	--	--	402.193	--	--	--	--	--	--	**402.193**
USA, Canada	--	--	29.818	23.987	--	--	--	--	--	--	**53.805**
Other Countries	--	--	12.944	137.694	20	276	--	487	--	--	**151.421**
0											
Associates, Subsidiaries and Joint -Ventures	--	--	--	--	--	--	--	--	--	--	**--**
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	**--**
Total	**3.589.989**	**--**	**2.508.213**	**11.249.554**	**3.344.800**	**1.514.092**	**356.201**	**54.222**	**91.029**	**984.592**	**23.692.692**

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
(**) Includes OECD countries other than EU countries, USA and Canada.
(***) Includes assets and liability items that cannot be allocated on a consistent basis.

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II. Explanations on Consolidated Credit Risk (continued)

2. Risk profile by sectors or counterparties

Current Period	1	2	3	4	5	6	7	8	9	10	11	TL	FC	Total
Agricultural	**13.012**	**--**	**--**	**99.472**	**124.653**	**16.310**	**22.217**	**688**	**--**	**--**	**--**	**255.955**	**20.397**	**276.352**
Farming and Stockbreeding	11.215	--	--	94.864	112.507	15.767	20.862	685	--	--	--	237.184	18.716	255.900
Forestry	1.468	--	--	4.608	9.852	543	1.237	3	--	--	--	17.506	205	17.711
Fishing	329	--	--	--	2.294	--	118	--	--	--	--	1.265	1.476	2.741
Manufacturing	**16.917**	**--**	**--**	**3.375.608**	**883.486**	**179.212**	**51.302**	**986**	**--**	**--**	**--**	**2.707.826**	**1.799.685**	**4.507.511**
Mining and Quarrying	1.070	--	--	206.222	27.439	--	850	--	--	--	--	53.565	182.016	235.581
Production	15.847	--	--	2.209.409	851.345	178.777	49.866	818	--	--	--	2.199.184	1.106.878	3.306.062
Electricity, Gas and Water	--	--	--	959.977	4.702	435	586	168	--	--	--	455.077	510.791	965.868
Construction	**4.183**	**--**	**--**	**1.637.925**	**2.889.302**	**183.231**	**61.184**	**2.104**	**--**	**--**	**--**	**3.924.527**	**853.402**	**4.777.929**
Services	**4.145.788**	**--**	**3.087.104**	**5.296.907**	**976.758**	**1.164.262**	**68.988**	**24.051**	**--**	**9.764**	**1.170.302**	**6.192.185**	**9.751.739**	**15.943.924**
Wholesale and Retail Trade	7.152	--	--	1.167.209	723.757	70.996	34.976	1.546	--	--	--	1.624.262	381.374	2.005.636
Accomodation and Dining	6.238	--	--	1.863.605	47.262	697.508	5.262	681	--	--	--	494.837	2.125.719	2.620.556
Transportation and Telecom.	12.644	--	--	825.422	104.184	217.521	6.628	21.693	--	--	--	294.459	893.633	1.188.092
Financial Institutions	**4.117.192**	**--**	**3.087.104**	478.833	12.384	--	242	--	--	9.764	1.170.302	2.859.318	6.016.503	8.875.821
Real Estate and Rental Services	310	--	--	340.508	16.843	17.098	6.063	--	--	--	--	210.000	170.822	380.822
Self-Employment Services	15	--	--	718	5.033	3	597	--	--	--	--	6.366	--	6.366
Educational Services	1.176	--	--	271.994	4.999	160.721	3.663	4	--	--	--	281.694	160.863	442.557
Health and Social Services	1.061	--	--	348.618	62.296	415	11.557	127	--	--	--	421.249	2.825	424.074
Other*	**4.270**	**199.815**	**--**	**1.789.631**	**504.354**	**25.728**	**38.054**	**172**	**103.531**	**--**	**--**	**2.314.217**	**351.338**	**2.665.555**
Total*	**4.184.170**	**199.815**	**3.087.104**	**12.199.543**	**5.378.553**	**1.568.743**	**241.745**	**28.001**	**103.531**	**9.764**	**1.170.302**	**15.394.710**	**12.776.561**	**28.171.271**

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
(**)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.
1: Conditional and unconditional exposures to central governments or central banks
2: Conditional and unconditional exposures to administrative units and non-commercial enterprises
3: Conditional and unconditional exposures to banks and brokerage houses
4: Conditional and unconditional exposures to corporates
5: Conditional and unconditional retail exposures
6: Conditional and unconditional exposures secured by real estate property
7: Past due receivables
8: Receivables defined in high risk category by BRSA
9: Exposures in the form of collective investment undertakings
10: Equity share investments
11: Other receivables

Prior Period	1	2	3	4	5	6	7	8	9	10	TL	FC	Total
Agricultural	**51.883**	**--**	**--**	**50.003**	**110.059**	**49.428**	**18.948**	**5.121**	**--**	**--**	**247.004**	**38.438**	**285.442**
Farming and Stockbreeding	48.451	--	--	34.471	101.617	47.784	17.708	5.093	--	--	232.394	22.730	255.124
Forestry	2.858	--	--	--	5.330	1.644	1.134	28	--	--	10.818	176	10.994
Fishing	574	--	--	15.532	3.112	--	106	--	--	--	3.792	15.532	19.324
Manufacturing	**92.533**	**--**	**--**	**2.758.909**	**549.664**	**225.823**	**78.061**	**20.226**	**--**	**--**	**1.898.833**	**1.826.383**	**3.725.216**
Mining and Quarrying	4.887	--	--	239.278	30.203	714	6.286	59	--	--	110.790	170.637	281.427
Production	87.238	--	--	1.690.266	512.319	224.589	70.982	20.063	--	--	1.457.815	1.147.642	2.605.457
Electricity, Gas and Water	408	--	--	829.365	7.142	520	793	104	--	--	330.228	508.104	838.332
Construction	**28.630**	**--**	**--**	**2.295.539**	**1.696.156**	**510.869**	**56.258**	**10.690**	**--**	**--**	**2.955.670**	**1.642.472**	**4.598.142**
Services	**3.395.389**	**--**	**2.481.880**	**4.690.432**	**636.993**	**687.227**	**163.234**	**12.188**	**--**	**984.592**	**4.336.951**	**8.714.984**	**13.051.935**
Wholesale and Retail Trade	53.738	--	--	673.857	362.643	64.951	53.713	3.821	--	--	807.063	405.660	1.212.723
Accomodation and Dining	28.423	--	--	1.735.039	58.739	419.795	79.571	3.662	--	--	428.542	1.896.687	2.325.229
Transportation and Telecom.	15.661	--	--	824.610	68.987	70.103	10.135	339	--	--	196.782	793.053	989.835
Financial Institutions	**3.274.473**	**--**	**2.481.880**	452.622	42.866	--	57	509	--	984.592	**1.956.137**	**5.280.862**	7.236.999
Real Estate and Rental Services	3.422	--	--	485.654	15.777	2.191	8.533	6	--	--	313.039	202.544	515.583
Self-Employment Services	585	--	--	--	5.570	2.600	740	2	--	--	9.157	340	9.497
Educational Services	6.649	--	--	167.120	27.411	126.647	3.693	12	--	--	203.946	127.586	331.532
Health and Social Services	12.438	--	--	351.530	55.000	940	6.792	3.837	--	--	422.285	8.252	430.537
Other*	**21.554**	**--**	**26.333**	**1.454.671**	**351.928**	**40.745**	**39.700**	**5.997**	**91.029**	**--**	**1.419.897**	**612.060**	**2.031.957**
Total*	**3.589.989**	**--**	**2.508.213**	**11.249.554**	**3.344.800**	**1.514.092**	**356.201**	**54.222**	**91.029**	**984.592**	**10.858.355**	**12.834.337**	**23.692.692**

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

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II. Explanations on Consolidated credit risk (continued)

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

Exposure Categories / Current Period*	Term to Maturity				
	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Conditional and Unconditional Exposures to Central Governments or Central Banks	2.620.130	78.861	224.971	86.658	975.142
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--	14.447	4.104	181.264
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.842.867	51.840	115.806	178.806	897.766
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to SME Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to Corporates	824.956	1.543.326	1.543.149	1.993.313	6.270.891
Conditional and Unconditional Retail Exposures	361.184	993.356	1.080.329	1.133.283	1.563.996
Conditional and Unconditional Exposures Secured by Real Estate Property	92.664	95.589	42.679	30.076	1.306.927
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	23.109	736	247	782	3.127
Exposures in the Form of Bonds Secured by Mortgages	--	--	--	--	--
Short term Exposures to Banks, Brokerage Houses and Corporates	--	--	--	--	--
Exposures in the Form of Collective Investment Undertakings	--	--	--	--	--
Other Receivables	--	--	--	--	--
Total**	**5.764.910**	**2.763.708**	**3.021.628**	**3.427.022**	**11.199.113**

* Items with determined maturities are classified according to remaining maturities

** Items without determined maturities are not included:TL 198.408 central bank receivables, TL 313.017 cash and equivalents, TL 5.528 credit card limits, TL 301.541 non-cash loan limits ve payment commitments, TL 820.467 other receivables, TL 241.745 overdue receivables, TL 103.531 investment funds, TL 9.764 stock investment and TL 889 miscellaneous receivables.

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

Exposure Categories / Prior Period*	Term to Maturity				
	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Conditional and Unconditional Exposures to Central Governments or Central Banks	2.441.814	6.195	102.282	23.467	938.172
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	--	--	--	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.585.010	54.894	29.674	76.704	761.924
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to SME Corporates	--	--	--	--	-
Conditional and Unconditional Exposures to Corporates	1.011.186	1.037.506	1.136.771	1.667.593	6.383.099
Conditional and Unconditional Retail Exposures	299.620	450.232	832.010	728.814	870.809
Conditional and Unconditional Exposures Secured by Real Estate Property	44.488	81.430	59.187	96.503	1.231.802
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	24.665	3.488	1.335	3.569	21.165
Exposures in the Form of Bonds Secured by Mortgages	--	--	--	--	--
Short term Exposures to Banks, Brokerage Houses and Corporates	--	--	--	--	--
Exposures in the Form of Collective Investment Undertakings	--	--	--	--	--
Other Receivables	--	--	--	--	--
Total**	**5.406.783**	**1.633.745**	**2.161.259**	**2.596.650**	**10.206.971**

* Items with determined maturities are classified according to remaining maturities

** Items without determined maturities are not included:TL 78.059 central bank receivables, TL 259.795 cash and equivalents, TL 6.581 credit card limits, TL 207.339 non-cash loan limits ve payment commitments, TL 687.281 other receivables, TL 356.201 overdue receivables, 91.029 investment funds and TL 999 miscellaneous receivables.

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

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

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

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

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II. Explanations on Consolidated credit risk (continued)

4. Exposures by risk weights

Risk Weights / Current Period	0%	10%	20%	35%	50%	75%	100%	150%	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	4.552.138	--	2.033.125	--	1.387.605	5.520.841	14.608.555	69.007	--	**28.171.271**
Exposures After Credit Risk Mitigation	5.598.912	--	1.401.066	51.251	2.204.927	5.376.870	13.474.890	63.355	--	**28.171.271**

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

Risk Weights / Prior Period	0%	10%	20%	35%	50%	75%	100%	150%	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	2.552.092	--	971.954	--	2.835.437	3.825.703	13.425.832	81.674	--	**23.692.692**
Exposures After Credit Risk Mitigation	3.999.009	--	634.042	136.021	3.344.610	3.341.825	12.155.511	81.674	--	**23.692.692**

5. Information by major sectors and type of counterparties

As per TFRS;
Significant Increase in Credit Risk (Stage 2); when the loan is not under default yet, but there is a significant increase in the credit risk since origination date, the life time expected credit losses are calculated for these loans.
Credit Impaired (Stage3); includes financial assets whose probability of default is considered to be 100%. The life time expected credit losses are recognized for impaired loans.

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

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

II. Explanations on Consolidated credit risk (continued)

6. Information on movements in value adjustments and provisions

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

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

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions(Stage 3)	295.835	468.497	--	(249.214)	515.118
General Provisions (Stage 1 and 2)	273.944	102.777	(3.308)	--	288.992

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

7. Exposures subject to countercyclical capital buffer

Current Period Country	RWAs of Banking Book for Private Sector Credit Exposures	RWAs of Trading Book	Total
Turkey	17.765.821	160.569	17.926.390
Russia	160.918	62	160.980
Malta	186.571	--	186.571
Marshall Islands	419.099	--	419.099
England	52.267	189.227	241.494
Germany	2.928	40	2.968
France	3.016	1.525	4.541
Others	54.067	7.079	61.146
Total	**18.644.687**	**358.502**	**19.003.189**

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

Prior Period Country	RWAs of Banking Book for Private Sector Credit Exposures	RWAs of Trading Book	Total
Turkey	15.460.951	133.555	15.594.506
Russia	143.178	67	143.245
Malta	175.121	--	175.121
Marshall Islands	402.193	--	402.193
England	8.904	213.440	222.344
Germany	2.466	13.556	16.022
France	931	4.091	5.022
Others	25.899	46.760	72.659
Total	**16.219.643**	**411.469**	**16.631.112**

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II. Explanations on Consolidated credit risk (continued)

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

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

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

Details of collaterals for non-cash granted to individuals and corporates are as follows:

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

III. Explanations on Consolidated Currency Risk

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

As of 31 December 2020, the Group's net long position is TL 260.389 (31 December 2019: TL 33.339 net long position) resulting from short position on the balance sheet amounting to TL 1.652.981 (31 December 2019: TL 689.834 short position) and long position on the off-balance amounting to TL 1.913.370 (31 December 2019: TL 724.173 long position). The Bank uses “Standard Method” in legal reporting to measure the foreign exchange risk.

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

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

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

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

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III. Explanations on Consolidated Currency Risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT	748.122	1.564.671	142.875	2.455.668
Due From Banks	163.968	233.598	25.401	422.967
Financial Assets at Fair Value through Profit/Loss (*)	--	3	--	3
Money Market Placements	72.063	--	--	72.063
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	261.966	747.155	--	1.009.121
Loans and Receivables(**)	6.154.515	1.112.897	9.870	7.277.282
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Ventures)	--	--	--	--
Financial Assets Measured at Amortized Cost	704.701	315.542	--	1.020.243
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	1.429	1.276	380	3.085
Total Assets	**8.106.764**	**3.975.142**	**178.526**	**12.260.432**
Liabilities				
Bank Deposits	36.092	518.782	20.669	575.543
Foreign Currency Deposits	996.741	5.871.621	937.305	7.805.667
Money Market Borrowings	20.841	589.319	--	610.160
Funds Provided from Other Financial Institutions	353.750	781.022	--	1.134.772
Securities Issued(****)	--	3.608.499	--	3.608.499
Sundry Creditors	4.841	124.048	--	128.889
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(*****)	24.701	25.183	--	49.884
Total Liabilities	**1.436.966**	**11.518.474**	**957.974**	**13.913.414**
Net Balance Sheet Position	**6.669.798**	**(7.543.332)**	**(779.448)**	**(1.652.982)**
Net Off-Balance Sheet Position	**(6.521.053)**	**7.601.889**	**832.534**	**1.913.370**
Financial Derivative Assets (******)	2.804.595	10.922.254	1.209.021	14.935.870
Financial Derivative Liabilities (******)	9.325.648	3.320.365	376.487	13.022.500
Non-Cash Loans (*******)	298.514	358.375	3.082	659.971
Prior Period				
Total Assets	7.201.478	3.653.616	252.495	11.107.589
Total Liabilities	1.479.068	10.216.911	101.444	11.797.423
Net Balance Sheet Position	**5.722.410**	**(6.563.295)**	**151.051**	**(689.834)**
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 10.406 are not included.
(**) Includes foreign currency indexed loans and accruals amounting to TL 53.572.
(***) TL 21.970 of prepaid expenses are not included.
(****) Securities issued as subordinated loan classified under “Subordinated debt instruments – Other debt instruments” in the balance sheet are included.
(*****) TL 10.392 of accruals of derivative financial liabilities are not included.
(******) In the current period, foreign currency purchase commitments within the financial derivative assets amounted to TL 316.665 (31 December 2019: TL 2.115.194), foreign currency sale commitments within the derivative financial liabilities amounted to TL 294.748 (31 December 2019: TL 2.129.285).
(*******) There is no effect on the net off-balance sheet position.

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

	Current Period		Prior Period	
	Profit/Loss	Equity	Profit/Loss	Equity
USD	5.856	7.085	6.653	5.565
Euro	14.875	15.486	(5.034)	(4.617)
Other FC	5.309	5.309	136	136
Total (Net)	**26.039**	**27.880**	**1.754**	**1.083**

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IV. Explanations on Consolidated Interest Rate Risk

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

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

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

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

Current Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.866.495	--	--	--	--	1.055.197	2.921.692
Banks	436.226	--	--	--	--	452.319	888.545
Financial Assets at Fair Value Through Profit or Loss(*)	301.624	24.185	102.834	416.930	--	--	845.573
Interbank Money Market Placements	412.231	--	--	--	--	--	412.231
Financial Assets Measured at Fair Value through Other Comprehensive Income	192.033	22.533	356.369	411.077	35.151	10.363	1.027.526
Loans(**)	2.561.382	4.601.714	4.968.879	5.456.936	1.417.999	(210.691)	18.796.219
Financial Assets Measured at Amortized Cost	21.376	52.051	231.707	406.955	495.407	--	1.207.496
Other Assets(***)	--	--	--	--	--	1.138.349	1.138.349
Total Assets	**5.791.367**	**4.700.483**	**5.659.789**	**6.691.898**	**1.948.557**	**2.445.537**	**27.237.631**
Liabilities							
Bank Deposits	576.032	373.840	--	--	--	50.624	1.000.496
Other Deposits	11.963.450	2.574.787	90.603	3.136	86.968	1.947.968	16.666.912
Interbank Money Market Received	362.845	247.315	--	--	--	--	610.160
Sundry Creditors	--	--	--	--	--	454.477	454.477
Marketable Securities Issued(****)	37.310	38.843	61	3.312.070	220.215	--	3.608.499
Funds Borrowed From Other Institutions	519	591.837	560.968	1.818	--	--	1.155.142
Other Liabilities(*****)	384.959	263.522	129.222	383.419	--	2.580.823	3.741.945
Total Liabilities	**13.325.115**	**4.090.144**	**780.854**	**3.700.443**	**307.183**	**5.033.892**	**27.237.631**
Balance Sheet Long Position	--	610.339	4.878.935	2.991.455	1.641.374	--	10.122.103
Balance Sheet Short Position	(7.533.748)	--	--	--	--	(2.588.355)	(10.122.103)
Off-Balance Sheet Long Position	10.000	215.000	524.130	700.641	--	17.256.366	18.706.137
Off-Balance Sheet Short Position	(10.000)	(215.000)	(524.130)	(700.641)	--	(17.687.677)	(19.137.448)
Total Position	**(7.533.748)**	**610.339**	**4.878.935**	**2.991.455**	**1.641.374**	**(3.019.666)**	**(431.311)**

(*) Includes derivative financial assets.
(**) Non-performing loans TL 619.425, net-off related stage 3 loans expected credit losses TL 388.750 and expected losses for stage 1 TL 155.743 and for stage 2 TL 285.623 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 105.951).
(***) Non-interest bearing column includes TL 112.500 investments in subsidiaries, TL 360.135 tangible assets, TL 91.027 intangible assets, TL 193.104tax asset, TL 102.748 assets held for sale, TL 280.775 other assets and TL 924 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 1.884.412 shareholders' equity, TL 757.140 other liabilities, TL 205.971 provisions and TL 187.777 tax liabilities.

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IV. Explanations on Consolidated Interest Rate Risk (continued)

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

Prior Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.793.051	--	--	--	--	914.824	2.707.875
Banks	379.617	--	--	--	--	111.209	490.826
Financial Assets at Fair Value Through Profit or Loss(*)	140.427	64.695	158.441	472.922	154	--	836.639
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(***)	--	--	--	--	--	811.971	811.971
Total Assets	**4.881.522**	**3.510.211**	**3.942.310**	**5.718.498**	**1.873.737**	**1.962.929**	**21.889.207**
Liabilities							
Bank Deposits	12.262	14.705	--	--	--	22.159	49.126
Other Deposits	9.765.679	2.214.505	277.179	619	--	1.258.580	13.516.562
Interbank Money Market Received	267.655	465.602	--	--	--	--	733.257
Sundry Creditors	--	--	--	--	--	358.723	358.723
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(*****)	138.731	61.742	150.741	505.627	--	2.007.967	2.864.808
Total Liabilities	**10.550.869**	**3.181.035**	**636.013**	**3.695.655**	**178.206**	**3.647.429**	**21.889.207**
Balance Sheet Long Position	--	329.176	3.306.297	2.022.843	1.695.531	--	7.353.847
Balance Sheet Short Position	(5.669.347)	--	--	--	--	(1.684.500)	(7.353.847)
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	**(5.669.347)**	**329.176**	**3.306.297**	**2.022.843**	**1.695.531**	**(1.559.420)**	**125.080**

(*) Includes derivative financial assets.
(**) Non-performing loans TL 920.338 net-off related provision for expected loss of stage 3 loans 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 31.500 investments in subsidiaries, TL 324.109 tangible assets, TL 69.894 intangible assets, TL 58.012 tax asset, TL 63.247 assets held for sale, TL 265.710 other assets and TL 501 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 1.659.092 shareholders' equity, TL 210.693 other liabilities, TL 97.137 provisions and TL 41.045 tax liabilities.

IV. Explanations on Consolidated Interest Rate Risk (continued)

Average interest rates applied to financial instruments

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

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

Prior Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	--	--	--	11,00
Financial Assets at Fair Value Through Profit/ Loss	2,43	6,68	--	31,29
Interbank Money Market Placements	--	--	--	12,21
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,28	5,55	--	8,79
Loans	6,03	6,14	--	18,47
Financial Assets Measured at Amortized Cost	5,22	--	--	9,10
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.

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Interest rate risk on banking book

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

Current Period	Shocked Applied (+/- x bps)	Gains/ Losses	Equity - Losses /Equity
TRY	500	-258.373	-6,19%
TRY	-400	234.459	5,62%
USD Dollar	200	11.716	0,28%
USD Dollar	-200	-8.815	-0,21%
Euro	200	-155.789	-3,73%
Euro	-200	171.514	4,11%
Total (For Positive Shocks)		**-402.445**	**-9,64%**
Total (For Negative Shocks)		**397.158**	**9,52%**

Prior Period	Shocked Applied (+/- x bps)	Gains/ Losses	Gains/ Equity - Losses /Equity
TRY	500	-107.159	-2,92%
TRY	-400	94.296	2,57%
USD Dollar	200	96.116	2,62%
USD Dollar	-200	-102.254	-2,79%
Euro	200	-193.924	-5,29%
Euro	-200	215.017	5,87%
Total (For Positive Shocks)		**-204.968**	**-5,59%**
Total (For Negative Shocks)		**207.059**	**5,65%**

V. Explanations on Consolidated Position Risk of Equity Securities Resulted from Banking Book

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

VI. Explanations on Consolidated 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, it was decided that deposit and participation banks would be exempted from the mentioned ratios regarding there liabilities to meet that liquidity coverage ratio until 31 December 2020, In order to provide flexibility for banks to meet the minimum rates for liquidity levels.

VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio (continued)

		Total Unweighted Value *		Total Weighted Value *	
Current Period		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)			3.853.952	3.432.561
CASH OUTFLOWS					
2	Deposits from natural persons and retail deposits	13.443.587	7.787.753	1.249.177	774.719
3	Stable deposits	1.878.584	--	94.004	--
4	Less stable deposits	11.565.003	7.787.753	1.155.174	774.719
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	3.698.768	1.781.162	2.100.562	1.068.541
6	Operational deposits	--	--	--	--
7	Non-Operational deposits	2.615.663	1.136.152	1.055.610	446.962
8	Other unsecured funding	1.083.105	645.010	1.044.952	621.578
9	Secured funding	--	--	301.478	277.593
10	Other cash outflows	3.143.418	1.033.621	766.638	552.840
11	Outflows related to derivative exposures and other collateral requirements	488.506	467.146	495.404	472.259
12	Outflows related to restructured financial instruments	--	--	--	--
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments	2.654.912	566.475	271.234	80.581
14	Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15	Other irrevocable or conditionally revocable off-balance sheet obligations	9.329	56	9.346	56
16	**TOTAL CASH OUTFLOWS**			**4.427.201**	**2.673.748**
CASH INFLOWS					
17	Secured receivables	30.623	25.205	31.694	26.394
18	Unsecured receivables	2.242.825	868.534	1.625.512	760.418
19	Other cash inflows	246.404	230.374	251.073	234.738
20	**TOTAL CASH INFLOWS**	**2.519.852**	**1.124.114**	**1.908.279**	**1.021.549**
21	**TOTAL HQLA**			**3.853.952**	**3.432.561**
22	**TOTAL NET CASH OUTFLOWS**			**2.518.513**	**1.653.838**
23	**LİQUIDITY COVERAGE RATIO (%)**			**153,02**	**207,55**

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

VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)

		Total Unweighted Value *		Total Weighted Value *	
Prior Period		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)			3.119.548	2.372.613
CASH OUTFLOWS					
2	Deposits from natural persons and retail deposits	7.971.570	4.534.781	1.029.109	505.257
3	Stable deposits	974.071	..	86.487	..
4	Less stable deposits	6.997.499	4.534.781	942.622	505.257
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	3.808.576	1.796.223	2.232.077	1.554.518
6	Operational deposits	..	..	..	..
7	Non-Operational deposits	2.062.151	1.010.951	576.279	315.335
8	Other unsecured funding	1.746.425	785.272	1.655.798	1.239.182
9	Secured funding	..	..	125.875	125.522
10	Other cash outflows	2.360.789	978.569	492.506	295.495
11	Outflows related to derivative exposures and other collateral requirements	352.499	282.069	276.007	238.432
12	Outflows related to restructured financial instruments	..	..	..	..
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments	2.008.290	696.501	216.499	57.062
14	Other revocable off-balance sheet commitments and other contractual obligations	..	..	..	..
15	Other irrevocable or conditionally revocable off-balance sheet obligations	39.571	16	40.404	33
16	TOTAL CASH OUTFLOWS			3.919.971	2.480.825
CASH INFLOWS					
17	Secured receivables	32.845	32.845	13.933	13.793
18	Unsecured receivables	2.305.438	600.359	1.563.798	709.161
19	Other cash inflows	113.717	81.873	45.995	32.788
20	TOTAL CASH INFLOWS	2.451.999	715.077	1.623.726	755.743
21	TOTAL HQLA			3.119.548	2.372.613
22	TOTAL NET CASH OUTFLOWS			2.296.459	1.725.082
23	LİQUIDITY COVERAGE RATIO (%)			135,84	137,54

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

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VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)

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

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	205,80%	06/10/2020	108,83%	21/10/2020	155,01%
FC	517,79%	14/10/2020	163,22%	23/10/2020	222,85%

Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	220,20%	23/12/2019	110,77%	27/11/2019	140,33%
FC	229,35%	25/12/2019	107,14%	26/11/2019	141,54%

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 Consolidated 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 Purcheased) and Balances with the Central Bank of Turkey	1.526.247	1.395.445	--	--	--	--	--	2.921.692
Banks	452.319	436.226	--	--	--	--	--	888.545
Financial Assets at Fair Value Through Profit or Loss(*)	--	301.627	24.139	102.990	416.814	3	--	845.573
Interbank Money Market Placements	--	412.231	--	--	--	--	--	412.231
Financial Assets Available-for-Sale	10.363	192.033	22.533	353.440	414.006	35.151	--	1.027.526
Loans (**)	--	2.122.271	3.731.833	6.664.467	5.713.625	774.714	(210.691)	18.796.219
Investment Securities Held-to-Maturity	--	--	52.051	231.707	406.955	516.783	--	1.207.496
Other Assets(***)	--	--	--	--	--	--	1.138.349	1.138.349
Total Assets	**1.988.929**	**4.859.833**	**3.830.556**	**7.352.604**	**6.951.400**	**1.326.651**	**927.658**	**27.237.631**
Liabilities								
Bank Deposits	50.626	576.030	373.840	--	--	--	--	1.000.496
Other Deposits	1.947.968	11.963.450	2.574.787	90.603	3.136	86.968	--	16.666.912
Funds Borrowed from Other Financial Institutions	--	1.505	178.776	723.339	251.522	--	--	1.155.142
Interbank Money Market Received	--	362.845	247.315	--	--	--	--	610.160
Marketable Securities Issued(****)	--	37.310	38.843	61	1.443.590	2.088.695	--	3.608.499
Sundry Creditors	--	454.477	--	--	--	--	--	454.477
Other Liabilities (*****)	--	473.054	429.176	145.409	404.089	2.602	2.287.615	3.741.945
Total Liabilities	**1.998.594**	**13.868.671**	**3.842.737**	**959.412**	**2.102.337**	**2.178.265**	**2.287.615**	**27.237.631**
Net Liqudity Surplus / (Gap)	**(9.665)**	**(9.008.838)**	**(12.181)**	**6.393.192**	**4.849.063**	**(851.614)**	**(1.359.957)**	**--**
Net Off-Balance Sheet Position	--	(132.550)	(248.246)	(87.296)	37.180	--	--	(430.912)
Derivative Financial Assets	--	6.895.549	5.241.626	3.619.924	2.056.419	--	--	17.813.518
Derivative Financial Liabilities	--	7.028.099	5.489.872	3.707.220	2.019.239	--	--	18.244.430
Non-Cash Loans	**--**	**70.868**	**169.508**	**520.054**	**96.829**	**409.303**	**--**	**1.266.562**
Prior Period								
Total Assets	**1.186.333**	**4.165.508**	**2.423.536**	**5.790.719**	**6.020.781**	**1.369.234**	**933.096**	**21.889.207**
Total Liabilities	**1.280.739**	**10.805.854**	**3.110.337**	**840.399**	**2.289.668**	**1.756.925**	**1.805.285**	**21.889.207**
Net Liquidity Gap	**(94.406)**	**(6.640.346)**	**(686.801)**	**4.950.320**	**3.731.113**	**(387.691)**	**(872.189)**	**--**
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 loss of stage 3 loans an expected losses for stage 1 and stage 2 are presented in “unallocated” column.
(***) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets, stationary supplies and prepaid expenses are included in this column.
(****) Securities issued as subordinated loan classified under “Subordinated debt – 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 Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)

Contractual maturity analysis of liabilities according to remaining maturities

Current Period	Carrying Values	Gross Nominal Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposit	1.000.496	1.002.033	50.626	576.744	374.663	--	--	--
Other Deposit	16.666.912	16.758.701	1.947.966	11.992.441	2.615.113	95.128	3.585	104.468
Money Market Funds	610.160	611.843	--	363.104	248.739	--	--	--
Securities Issued	1.480.900	1.660.129	--	43.308	--	43.308	1.573.513	--
Funds Borrowed	1.155.142	1.197.536	--	521	168.932	768.225	259.858	--
Subordinated Debts	2.127.599	2.906.266	--	--	72.404	72.404	579.229	2.182.229
Total	**23.041.209**	**24.136.508**	**1.998.592**	**12.976.118**	**3.479.851**	**979.065**	**2.416.185**	**2.286.697**

Prior Period	Carrying Values	Gross Nominal Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposit	49.126	49.282	22.159	12.263	14.860	--	--	--
Other Deposit	13.516.562	13.561.682	1.258.580	9.780.215	2.232.074	290.008	805	--
Money Market Funds	733.257	735.252	--	267.977	467.275	--	--	--
Securities Issued	1.718.332	1.957.608	--	139.018	283.867	39.018	1.495.705	--
Funds Borrowed	859.381	955.232	--	3.038	30.678	428.540	492.976	--
Subordinated Debts	1.789.018	2.576.717	--	--	61.147	61.147	489.175	1.965.248
Total	**18.665.676**	**19.835.773**	**1.280.739**	**10.202.511**	**3.089.901**	**818.713**	**2.478.661**	**1.965.248**

According to the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks published in the Official Gazette numbered 29450 and dated 19 August 2015, total amount of assets and risk in the consolidated financial statements prepared in accordance with Turkish Accounting Standards is shown below;

		Current Period (**)	Prior Period (**)
1	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*)	44.928.955	44.547.190
2	The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements”	--	--
3	The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such instruments	(17.141.341)	(15.985.526)
4	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such instruments	--	--
5	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such items	--	--
6	Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such items	--	--
7	Total risk amount	**27.787.614**	**28.561.664**

(*) Consolidated financial statements prepared in compliance with Clause 6 of the article 5 of the communiqué “Preparation of Consolidated Financial Statements”.
(**) Represents nine-months average amounts.
(***)It is used simple arithmetic mean of Central Bank’s foreign currency buying rates belonging to the last 252 business days from the calculation date.

VII. Explanations on Consolidated Leverage Ratio

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

Bank's consolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 6,94%. Minimum leverage ratio has to be 3% according to the regulation.

	Balance sheet assets	Current Period(*)	Prior Period(*)
1	Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	23.578.237	22.022.023
2	(Assets deducted in determining Tier 1 capital)	(242.604)	(147.927)
3	Total balance sheet risks (sum of lines 1 and 2)	23.335.633	21.874.096
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative financial instruments and credit derivatives	343.256	156.336
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	188.771	285.715
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	532.027	442.051
	Securities or commodity financing transactions (SCFT)		
7	Risks from SCFT assets (except for on-balance sheet)	363.552	1.217.268
8	Risks from brokerage activities related exposures	--	--
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	363.552	1.217.268
	Off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	3.556.402	5.028.249
11	(Adjustments for conversion to credit equivalent amounts)	--	--
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	3.556.402	5.028.249
	Capital and total risks		
13	Tier 1 capital	2.052.914	1.809.286
14	Total risks (sum of lines 3, 6, 9 and 12)	27.787.614	28.561.664
	Leverage ratio		
15	Leverage ratio	7,40	6,33

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

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VIII. Explanations on presentation of financial assets and liabilities at their fair values

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

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Current Period				
Financial assets	**22.332.423**	**17.532.810**	**21.950.753**	**17.715.260**
Money market placements	412.231	30.010	412.231	30.010
Due from banks	888.545	490.826	888.545	490.826
Financial assets at fair value through other comprehensive income	1.027.526	812.465	1.027.526	812.465
Loans measured at amortised cost	1.207.902	575.098	937.439	605.709
Loans	18.796.219	15.624.411	18.685.012	15.776.250
Financial liabilities	**22.885.526**	**18.291.142**	**22.885.526**	**18.291.142**
Interbank deposits	1.000.496	49.126	1.000.496	49.126
Other deposits	16.666.912	13.516.562	16.666.912	13.516.562
Funds provided from other financial institutions	1.155.142	859.381	1.155.142	859.381
Marketable securities issued (*)	3.608.499	3.507.350	3.608.499	3.507.350
Miscellaneous payables	454.477	358.723	454.477	358.723

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

Fair values of financial assets measured at FVTOCI and measured at amortized cost are calculated by market prices or in case of absence of such prices, market prices of other securities quoted in similar qualified markets and having substantially similar characteristics in terms of interest, maturity and other conditions.

Fair values of loans are calculated discounting future cash flows at current market interest rates for fixed-rate loans. The carrying values of floating-rate loans are deemed as approximation for their fair values.

Fair values of other financial assets and liabilities represent the total acquisition costs and accrued interest.

Current Period	1st Level TL		2nd Level TL		3rd Level TL	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets						
Financial Assets Measured at Fair Value through Profit and Loss	138.208	97.737	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	1.027.526	812.465	--	--	--	--
Derivative Financial Assets	--	--	707.365	738.902	--	--
Loans Measured at Fair Value through Profit and Loss	--	--	--	1.948.020	--	--
Total	**1.165.734**	**910.202**	**707.365**	**2.686.922**	**--**	**--**
Financial Liabilities						
Derivative Financial Liabilities	--	--	1.107.492	788.205	--	--
Total	**--**	**--**	**1.107.492**	**788.205**	**--**	**--**

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

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

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

None.

X. Explanations on consolidated securitisation positions

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

XI. Explanations on risk management objectives and policies

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

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

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

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

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

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

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

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about 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 31 December 2020:

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

a. Overview of Risk Weighted Amounts

		Risk Weighted Amounts		Minumum Capital Requirements
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	18.541.156	16.135.932	1.483.292
2	Of which standardised approach (SA)	18.541.156	16.135.932	1.483.292
3	Of which internal rating-based (IRB) approach	--	--	--
4	Counterparty credit risk	432.266	499.911	34.581
5	Of which standardised approach for counterpary credit risk (SA-CCR)	432.266	499.911	34.581
6	Of which internal model method (IMM)	--	--	--
7	Equity position in banking book under basic risk weighting or internal rating-based	--	--	--
8	Equity investments in funds - look-through approach	103.531	83.713	8.282
9	Equity investments in funds - mandate-based approach	--	--	--
10	Equity investments in funds - 1250% risk weighting approach	--	--	--
11	Settlement risk	--	-	--
12	Securitisation exposures in banking book	--	-	--
13	Of which IRB ratings-based approach (RBA)	--	--	--
14	Of which IRB supervisory formula approach (SFA)	--	--	--
15	Of which SA/simplified supervisory formula approach (SSFA)	--	--	--
16	Market risk	596.750	552.463	47.740
17	Of which standardised approach (SA)	596.750	552.463	47.740
18	Of which internal model approaches (IMM)	--	--	--
19	Operational risk	1.819.842	1.485.530	145.587
20	Of which basic indicator approach	1.819.842	1.485.530	145.587
21	Of which standardised approach	--	--	--
22	Of which advanced measurement approach	--	--	--
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	--	--	--
24	Floor adjustment	--	--	--
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**21.493.545**	**18.757.549**	**1.719.482**

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

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

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

	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
Current Period		Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	2.921.692	2.921.692	--	--	--	--
Banks	888.545	888.545	--	--	--	--
Money Markets Placements	412.231	242.147	170.084	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	138.208	96.655	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	1.027.526	1.027.526	668.431	--	--	--
Financial Assets Measured at amortized cost	1.207.902	1.207.902	290.103	--	--	--
Derivative financial assets	707.365	--	205.281	--	707.365	--
Non-performing Financial Assets	(2.347)	(2.347)	--	--	--	--
Loans (net)	18.796.219	18.796.219	--	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	102.748	102.748	--	--	--	--
Investment in Associates (net)	--	--	--	--	--	--
Investment in Subsidiaries (net)	112.500	112.500	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	360.135	360.135	--	--	--	--
Intangible Assets (net)	91.027	--	--	--	--	91.027
Investment Property (net)	--	--	--	--	--	--
Tax Asset	193.104	193.104	--	--	--	--
Other Assets	280.776	280.776	--	--	--	--
Total Assets	**27.237.631**	**26.227.602**	**1.333.899**	**--**	**707.365**	**91.027**
Liabilities						
Deposits	17.667.408	--	--	--	--	17.667.408
Funds Borrowed	1.155.142	--	--	--	--	1.155.142
Money Market Funds	610.160	--	610.160	--	--	610.160
Securities Issued	1.480.900	--	--	--	--	1.480.900
Funds	--	--	--	--	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	1.107.492	--	--	--	1.107.492	1.107.492
Factoring Payables	--	--	--	--	--	--
Lease Payables	53.630	--	--	--	--	53.630
Provisions	205.971	--	--	--	--	--
Tax Liability	187.777	--	--	--	--	43.906
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subortinated Debts	2.127.599	--	--	--	--	--
Other liabilities	757.140	--	--	--	--	757.140
Shareholders' Equity	1.884.412	--	--	--	--	1.884.412
Total Liabilities	**27.237.631**	**--**	**610.160**	**--**	**1.107.492**	**24.760.190**

(*) Refers to the unconsolidated financial statements of the Bank.
(**) The securities are shown in terms of their gross amounts.
(***) Filled on the basis of general market risk and gross position amounts included in the specific risk calculation.

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

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

	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
Prior Period		Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	2.707.875	2.707.875	--	--	--	--
Banks	490.826	490.826	--	--	--	--
Money Markets Placements	30.010	--	30.010	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	97.737	64.868	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	807.568	807.568	632.282	--	--	--
Financial Assets Measured at amortized cost	575.098	575.098	419.376	--	--	--
Derivative financial assets	738.902	--	160.284	--	738.902	--
Non-performing Financial Assets	(589)	(589)	--	--	--	--
Loans (net)	15.624.411	15.624.411	--	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	63.247	63.247	--	--	--	--
Investment in Associates (net)	4.897	4.897	--	--	--	--
Investment in Subsidiaries (net)	31.500	31.500	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	324.109	324.137	--	--	--	--
Intangible Assets (net)	69.894	17	--	--	--	69.877
Investment Property (net)	--	--	--	--	--	--
Tax Asset	58.012	58.012	--	--	--	--
Other Assets	265.710	265.683	--	--	--	--
Total Assets	**21.889.207**	**21.017.550**	**1.241.952**	**--**	**738.902**	**69.877**
Liabilities						
Deposits	13.565.688	--	--	--	--	13.565.688
Funds Borrowed	859.381	--	--	--	--	859.381
Money Market Funds	733.257	--	733.263	--	--	733.257
Securities Issued	1.718.332	--	--	--	--	1.718.332
Funds	--	--	--	--	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	788.205	--	--	--	788.205	788.205
Factoring Payables	--	--	--	--	--	--
Lease Payables	68.636	--	--	--	--	68.654
Provisions	97.137	--	--	--	--	--
Tax Liability	41.045	--	--	--	--	58.723
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subortinated Debts	1.789.018	--	--	--	--	--
Other liabilities	569.416	--	--	--	--	569.415
Shareholders' Equity	1.659.092	--	--	--	--	1.659.092
Total Liabilities	**21.889.207**	**--**	**733.263**	**--**	**788.205**	**20.020.747**

(*) Disclosed based on gross amounts of the securities.
(**)Disclosed based on gross position amounts subject to general market risk and specific risk.
(***) Filled on the basis of general market risk and gross position amounts included in the specific risk calculation.

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

c. The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

	Current Period	Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial	27.237.631	26.227.602	--	1.333.899	707.365
2	Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	610.160	1.107.492
3	Total Net Amount	27.237.631	26.227.602	--	723.739	(400.127)
4	Off-balance sheet amounts(**)	21.172.856	3.736.469	--	17.436.387	17.436.387
5	Valuation differences	--	--	--	--	--
6	Differences due to different netting rules	--	--	--	--	(16.439.510)
7	Differences due to consideration of provisions	--	--	--	--	--
8	Differences resulted from the BRSA's applications	--	--	--	(17.235.065)	--
9	Differences due to risk mitigation	--	--	--	610.160	--
10	**Risk Amounts**	**48.410.487**	**29.964.071**	**--**	**1.535.221**	**596.750**

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

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

	Prior Period	Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial	21.819.331	21.017.550	--	1.241.952	738.902
2	Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	733.257	788.205
3	Total Net Amount	21.819.331	21.017.550	--	508.695	(49.303)
4	Off-balance sheet amounts(**)	23.806.133	6.671.862	--	17.134.271	17.134.271
5	Valuation differences	--	--	--	--	--
6	Differences due to different netting rules	--	--	--	--	(16.532.505)
7	Differences due to consideration of provisions	--	--	--	--	--
8	Differences resulted from the BRSA's applications	--	--	--	(16.843.709)	--
9	Differences due to risk mitigation	--	--	--	733.257	--
10	**Risk Amounts**	**45.625.464**	**27.689.412**	**--**	**1.532.514**	**552.463**

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

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

Explanation on the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements:

Disclosures regarding differences between amounts valued according to TAS and risk exposures

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

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

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

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Information on Credit Risk

General Qualitative Information on Credit Risk:

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

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

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

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

General Qualitative Information on Credit Risk (continued):

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

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

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

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

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

Credit Quality of Assets

Current Period	Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation		Allowances/ amortisation and impairments	Net value
	Defaulted	Non-defaulted		
1 Loans	619.425	19.006.911	830.116	18.796.220
2 Debt securities	--	2.363.273	3.369	2.345.834
3 Off-balance sheet exposures	8.591	3.822.178	11.077	3.819.692
4 Total	628.016	25.178.292	844.562	24.961.746

Prior Period	Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation		Allowances/ amortisation and impairments	Net value
	Defaulted	Non-defaulted		
1 Loans	920.338	15.508.182	804.110	15.624.410
2 Debt securities	--	1.476.603	2.528	1.474.075
3 Off-balance sheet exposures	19.003	6.650.805	19.121	6.650.687
4 Total	**939.341**	**23.635.590**	**825.759**	**23.749.172**

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General Qualitative Information on Credit Risk (continued):

Changes in stock of default loans and debt securities

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

(*) Sales of non-performing loan portfolios are disclosed.
(**) Other changes include collections during the period.

Breakdown of receivables by geographical area, sector and outstanding maturity:

Breakdown by geographical area:

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

Sectoral Breakdown:

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

Breakdown by outstanding maturity:

Breakdown by outstanding maturity:

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

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

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

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

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

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

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	**60.781**	**33.729**	**5.515**
Farming and Stockbreeding	48.260	25.352	3.295
Forestry	12.521	8.377	2.143
Fishery	0	0	77
Manufacturing	**201.682**	**120.638**	**70.888**
Mining and Quarrying	62.585	39.068	17.127
Production	133.484	77.645	53.523
Electricity, Gas and Water	5.613	3.925	238
Construction	**144.241**	**78.496**	**32.460**
Services	**417.420**	**220.459**	**110.907**
Wholesale and Retail Trade	220.831	139.919	76.912
Accomodation and Dining	112.285	29.436	19.712
Transportation and Telecommunication	27.748	16.355	6.078
Financial Institutions	98	74	36
Real Estate and Rental Services	20.616	12.077	307
Self-Employment Services	4.712	3.567	3.667
Educational Services	8.018	4.348	677
Health and Social Services	23.112	14.683	3.518
Others	**96.214**	**61.796**	**29.444**
Total	**920.338**	**515.118**	**249.214**

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Aging analysis:

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

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

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

Current Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	4.305
Not provisoned (*)	2.059.527	2.761.574	--
Total	**2.059.527**	**2.761.574**	**4.305**

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

Prior Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	--	--	24.322
Not provisoned (*)	56.505	1.100.594	--
Total	**56.505**	**1.100.594**	**24.322**

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

Credit risk mitigation techniques-Overview

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

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

Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1 Loans	14.405.387	1.508.015	1.192.051	315.964	315.964	--	--
2 Debt Securities	1.474.075	--	--	--	--	--	--
3 Total	**15.879.462**	**1.508.015**	**1.192.051**	**315.964**	**315.964**	**--**	**--**
4 Of which defaulted	301.507	103.713	103.713	--	--	--	--

Credit risk exposure and credit risk mitigation techniques

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	4.117.134	--	4.184.170	--	--	%0,0
2 Exposures to regional and local governments	199.815	--	199.815	--	99.908	%50,0
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	%0,0
4 Exposures to multilateral development banks	--	--	--	--	--	%0,0
5 Exposures to international organizations	--	--	--	--	--	%0,0
6 Exposures to banks and brokerage houses	3.039.614	84.034	3.039.614	47.490	746.854	%24,2
7 Exposures to corporates	11.636.049	987.347	11.619.810	579.733	11.984.494	%98,2
8 Retail exposures	5.050.336	1.440.118	5.013.662	364.891	4.032.652	%75,0
9 Exposures secured by residential property	152.068	1.815	151.639	528	118.854	%78,1
10 Exposures secured by commercial property	1.385.231	46.874	1.377.189	39.387	942.441	%66,5
11 Past-due items	246.057	1.340	240.405	1.340	203.080	%84,0
12 Exposures in high-risk categories	26.256	3.489	26.256	1.745	26.313	%94,0
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	%0,0
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	%0,0
15 Exposures in the form of coll. investment undertakings(*)	103.531	--	103.531	--	103.531	%100,0
16 Other exposures	1.105.362	1.171.451	1.105.362	64.940	735.298	%62,8
17 Equity share investments	9.764	--	9.764	--	9.764	%100,0
18 Total	**27.071.217**	**3.736.468**	**27.071.217**	**1.100.054**	**19.003.189**	%67,5

(*)Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodology.
**It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	3.274.025	--	3.589.989	--	554.500	%15,4
2 Exposures to regional and local governments	--	--	--	--	--	%0,0
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	%0,0
4 Exposures to multilateral development banks	--	--	--	--	--	%0,0
5 Exposures to international organizations	--	--	--	--	--	%0,0
6 Exposures to banks and brokerage houses	2.473.868	57.992	2.473.868	34.345	687.581	%27,4
7 Exposures to corporates	10.875.808	772.631	10.815.675	433.879	10.838.666	%96,3
8 Retail exposures	3.272.470	1.020.155	3.066.049	278.751	2.506.369	%74,9
9 Exposures secured by residential property	271.085	1.851	267.589	777	179.952	%67,1
10 Exposures secured by commercial property	1.255.880	44.625	1.209.966	35.760	801.550	%64,3
11 Past-due items	356.201	--	356.201	--	294.493	%82,7
12 Exposures in high-risk categories	49.506	9.432	49.506	4.716	33.380	%61,6
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	%0,0
14 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	%0,0
15 Exposures in the form of coll. investment undertakings(*)	91.029	--	91.029	--	91.029	%100,0
16 Other exposures	908.607	4.765.176	908.607	75.985	643.592	%65,4
17 Equity share investments	--	--	--	--	--	%0,0
18 Total	**22.828.479**	**6.671.862**	**22.828.479**	**864.213**	**16.631.112**	%70,2

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

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Exposures by asset classes and risk weights

(Current Period)

	Risk Classes/ Risk Weight	0%	10%	20%	%35(*)	50%	%50(*)	75%	100%	150%	200%	Total risk amount (**)
1	Exposures to sovereigns and their central banks	4.184.170	--	--	--	--	--	--	--	--	--	4.184.170
2	Exposures to regional and local governments	--	--	--	--	199.815	--	--	--	--	--	199.815
3	Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	--	--
4	Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--
5	Exposures to international organizations	--	--	--	--	--	--	--	--	--	--	--
6	Exposures to banks and brokerage houses	763.006	--	1.401.066	--	912.782	--	--	10.250	--	--	3.087.104
7	Exposures to corporates	215.049	--	--	--	--	--	--	11.984.494	--	--	12.199.543
8	Retail exposures	1.683	--	--	--	--	--	5.376.870	--	--	--	5.378.553
9	Exposures secured by residential property	--	--	--	51.251	--	--	--	100.916	--	--	152.167
10	Exposures secured by commercial property	--	--	--	--	--	948.269	--	468.307	--	--	1.416.576
11	Past-due items	--	--	--	--	140.449	--	--	38.177	63.119	--	241.745
12	Exposures in high-risk categories	--	--	--	--	3.612	--	--	24.153	236	--	28.001
13	Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--	--
14	Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--	--
15	Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	103.531	--	--	103.531
16	Equity share investments	--	--	--	--	--	--	--	9.764	--	--	9.764
17	Other Exposures	435.004	--	--	--	--	--	--	735.298	--	--	1.170.302
18	Total	5.598.912	--	1.401.066	51.251	1.256.658	948.269	5.376.870	13.474.890	63.355	--	28.171.271

(*) Collateralized by real estate mortgages
(**) After CCF and CRM
(***) Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, final value obtained by using the content methodology.
(****) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

(Prior Period)

	Risk Classes/ Risk Weight	0%	10%	20%	%35(*)	50%	%50(*)	75%	100%	150%	200%	Total risk amount (**)
1	Exposures to sovereigns and their central banks	2.480.989	--	--	--	1.109.000	--	--	--	--	--	3.589.989
2	Exposures to regional and local governments	--	--	--	--	--	--	--	--	--	--	--
3	Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	--	--
4	Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--
5	Exposures to international organizations	--	--	--	--	--	--	--	--	--	--	--
6	Exposures to banks and brokerage houses	763.157	--	634.042	--	1.100.483	--	--	10.531	--	--	2.508.213
7	Exposures to corporates	410.888	--	--	--	--	--	--	10.838.666	--	--	11.249.554
8	Retail exposures	2.975	--	--	--	--	--	3.341.825	--	--	--	3.344.800
9	Exposures secured by residential property	--	--	--	136.021	--	--	--	132.345	--	--	268.366
10	Exposures secured by commercial property	--	--	--	--	--	888.351	--	357.375	--	--	1.245.726
11	Past-due items	--	--	--	--	199.622	--	--	80.374	76.205	--	356.201
12	Exposures in high-risk categories	--	--	--	--	47.154	--	--	1.599	5.469	--	54.222
13	Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--	--
14	Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--	--
15	Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	91.029	--	--	91.029
16	Equity share investments	--	--	--	--	--	--	--	--	--	--	--
17	Other Exposures	341.000	--	--	--	--	--	--	643.592	--	--	984.592
18	Total	3.999.009	--	634.042	136.021	2.456.259	888.351	3.341.825	12.155.511	81.674	--	23.692.692

(*) Collateralized by real estate mortgages
(**) After CCF and CRM
(***) Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, final value obtained by using the content methodology.

Information on consolidated credit risk mitigation techniques

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

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

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

Exposure Categories * Current Period	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from Central Governments	4.184.170	--	--	67.036
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	--	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	3.087.104	763.006	--	--
Corporate Receivables	12.199.543	215.049	--	--
Retail Receivables	5.378.553	1.683	--	--
Receivables that are Collateralized by Residential Property	1.568.743	--	999.520	--
Past due Receivables	241.745	--	46.593	--
Receivables Defined in High Risk Category by BRSA	28.001	--	--	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks,	--	--	--	--
Investments Similar to Collective Investment Funds	103.531	--	--	--
Equity share investments	9.764	--	--	--
Other Receivables	1.170.302	--	--	--
Total	**28.171.271**	**979.738**	**1.046.113**	**67.036**

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

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

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

Exposure Categories * Prior Dönem	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from Central Governments	3.589.989	--	--	315.964
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	--	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	2.508.213	763.157	--	--
Corporate Receivables	11.249.554	410.888	--	--
Retail Receivables	3.344.800	3.080	--	--
Receivables that are Collateralized by Residential Property	1.514.092	--	1.024.372	--
Past due Receivables	356.201	--	72.268	--
Receivables Defined in High Risk Category by BRSA	54.222	--	--	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	91.029	--	--	--
Other Receivables	984.592	--	--	--
Total	**23.692.692**	**1.177.125**	**1.096.640**	**315.964**

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

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

Counterparty credit risk (CCR) approach analysis

	Current Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	205.281	201.322	--	1,4	406.603	261.009
2	Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	--	--
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	958.534	89.527
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	170.084	7.966
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	--	--	--	--	--	--
6	Total	205.281	201.322	--	--	1.535.221	358.502

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

	Prior Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	160.284	290.562	--	1,4	450.846	289.823
2	Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	1.051.658	121.621
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	--	--	--	--	30.010	23
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	--	--	--	--	-	-
6	Total	160.284	290.562	--	--	1.532.514	411.467

Capital requirement for credit valuation adjustment (CVA)

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

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

CCR exposures by risk class and risk weights - standardised approach

Current Period

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

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

Prior Period

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

Collaterals for CCR

	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
Current Period	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	--	--	--	--	--	170.084
Cash-foreign currency	632	--	--	--	610.160	--
Domestic sovereign debts	--	--	--	--	130.256	--
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	--
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
Total	632	--	--	--	740.416	170.084

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

	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
Prior Period	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	--	--	--	--	--	30.010
Cash-foreign currency	2.746	--	--	--	733.257	--
Domestic sovereign debts	--	--	--	--	29.894	--
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	1.051.658
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
Total	2746	--	--	--	763.151	1.081.668

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Explanations on consolidated market risk

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

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

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

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

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

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

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

Market risk under standardised approach

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

1. Quantitative information on counterparty risk

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

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

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

(*) Repo transactions
(**) Includes option, currency swap and forward contracts.
(***) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.
(****)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

		Risk Weights					
Prior Period	Amount	0%	20%	50%	75%	100%	Total RWA
Interest-Rate Contracts (*)	--	--	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	290.562	2.746	18.840	178.607	2.112	88.257	182.913
Commodity Contracts	--	--	--	--	--	--	--
Equity-Shares Related Contracts	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Gross Positive Fair Values	160.283	--	77	105.380	2.486	52.340	106.910
Netting Benefits	--	--	--	--	--	--	--
Net Current Exposure Amount	--	--	--	--	--	--	--
Collaterals Received	2.746	--	--	--	--	--	--
Net Derivative Position (***)	**450.845**	**2.746**	**18.917**	**283.987**	**4.598**	**140.597**	**289.823**

(*) Repo transactions
(**) Includes option, currency swap and forward contracts.
(***) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

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Explanations on consolidated operational risk

The value at operational risk is calculated according to the "basic indicator approach". Value at operational risk amount is calculated by using the last 3 years' (2019, 2018 an 2017) gross income, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued on Official Gazette dated September 6, 2014 numbered 29111, "Calculation of Operational Risk". 15% of gross income which is TL 145.587 (31 December 2019: TL 118.842) represents also the minimum capital requirement to recover the risk amount.

Current Period	31/12/2017	31/12/2018	31/12/2019	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Gross Income	716.364	1.038.186	1.157.197	970.582	15	**145.587**
Value at Operational Risk (Total*12,5)						**1.819.842**

Prior Period	31/12/2016	31/12/2017	31/12/2018	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Gross Income	622.298	716.364	1.038.186	792.283	15	**118.842**
Value at Operational Risk (Total*12,5)						**1.485.530**

SECTION FIVE

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosure related to the consolidated assets

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	54.967	281.636	48.386	211.408
Balances with the Central Bank of Turkey	411.057	2.174.032	152.600	2.295.481
Other	--	--	--	--
Total	**466.024**	**2.455.668**	**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	407.561	782.078	152.527	659.002
Unrestricted Time Deposits	3.496	--	73	498.795
Restricted Time Deposits	--	1.391.954	--	1.137.684
Total	**411.057**	**2.174.032**	**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% - 6% (31 December 2019: 1%-7%) for TL liabilities and at the rates varying from 5% - 21% (31 December 2019: 5%-21%) for FC liabilities, especially USD and EUR, depending on maturities of liabilities.

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	2.796	--	24.580	--
Total	**2.796**	**--**	**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 31 December 2020, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 135.412 (31 December 2019: TL 73.157).

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

Loans recognised at fair value through profit or loss

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

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

2.2 Information on financial assets at fair value through profit or loss subject to repurchase agreements

None.

*2.3 Positive differences relating to derivative financial assets**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	97.046	--	59.591	--
Swap Transactions	368.124	--	368.713	--
Futures Transactions	--	--	--	--
Options	231.789	10.406	195.923	27.136
Other	--	--	--	--
Total	**696.959**	**10.406**	**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	465.117	39.805	400.573	740
Foreign	461	383.162	2.058	87.455
Foreign head-offices and branches	--	--	--	--
Total	**465.578**	**422.967**	**402.631**	**88.195**

3.2 Due from foreign banks

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

4. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income

4.1 Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral / blocked

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

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

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

4.2 Details of financial assets valued at fair value through other comprehensive income

	Current Period	Prior Period
Debt instruments	**1.017.163**	**803.864**
Quoted on Stock Exchange	1.017.163	803.864
Unquoted on Stock Exchange	--	--
Share certificates	**10.363**	**8.697**
Quoted on Stock Exchange	10.363	8.697
Unquoted on Stock Exchange	--	--
Impairment provision (-)	**--**	**96**
Total	**1.027.526**	**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	
	TL	FC	TL	FC
Direct Loans to Shareholders	--	20	--	20
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	20	--	20
Indirect Loans to Shareholders	**--**	**--**	**--**	**--**
Loans to Employees	**6.497**	**--**	**4.653**	**--**
Total	**6.497**	**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	**15.921.532**	**323.805**	**2.408.979**	**352.595**
Working Capital Loans	6.385.151	119.536	1.446.735	331.004
Export Loans	--	--	894	--
Import Loans	--	--	--	--
Loans to Financial Sector	141.271	--	--	--
Consumer Loans	2.643.793	47.991	16.335	3.933
Credit Cards	15.097	968	--	--
Others	6.736.220	155.310	945.015	17.658
Specialization Loans	**--**	**--**	**--**	**--**
Other Receivables	**--**	**--**	**--**	**--**
Total (*)	**15.921.532**	**323.805**	**2.408.979**	**352.595**

(*) Amounting to TL 105.851 factoring receivables are also included.
(**) 31 December 2020, in accordance with the decision of the BRSA dated 27 March 2020 and numbered 8970, with a past due of between 90 and 180 days effective from 17 March 2020, and the total amount of loans that continue to be classified in the second group is TL 44,941.

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

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

The overdue analysis of close monitoring loans

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

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

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

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

Maturity analysis of cash loans

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

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

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

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

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I. Explanations and disclosure related to the consolidated 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	**839.822**	**2.896.433**	**3.736.255**
Real Estate Loans	--	153	153
Vehicle Loans	7.894	68.280	76.174
General Purpose Loans	831.928	2.828.000	3.659.928
Other	--	--	--
Installment Commercial Loans - Indexed to FC	**--**	**40.058**	**40.058**
Real Estate Loans	--	--	--
Vehicle Loans	--	6.354	6.354
General Purpose Loans	--	33.704	33.704
Other	--	--	--
Installment Commercial Loans - FC	**--**	**--**	**--**
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	**8.720**	**--**	**8.720**
With Installment	2.413	--	2.413
Without Installment	6.307	--	6.307
Corporate Credit Cards - FC	**161**	**--**	**161**
With Installment	--	--	--
Without Installment	161	--	161
Overdraft Loans-TL (Legal Entities)	**76.144**	**--**	**76.144**
Overdraft Loans-FC (Legal Entities)	**--**	**--**	**--**
Total	**924.847**	**2.936.491**	**3.861.338**

5.5 Allocation of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	19.006.911	15.508.182
Total (*)	**19.006.911**	**15.508.182**

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

5.6 Allocation of Domestic and Foreign Loans

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

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

5.7 Loans granted to subsidiaries and associates

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

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

5.8 Provisions provided against loans (third stage)

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	33.606	165.920
Loans and Receivables with Doubtful Collectability	56.774	133.848
Uncollectible Loans and Receivables	298.370	215.350
Total	**388.750**	**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	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period	**18**	**1.779**	**2.508**
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	18	1.779	2.508
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	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Balances at the End of Prior Period	**268.082**	**216.051**	**436.205**
Additions (+)	258.983	51.340	18.057
Transfers from Other Categories of Non-Performing Loans (+)	14	320.477	409.449
Transfers to Other Categories of Non-Performing Loans (-)	320.477	409.449	14
Collections (-)	130.972	43.215	212.694
Write-offs (-)	--	--	--
Sold (-) (*)	11.043	52.259	179.110
Corporate and Commercial Loans	11.027	50.876	149.387
Retail Loans	16	539	23.995
Credit Cards	--	844	5.728
Other	--	--	--
Balances at End of the Period	**64.587**	**82.945**	**471.893**
Provisions (-)	**33.606**	**56.774**	**298.370**
Net Balance on Balance Sheet	**30.981**	**26.171**	**173.523**

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

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5.9.3 Information on expected credit losses

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

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

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

	III. Group	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	39.441	16.545	42.344
Provisions (-)	17.748	14.239	29.235
Net Balance on Balance Sheet	**21.693**	**2.306**	**13.109**
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**

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	**30.981**	**26.171**	**173.523**
Loans Granted to Real Persons and Legal Entities (Gross)	64.587	82.945	471.893
Provisions (-)	33.606	56.774	298.370
Loans Granted to Real Persons and Legal Entities (Net)	30.981	26.171	173.523
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)	**102.162**	**82.203**	**220.855**
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)	--	--	--

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

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

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

5.11 Explanations about policy of 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.

6. Information on financial assets measured at amortized cost

6.1 Information on securities subject to repurchase agreement and given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	48.344	858.607	188.506	386.592
Other	--	--	--	--
Total	**48.344**	**858.607**	**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	187.659	1.006.930	188.506	386.592
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
Total	**187.659**	**1.006.930**	**188.506**	**386.592**

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt instruments	**1.207.902**	**575.098**
Quoted on Stock Exchange	1.207.902	575.098
Unquoted on Stock Exchange	--	--
Share certificates	**--**	**--**
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	**--**	**--**
Total	**1.207.902**	**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	132.935	17.887
Revaluation adjustments	5.934	15.552
Purchases during the year	493.935	178.627
Disposals through Sales and Redemptions	--	--
Impairment provision (-)	--	--
Total	**1.207.902**	**575.098**

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

7. Information on associates

The Group has no investment in an associate as of 31 December 2020 (31 December 2019: None).

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

8. Information on consolidated subsidiaries

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

Non-financial subsidiaries

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

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

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

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

Financial subsidiaries

The Bank has TL 5.445 investment in a financial subsidiary as of 31 December 2020 (31 December 2019: TL 5.445).

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

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

The financial information about Fiba Portföy Yönetimi A.Ş.as of 31 December 2020 is given below:

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
18.098	15.954	367	12	--	7.220	2.912	--

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

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

8. Information on subsidiaries (continued)

Informationon capital adequacy of major subsidiary

Current Period	Fiba Portföy Yönetimi A.Ş.
Core Capital	**15.954**
Paid-in Capital	5.500
Inflation Adjustments to Paid-in Capital	--
Share Premium	--
Reserves	--
Current Period's Profit and Prior Periods' Profit	10.454
Current Period's Losses and Prior Periods' Losses	--
Leasehold Improvements on Operational Leases (-)	--
Intangible Assets (-)	--
Goodwill (Net) (-)	--
Supplementary Capital	--
Capital	**15.954**
Deductions From Capital	--
Net Available Equity	**15.954**

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

Movement of consolidated investment in subsidiaries

	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 %99 participation of Fibabanka A.Ş.

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

Valuation of investments in consolidated subsidiaries

	Current Period	Prior Period
Valuation with Cost Value	5.445	5.445
Valuation with Fair Value	--	--

Quoted consolidated investments in subsidiaries

None

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

9. Information on entities under common control

The Group does not have investments in entities under common control as of 31 December 2020.

10. Information on lease receivables

The Group does not have lease receivables as of 31 December 2020.

11. Information on derivative financial assets held for hedging purposes

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

12. Information on tangible assets

Current Period	Mortgage	Cars	Ongoing Investments(**)	Other Tangible Assets(*)	Total
Cost					
Beginning Balance, 1 January 2020	295.376	12.800	--	106.776	414.952
Additions	766	6.739	62.911	17.592	88.007
Disposals	5.225	--	--	6.907	12.132
Ending Balance, 31 December 2020	**290.917**	**19.539**	**62.911**	**117.461**	**490.828**
Accumulated Depreciation					
Beginning Balance, 1 January 2020	(29.056)	(897)	--	(60.890)	(90.843)
Depreciation	(22.497)	(2.269)	(2.269)	(21.249)	(46.015)
Disposals	(164)	--	--	6.329	6.165
Ending Balance, 31 December 2020	**(51.717)**	**(3.166)**	**--**	**(75.810)**	**(130.693)**
Net Book Value, 31 December 2020	**239.200**	**16.373**	**62.911**	**41.650**	**360.135**

* Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

** The item in progress includes the total capitalized project cost following the completion of the projects.

Prior Period	Mortgage	Cars	Other Tangible Assets(*)	Total
Cost				
Beginning Balance, 1 January 2019	223.097	79	88.598	311.774
Additions	72.279	12.721	24.280	109.280
Disposals	--	--	6.101	6.101
Ending Balance, 31 December 2019	**295.376**	**12.800**	**106.776**	**414.952**
Accumulated Depreciation				
Beginning Balance, 1 January 2019	(6.541)	(99)	(48.065)	(54.705)
Depreciation	(22.404)	(798)	(18.972)	(42.174)
Disposals	(111)	--	6.146	6.036
Ending Balance, 31 December 2019	**(29.056)**	**(897)**	**(60.890)**	**(90.843)**
Net Book Value, 31 December 2019	**266.320**	**11.903**	**45.886**	**324.109**

(*) Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

12.1 Disclosure for impairment losses or releases individually material for financial statement

12.1.1 Conditions for allocating/releasing any impairment

None.

12.1.2 Amount of impairment losses provided or released in financial statements during current period

None.

12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually

None.

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

13. Information on intangible assets

***13.1* Useful lives and depreciation rates**

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

The Group's intangible assets consist of software programs and rights, and their useful lives range between 3 to 10 years

13.2 Depreciation methods

Depreciation for assets which are in balance sheet for less than one year is calculated by the straight line method by proportioning the duration of asset in the balance sheet to the predicted yearly depreciation amount.

13.4 Movements of intangible assets for the current period

Cost	Current Period	Prior Period
Beginning Balance, 1 January	138.252	90.570
Additions	51.384	50.298
Disposal	4.153	2.616
Ending Balance, 31 December	**185.483**	**138.252**
Accumulated Depreciation		
Beginning Balance, 1 January	(68.357)	(55.569)
Amortisation Expense for Current Period (-)	--	(24)
Disposal	(26.099)	(12.812)
Ending Balance, 31 December	**(94.456)**	**(68.358)**
Net Book Value, 31 December	**91.027**	**69.894**

13.5 Details for any individually material intangible assets

None

13.6 Intangible assets capitalised under government incentives at fair values

None.

13.7 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None

13.8 Net book value of intangible asset that are restricted in usage or pledged

None

13.9 *Commitments to acquire intangible assets*

None.

13.10 Disclosure on revalued intangible assets

None.

13.11 Research and development costs expensed during current period

None.

13.12 Goodwill

None.

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14. Information on intangible assets

None.

15. 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 31 December 2020, the deferred tax asset amounting to TL 191.840 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2019: TL 54.503 deferred tax asset).

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

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	294.394	58.879
Unearned Commission Income/Prepaid Commission Expenses	43.865	8.773
Retirement Pay and Unused Vacation Provision	37.613	7.523
Tangible Assets Base Differences	(36.784)	(7.357)
Provisions	605.850	121.170
Other	14.268	2.852
Deferred Tax Asset/(Liability)	**959.206**	**191.840**

	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	(124.029)	(24.671)
Unearned Commission Income/Prepaid Commission Expenses	13.823	3.041
Retirement Pay and Unused Vacation Provision	29.953	6.287
Tangible Assets Base Differences	(29.545)	(5.909)
Provisions	345.129	73.408
Other	10.852	2.347
Deferred Tax Asset/(Liability)	**246.183**	**54.503**

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

	1 January - 31 December 2020	1 January - 31 December 2019
Deferred Tax Asset, 1 January	54.503	79.351
Deferred Tax Income / (Expense)	138.053	(15.309)
Deferred Tax Recognized Directly Under Equity	(716)	(9.539)
Deferred Tax Asset/(Liability) , Period End Balance	**191.840**	**54.503**

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

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

None (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 31 December 2020, the Group has TL 102.748 assets held for sale (31 December 2019: TL 63.247).

17. Information on other assets

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

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

As of 31 December 2020, total prepaid expenses are TL 41.636 (31 December 2019: TL 42.018).

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II. Explanations and disclosures related to consolidated liabilities

1. Information on deposits

***1.1* Information on maturity structure of deposits**

Current period

	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	**239.170**	**--**	**3.296.030**	**2.162.226**	**82.919**	**40.295**	**19.070**	**--**	**5.839.710**
Foreign Currency Deposits	**1.022.955**	**--**	**3.826.483**	**1.841.608**	**143.243**	**12.482**	**124.436**	**--**	**6.971.207**
Residents in Turkey	921.277	--	3.805.228	1.832.539	143.243	12.428	124.345	--	6.839.060
Residents Abroad	101.678	--	21.255	9.069	--	54	91	--	132.147
Public Sector Deposits	**1.394**	**--**	**409**	**865**	**--**	**--**	**--**	**--**	**2.668**
Commercial Deposits	**308.622**	**--**	**469.252**	**2.082.225**	**4.362**	**3.572**	**29**	**--**	**2.868.062**
Other Ins. Deposits	**3.340**	**--**	**3.485**	**125.948**	**17.516**	**516**	**--**	**--**	**150.805**
Precious Metal Deposits	**372.485**	**--**	**461.975**	**--**	**--**	**--**	**--**	**--**	**834.460**
Interbank Deposits	**50.624**	**--**	**558.252**	**391.620**	**--**	**--**	**--**	**--**	**1.000.496**
Central Bank of Turkey	--	--	386.108	--	--	--	--	--	386.108
Domestic Banks	79	--	146.815	379.982	--	--	--	--	526.876
Foreign Banks	45.473	--	25.329	11.638	--	--	--	--	82.440
Special Finan.Inst.	5.072	--	--	--	--	--	--	--	5.072
Other	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total	**1.998.590**	**--**	**8.615.886**	**6.604.492**	**248.040**	**56.865**	**143.535**	**--**	**17.667.408**

Prior period

	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	**217.255**	**--**	**3.423.787**	**1.503.762**	**55.737**	**181.346**	**110.105**	**--**	**5.491.992**
Foreign Currency Deposits	**624.521**	**--**	**2.338.733**	**2.869.532**	**539.707**	**446.008**	**28.506**	**--**	**6.847.007**
Residents in Turkey	569.703	--	2.326.177	2.862.047	539.338	445.553	28.419	--	6.771.237
Residents Abroad	54.818	--	12.556	7.485	369	455	87	--	75.770
Public Sector Deposits	**59.892**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**59.892**
Commercial Deposits	**329.418**	**--**	**169.359**	**558.319**	**4.516**	**964**	**1.664**	**--**	**1.064.240**
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	**1.280.739**	**--**	**5.948.100**	**4.968.014**	**599.960**	**628.358**	**140.517**	**--**	**13.565.688**

II. Explanations and disclosures related to consolidated liabilities (continued)

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	2.701.076	2.739.691	3.100.236	2.736.619
Foreign Currency Saving Deposits	1.554.183	1.025.106	5.118.091	4.415.973
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
Total	4.255.259	3.764.797	8.218.517	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	11.366	23.907
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	43.256	21.646
Saving Deposits in Banks Established in Turkey Exclusively for Off	--	--
Shore Banking Activities	--	--

2. Information on derivative financial liabilities held for trading

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	100.750	--	65.341	--
Swap Transactions	767.895	--	386.379	--
Futures Transactions	--	--	--	--
Options	228.455	10.392	195.948	27.093
Other	--	--	--	--
Total	**1.097.100**	**10.392**	**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	20.370	180.458	16.773	391.415
From Foreign Banks, Institutions and Funds	--	954.314	--	451.193
Total	**20.370**	**1.134.772**	**16.773**	**842.608**

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3.2 Maturity analysis of borrowing

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	20.370	98.963	16.773	112.037
Medium and Long Term	--	1.035.809	--	730.571
Total	**20.370**	**1.134.772**	**16.773**	**842.608**

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

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

4. Information related with issued instruments

Current Period	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	1.443.590
Book Value	--	--	--	1.480.900

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

5. Other Liabilities

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

6. Obligations under financial lease

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	50.854	37.604	31.985	37.899
Between 1-4 Years	33.330	15.470	54.263	29.917
More than 4 Years	2.774	556	3.429	820
Total	**86.958**	**53.630**	**89.677**	**68.636**

6.1 Additional explanations related to the changes in agreements and the additional liabilities brought by these changes

None

7. Information on derivative financial liabilities for hedging purposes

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

8. Information on provisions

8.1 Foreign exchange losses on the foreign currency indexed loans

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

II. Explanations and disclosures related to liabilities (continued)

8.2 The specific provisions provided for unindemnified non cash loans

As of 31 December 2020, the specific provision provided for unindemnified non cash loans is TL 4.566 (31 December 2019: TL 11.449).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	151.000	44.500

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

None.

8.3.3 Explanations on reserves for employee benefits

As of 31 December 2020, reserves for employee benefits amounting to TL 37.613 (31 December 2019: TL 29.953) comprise of TL 19.874 reserve for employee termination benefits (31 December 2019: TL 15.083), TL 6.193 unused vacation pay liability (31 December 2019: TL 4.965) and TL 11.546 personnel bonus accrual (31 December 2019: TL 9.905).

The table below shows the predicted total net cost from employee termination benefits.

	Current Period	Prior Period
Balance at the Beginning	15.083	11.187
Change in the period	6.891	6.338
Aktuerial Loss/Profit Transferred to Equity	3.763	2.542
Paid in the Period	(5.863)	(4.984)
Balance at the End	**19.874**	**15.083**

9. Explanations on Tax Liability

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 31 December 2020, the Group's current tax liability is TL 187.777 (31 December 2019: TL 41.045)

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	143.871	--
Taxation on securities	13.359	17.703
Property tax	173	357
Banking and Insurance Transaction Tax (BITT)	13.397	10.555
Taxes on foreign exchange transactions	1.433	584
Value added taxes payable	1.715	1.364
Income tax ceased from wages	6.945	4.755
Other	1.004	787
Total	**181.897**	**36.105**

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	2.494	2.089
Social Security Premiums- Employer	2.864	2.415
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	174	146
Unemployment Insurance- Employer	348	290

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9.2 Explanations on deferred tax liabilities

None (31 December 2019: None).

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

None (31 December 2019: None).

11. Explanations on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments subject to common equity	100.000	220.276	100.000	178.263
Subordinated loans	--	--	--	--
Subordinated debt instruments(*)	100.000	220.276	100.000	178.263
Debt instruments subject to Tier 2 equity	--	1.907.323	--	1.610.755
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	1.907.323	--	1.610.755
Total	**100.000**	**2.127.599**	**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 Group'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 Group's equity:***

None.

12.7 Information on privileges given to stocks representing the capital

The Group does not have any preferred shares.

II. Explanations and disclosures related to liabilities (continued)

12.8 Common stock issue premiums, shares and equity instruments

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

	Current Period	Prior Period
Number of Shares (Thousand)	26.230.098	26.230.098
Number of Priviliged 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	3.850	18.413	3.033	12.741
Exchange Difference	--	--	--	--
Total	**3.850**	**18.413**	**3.033**	**12.741**

12.10 Information on other capital reserves

The Parent 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 for 2020.

12.11 Information on revaluation reserve

None.

12.12 Bonus shares of subsidiaries, associates and joint ventures

None.

12.13 Information on legal reserves

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

12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	454.071	252.629
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

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13. Information on minority shares:

	Current Period	Prior Period
Opening Balance	87	58
Minority Shares in Net Profit of Subsidiaries	72	29
Dividend Payment in Prior Period	--	--
Increase /(Decrease) in Minority Shares due to Sale	--	--
Others	--	--
Period-end Balance	**159**	**87**

III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments

1. Information on consolidated off-balance sheet commitments

1.1 Nature and amount of irrevocable loan commitments

	Current Period	Prior Period
Asset Sale and Purchase Commitments	996.421	4.527.252
Credit Card Limit Commitments	27.643	32.901
Credit Card and Bank Trans. Promo. Guarantee	--	1
Commitments for Credit Allocation with the Guarantee of Usage	1.332.248	876.316
Export Commitments	8.878	5.940
Commitment for Cheques	184.090	187.578
Other Irrevocable Commitments	14.927	15.152
Total	**2.564.207**	**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	584.041	432.859
Letters of Guarantee FC	277.530	317.754
Letters of Credit	248.224	168.208
Bills of Exchange and Acceptances	156.767	105.847
Total	**1.266.562**	**1.024.668**

The Bank has set aside TL 9.788 of expected credit loss allowance for non-cash loans (31 December 2019: TL 13.331).

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	18.446	37.188
Irrevocable Letters of Guarantee	728.239	659.784
Letters of Guarantee Given in Advance	66.645	28.699
Letters of Guarantee Given to Customs	14.100	5.423
Other Letters of Guarantee	34.141	19.519
Total	**861.571**	**750.613**

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	--	7.898
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	--	7.898
Other Non-Cash Loans	1.266.562	1.016.770
Total	**1.266.562**	**1.024.668**

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III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments (continued)

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

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	**1.767**	%0,3	**21.193**	%3,2	**2.050**	%0,5	**27.275**	%4,6
Farming and raising livestock	389	%0,1	13.569	%2,1	--	%0,0	--	%0,0
Forestry	1.378	%0,2	7.624	%1,2	2.050	%0,5	27.275	%4,6
Fishing	--	%0,0	--	%0,0	--	%0,0	--	%0,0
Manufacturing	**130.215**	%21,5	**318.836**	%48,3	**28.713**	%6,6	**180.630**	%30,5
Mining	3.237	%0,5	--	%0,0	2.406	%0,6	1.496	%0,3
Production	123.266	%20,3	311.495	%47,2	20.674	%4,8	179.134	%30,3
Electric, gas and water	3.712	%0,6	7.341	%1,1	5.633	%1,3	--	%0,0
Construction	**146.632**	%24,2	**47.920**	%7,3	**86.747**	%20,0	**39.551**	%6,7
Services	**138.531**	%22,8	**203.524**	%30,8	**148.571**	%34,3	**186.821**	%31,6
Wholesale and retail trade	40.268	%6,6	37.854	%5,7	57.757	%13,3	93.435	%15,8
Hotel, food and beverage services	14.783	%2,4	47.561	%7,2	4.312	%1,0	36.930	%6,2
Transportation and telecommunication	20.047	%3,3	28.693	%4,3	15.030	%3,5	9.014	%1,5
Financial Institutions	49.256	%8,1	78.810	%11,9	41.370	%9,6	37.608	%6,4
Real estate and renting services	1.245	%0,2	1.172	%0,2	14.626	%3,4	655	%0,1
Self-employement services	4.013	%0,7	143	%0,0	10.986	%2,5	7.482	%1,3
Education services	2.687	%0,4	--	%0,0	1.687	%0,4	--	%0,0
Health and social services	6.232	%1,0	9.291	%1,4	2.803	%0,6	1.697	%0,3
Other	**189.446**	**%31,2**	**68.498**	**%10,4**	**166.778**	**%38,5**	**157.532**	**%26,6**
Total	**606.591**	%100,0	**659.971**	%100,0	**432.859**	%100,0	**591.809**	%100,0

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

	I. Group		II. Group	
Current Period	**TL**	**FC**	**TL**	**FC**
Letters of Guarantee	545.520	272.645	38.521	4.885
Bills of Exchange and Bank Acceptances	22.550	134.217	--	--
Letters of Credit	--	230.213	--	18.011
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
Non-Cash Loans	**568.070**	**637.075**	**38.521**	**22.896**

	I. Group		II. Group	
Prior Period	**TL**	**FC**	**TL**	**FC**
Letters of Guarantee	406.915	312.347	25.944	5.407
Bills of Exchange and Bank Acceptances	--	105.847	--	--
Letters of Credit	--	168.208	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
Non-Cash Loans	**406.915**	**586.402**	**25.944**	**5.407**

5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	**33.526.782**	**28.917.977**
Forward Transactions	4.022.259	4.459.648
Swap Transactions	23.374.081	18.989.037
Futures Transactions	--	--
Option Transactions	6.130.442	5.469.292
Interest Related Derivative Transactions (II)	**2.899.546**	**644.020**
Forward Rate Transactions	--	--
Interest Rate Swap Transactions	2.899.546	644.020
Interest Option Transactions	--	--
Futures Interest Transactions	--	--
Other Trading Derivative Transactions (III)	420.836	1.157.032
A. Total Derivative Transactions Held for Trading (I+II+III))	**36.847.164**	**30.719.029**
Types of hedging transactions		
Fair Value Hedges	--	2.197.519
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
B. Total Derivative Transactions Held for Hedging Purposes	**--**	**2.197.519**
Total Derivative Transactions (A+B)	**36.847.164**	**32.916.548**

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Explanations on contingent liabilities and assets

The Group provided provision of TL 6.198 for the legal cases pending against the Group where the cash outflows are probable (31 December 2019: TL 2.107).

8. Custodian and intermediary services

The Group 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(*)	**1.500.921**	**501.698**	**1.815.576**	**406.944**
Short Term Loans	692.596	65.373	1.039.354	88.811
Medium and Long Term Loans	808.325	436.325	776.222	318.133
Interest on Non-Performing Loans	15.576	--	9.776	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	**1.516.497**	**501.698**	**1.825.352**	**406.944**

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

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	--	--	5.831	--
Domestic Banks	24.882	53	109.615	375
Foreign Banks	--	229	--	1.414
Branches and Head Office Abroad	--	--	--	--
Total	**24.882**	**282**	**115.446**	**1.789**

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	8.389	131	17.736	67
Financial Assets at Fair Value Through Other Comprehensive Income	549	45.751	903	41.926
Financial Assets Measured at Amortized Cost	15.930	41.645	10.220	18.376
Total	**24.868**	**87.527**	**28.859**	**60.369**

1.4 Information on interest income received from associates and subsidiaries

None (31 December 2019: None).

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	**1.613**	**41.668**	**1.548**	**35.922**
The Central Bank of Turkey	--	--	--	--
Domestic Banks	1.613	23.116	1.548	22.468
Foreign Banks	--	18.552	--	13.454
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	165.407	--	146.966
Total	**1.613**	**207.075**	**1.548**	**182.888**

(*)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 728 (1 January – 31 December 2019: TL 408).

2.3 Information on interest expenses to marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	28.310	110.398	100.699	79.165

2.4 Information on maturity structure of interest expenses paid for deposits

Account Description	Demand Deposits	Time Deposits						Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	Cumulative Deposits	
Turkish Lira								
Bank Deposits	--	7.506	--	--	--	--	--	**7.506**
Saving Deposits	--	388.931	153.898	13.003	6.759	10.055	--	**572.646**
Public Sector Deposits	--	46	80	--	--	--	--	**126**
Commercial Deposits	--	26.697	84.423	1.297	110	183	--	**112.710**
Other	--	270	2.739	470	20	22	--	**3.521**
7 Days Notice	--	--	--	--	--	--	--	**--**
Total	**--**	**423.450**	**241.140**	**14.770**	**6.889**	**10.260**	**--**	**696.509**
Foreign Currency	--	--	--	--	--	--		**--**
Foreign Currency Deposits	--	46.886	50.228	6.699	3.054	2.251	--	**109.118**
Bank Deposits	--	3.011	--	--	--	--	--	**3.011**
7 Days Notice	--	--	--	--	--	--	--	**--**
Precious Metal Deposits	--	1.802	--	--	--	--	--	**1.802**
Total	**--**	**51.699**	**50.228**	**6.699**	**3.054**	**2.251**	**--**	**113.931**
Grand Total	**--**	**475.149**	**291.368**	**21.469**	**9.943**	**12.511**	**--**	**810.440**

3. Information on dividend income

None (31 December 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	**2.420.186**	**1.803.527**
Gains on Capital Market Operations	62.668	66.313
Gains on Derivative Financial Instruments	1.371.297	807.204
Foreign Exchange Gains	986.221	930.010
Loss (-)	**2.272.068**	**1.730.412**
Losses on Capital Market Operations	18.969	3.973
Losses on Derivative Financial Instruments	1.298.946	807.645
Foreign Exchange Losses	954.153	918.794
Net Trading Income / (Loss)	**148.118**	**73.115**

5. Information on other operating income

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

6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	**285.864**	**489.872**
12 Months Expected Credit Losses (Stage 1)	41.832	16.442
Significant Increase In Credit Risk (Stage 2)	126.137	2.902
Impaired Credits (Stage 3)	117.895	470.528
Impairment Losses on Marketable Securities	**--**	**--**
Financial Assets Valued at Fair Value Through Profit or Loss	--	--
Financial Assets Valued at Fair Value Through Other Comprehensive Income	--	--
Impairment Losses on Associates, Subsidiaries and Joint Ventures	**--**	**--**
Associates	--	--
Subsidiaries	--	--
Joint-Ventures	--	--
Other (*)	**110.595**	**98**
Total	**396.459**	**489.970**

(*) TL 106.500 of the total amount is the provision for possible losses (31 December 2019: None).

7. Information related to other operational expenses

	Current Period	Prior Period
Provision for Employee Termination Benefits	1.027	1.354
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	17.762	14.361
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	26.160	12.886
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	--
Impairment of Assets Held for Sale	28.162	27.766
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	140.573	120.856
Operational leases expenses related with TFRS 16 exceptions	818	1.073
Repair and Maintenance Expenses	2.215	3.520
Advertisement Expenses	16.669	13.392
Other Expenses	120.871	102.871
Losses on Sale of Assets	4.060	2.283
Other	109.570	82.596
Total	**327.314**	**262.102**

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

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

The Group's profit/loss before tax is from its continued operations. The Group has no discontinued operations.

	Current Period	Prior Period
Interest Income	2.179.532	2.496.641
Interest Expenses (-)	1.223.484	1.680.573
Net Fee and Commission income	165.054	206.746
Dividend income	--	--
Trading Profit/Loss (Net)	148.118	73.115
Other Operating Income(*)	83.957	171.485
Provision for Impairment in Loans and Other Receivables	285.864	489.872
Other Provision Expenses (-)	110.595	98
Personnel Expenses (-)	303.949	261.476
Other Operating Expenses (-)	327.314	262.102
Profit/(loss) Before Tax	**325.455**	**253.866**

9. Explanations on tax provision for resumed operations and discontinued operations

9.1 Current period taxation income or expense and deferred tax income or expense

As of 31 December 2020, the Group provided current tax expense of TL 226.453 in the statement of profit or loss for the 12 months period (1 January – 31 December 2019: TL 23.601 expense).
As of 31 December 2020, the Group provided the deferred tax expense of TL 101.224 and the deferred tax income of TL 239.277 in the statement of profit or loss for 12 months period (1 January – 31 December 2019: TL 15.309 deferred tax expense).

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

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	325.455	253.866
Tax Benefit/(Charge) on Continuing Operations	(88.400)	(38.910)
Net Profit/(Loss) from Continuing Operations	**237.055**	**214.956**

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 Group 's performance for the period

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

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

11.3 Consolidated profit in current period from minority shares

Consolidated profit in current period from minority shares is TL 72 (1 January – 31 December 2019: TL 29)

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 related to statements of changes in consolidated shareholders' equity

1. Information on inflation adjustment difference of shareholders' equity

As per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005.

In accordance with the circular, TL 17.416 inflation adjustments to paid-in-capital until 31 December 2005 have been transferred to "Other Capital Reserves" account which was formerly recognized in "Inflation Adjustment to Paid-in-Capital" account. Mentioned inflation adjustment was used in the capital increase from TL 426.650 to TL 550.000 together with TL 9.502 profit from the disposal of real estate and TL 96.432 cash contribution of Fiba Holding A.Ş. in accordance with the Board of Directors decision dated 25 February 2013. Legal procedures were completed on 29 May 2013 and capital increase was accounted for in the financial statements.

2. Information on profit distribution

The decision relating to distribution of 2020 profit will be made at the General Assembly.

At the General Assembly meeting held on 27 March 2020, 2019 profit of the Parent Bank was decided to be distributed as follows:

Profit or Loss	**212.044**
A- Legal Reserves	10.602
B- Extraordinary Reserves	201.442

3. Information on foreign exchange difference

None.

4. Information on financial assets at fair value through other comprehensive income

Mark to market gains and losses on financial assets measured at fair value through other comprehensive income are not reflected to profit and loss but recognized in equity under "Securities Valuation Reserve" account until such securities are sold, redeemed, disposed of or impaired; recognised as "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under equity. In case the related assets are securities representing a share in the capital, in the account "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under equity.

VI. Explanations and disclosures related to the consolidated statement of cash flows

1. Information on cash and cash equivalents

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency, money in transfer, purchased bank cheques and deposits in all banks including Central Bank of Turkey are defined as "Cash", interbank money market placements with original maturity less than 3 months and investments on marketable securities are defined as "Cash equivalents".

a. Cash and cash equivalents at the beginning of the period:

	1 January 2020	1 January 2019
Cash	259.794	138.331
Banks and Other Financial Institutions	1.833.199	1.643.619
Money Market Placements	30.010	306.208
Total Cash and Cash Equivalent Assets	**2.123.003**	**2.088.158**

b. Cash and cash equivalents at the end of the period:

	31 December 2020	31 December 2019
Cash	336.603	259.794
Banks and Other Financial Institutions	1.788.538	1.833.199
Money Market Placements	412.231	30.010
Total Cash and Cash Equivalent Assets	**2.537.372**	**2.123.003**

2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons

In the current period, demand deposits of TL 293.142 which is blocked at foreign banks as the guarantee of derivative transactions and required reserves at the Central Bank of Turkish Republic are not included in cash and cash equivalents (31 December 2019: TL 31.976).

3. Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents

"Other items" amounting to TL 87.315 in "operating profit before changes in operating assets and liabilities" consists of other operating expenses and realized derivative losses (31 December 2019: TL (256.217)).

"Net increase/decrease in other liabilities" amounting to TL (2.882) in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2019: TL (26.753)).

"Net increase/decrease in other assets" amounting to TL (9.883) in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2019: TL (101.962)).

"Other" amounting to TL (51.382) in "Net cash flows from investment activities" consists of purchases of intangible asset (31 December 2019: TL (47.682)).

"The effect of exchange rate changes on cash and cash equivalents" is the amount arising from conversion of the cash and cash equivalents denominated in foreign currencies with the average of the exchange rates effective at the beginning and at the end of the related periods and is TL (754.562) the current period (1 January- 31 December 2019: TL (75.065)).

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V. Explanations and disclosures on the risk group of the Parent Bank

1. Information on the volume of transactions with the Group's risk group, lending and deposits outstanding at period end and income and expenses in the current period

1.1 Current period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	20	331.014	61.073
Balance at the End of the Period	--	--	--	20	635.851	70.760
Interest and Commission Income Received	--	--	--	--	36.884	126

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

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

Prior period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	20	402.272	55.468
Balance at the End of the Period	--	--	--	20	331.014	61.073
Interest and Commission Income Received	--	--	--	--	39.078	105

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

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

1.2 Information on deposits of the Bank's risk group

Bankanın Dahil Olduğu Risk Grubu*	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	7.685	1.774	57.840	80.750	231.137	460.871
Balance at the End of the Period	2.544	7.685	18.479	57.840	512.953	231.137
Deposit Interest Expense	728	408	4.778	20.577	20.532	49.554

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

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

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

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

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	741.741	780.609
Balance at the End of the Period	--	--	--	--	1.181.279	741.741
Total Income/Loss	--	--	--	--	578	(37.471)
Transactions for Hedging Purposes:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

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

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

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

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

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

As of 31 December 2020, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 3,38% (31 December 2019: 2,12%) and the ratio of the deposits of entities of risk group to total deposits is 3,02% (31 December 2019: 2,19%). There are no funds obtained from entities of risk group (31 December 2019: None).

In the current period, benefits such as salaries and bonuses; provided to the key management are TL 21.892 (1 January – 31 December 2019: TL 15.964).

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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VIII. Explanations on the Parent Bank's domestic, foreign, off-shore branches or investments in associates and foreign representative offices

1. Information related to the Parent Bank's domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic Branch	50	1.564			
			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-		

Domestic Consolidated Subsidiaries

	Number of Employees	Assets	Legal Capital
Fiba Portföy Yönetimi A.Ş.	14	18.092	5.500

IX. Events after balance sheet date

None.

SECTION SIX

1. Other disclosures on activities of the Parent Bank

Summary information of Parent 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
Viability Rating	5
Support Rating	A- (tur)
Long term National Scale Rating	B+
Senior Unsecured Debt Rating	B-
Subordinated Debt Rating	Negative

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SECTION SEVEN

DISCLOSURES ON AUDIT REPORT

I. Disclosures on audited report

The consolidated financial statements of the Bank and its subsidiary as of 31 December 2020, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (The Turkish member firm of KPMG International Cooperative) and a audit report is presented before the accompanying financial statements.

II. Disclosures and footnotes prepared by independent auditors

None.

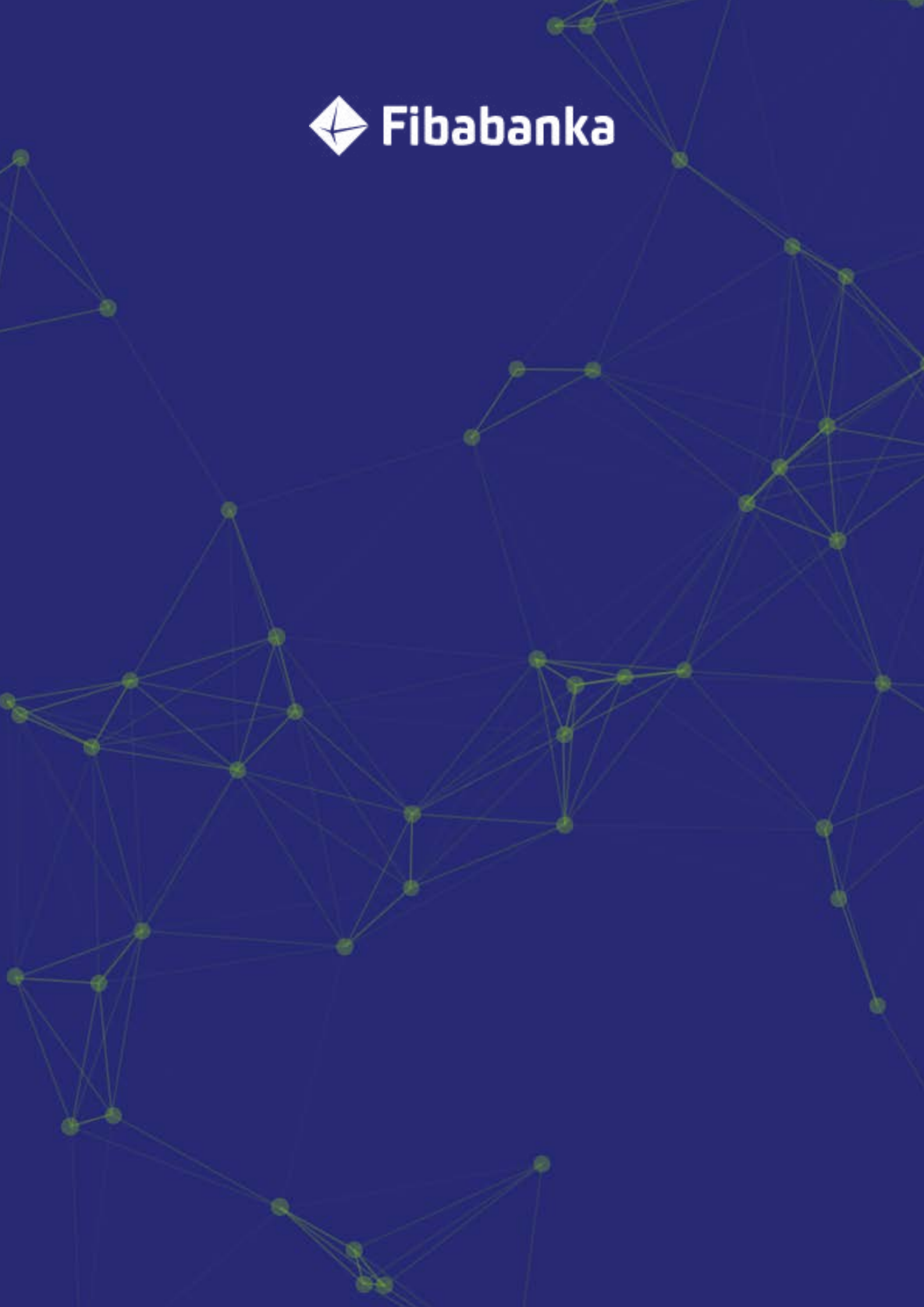
CONTACT AND BRANCHES

No	Branch Code	Branch Name	Province	District	Branch Address	Telephone	Fax
1	62	Adana	Adana	Seyhan	Cemalpaşa Mah. Atatürk Cad. No: 52/A	+90 (322) 459 9711	+90 (322) 459 7993
2	30	Akdeniz	Antalya	Muratpaşa	Mehmetçik Mah. Aspendos Bulvarı No: 81/D	+90 (242) 314 1021	+90 (242) 322 2493
3	78	Aksu	Antalya	Aksu	Macun Mah. İsmail Ogan Cad. No: 3-1/10	+90 (242) 426 36 60	+90 (242) 426 36 61
4	34	Alanya	Antalya	Alanya	Saray Mah. Yunusemre Cad. No: 52/A	+90 (242) 511 5050	+90 (242) 511 6995
5	79	Altıyol	Istanbul	Kadıköy	Osmanağa Mah. Söğütlüçeşme Cad. No: 79 Altıyol	+90 (216) 450 56 96	+90 (216) 450 56 97
6	87	Ankara Kurumsal	Çankaya	Ankara	Koç Kuleleri Söğütözü Mah. Söğütözü Cad. No: 2 A Blok K:27 Ofis No: 78-79	+90 (312) 284 47 72	+90 (312) 287 64 41
7	94	Atatürk OSB	Istanbul	Başakşehir	İkitelli OSB Şubesi Atatürk Bulvarı Haseyad 1. Kısım Göksu İş Merkezi No: 56/D	+90 (212) 549 65 98	+90 (212) 549 3284
8	42	Bakırköy	Istanbul	Bakırköy	İncirli Cad. Aydın İşhanı No: 90	+90 (212) 571 1701	+90 (212) 571 1715
9	70	Balgat	Ankara	Çankaya	Oğuzlar Mah. Ceyhun Atuf Kansu Cad. No: 50/A Balgat	+90 (312) 220 16 77	+90 (312) 220 1678
10	14	Beşiktaş Çarşı	Istanbul	Beşiktaş	Barbaros Bulvarı No: 23/A	+90 (212) 363 8202	+90 (212) 299 3602
11	85	Beylikdüzü	Büyükçekmece	Istanbul	Cumhuriyet Mah. D100 Karayolu Cad. No: 374/26-27	+90 (212) 873 68 85	+90 (212) 872 9887
12	40	Bodrum	Muğla	Bodrum	Hasan Reşat Öncü Cad. No: 20	+90 (252) 313 1680	+90 (252) 313 1690
13	58	Bornova	İzmir	Bornova	Kazım Dirik Mah. Mustafa Kemal Cad. No: 117/a	+90 (232) 343 3304	+90 (232) 343 6662
14	18	Caddebostan	Istanbul	Kadıköy	Bağdat Cad. No: 300/A Caddebostan	+90 (216) 569 7120	+90 (216) 372 6934
15	67	Çallı	Antalya	Kepez	Ulus Mah. Namık Kemal Bulvarı No: 6/5 Çetin İş Merkezi Kepez	+90 (242) 344 5420	+90 (242) 344 5421
16	63	Çorlu	Tekirdağ	Çorlu	Cemaliye Mah. Eski Hükümet Cad. No: 6/2B	+90 (282) 653 7020	+90 (282) 652 1969
17	47	Denizli	Denizli	Merkezefendi	Saraylar Mah. Enverpaşa Cad. No: 15	+90 (258) 264 4421	+90 (258) 264 4402
18	66	Düzce	Düzce	Merkez	Kültür Mah. İstanbul Cad. No: 104	+90 (380) 524 5955	+90 (380) 514 9661
19	21	Eminönü	Istanbul	Fatih	Hobyar Mah. Ankara Cad. No: 39	+90 (212) 455 8112	+90 (212) 526 2030
20	86	Eskişehir	Odunpazarı	Eskişehir	İstiklal Mah. Şair Fuzuli Cad. No: 12/A	+90 (222) 220 85 81	+90 (222) 220 03 54
21	23	Etiler	Istanbul	Beşiktaş	Nispetiye Cad. No: 77 Etiler	+90 (212) 359 8203	+90 (212) 257 2059
22	39	Gaziantep	Gaziantep	Şehitkamil	İncilipınar Mah. Prof. Muammer Aksoy Cad. No: 19	+90 (342) 215 16 88	+90 (342) 215 1678
23	41	Gebze	Kocaeli	Gebze	Hacı Halil Mah. Atatürk Cad. No: 55/1 A Blok	+90 (262) 643 10 53	+90 (262) 643 1072
24	44	İmes	Istanbul	Ümraniye	İmes Sanayi Sitesi B Blok 202. Sokak No: 4	+90 (216) 527 9750	+90 (216) 527 9791
25	15	İzmir	İzmir	Konak	Cumhuriyet Meydanı, Meydan Apt. No: 11/B Alsancak	+90 (232) 466 0124	+90 (232) 422 4924

CONTACT AND BRANCHES

No	Branch Code	Branch Name	Province	District	Branch Address	Telephone	Fax
26	82	İzmit	Kocaeli	İzmit	Hürriyet Cad. No: 169 41040 İzmit-Kocaeli	+90 (262) 324 03 31	+90 (262) 324 03 32
27	20	Kalamış	Istanbul	Kadıköy	Fenerbahçe Mah. Ahmet Mithat Efendi Cad. No: 13	+90 (216) 477 7250	+90 (216) 369 1489
28	61	Karşıyaka	İzmir	Karşıyaka	Bostanlı Mah. Girne Bulvarı No: 63/A Karşıyaka İzmir	+90 (232) 368 7085	+90 (232) 368 7021
29	77	Kayseri Çarşı	Kayseri	Melikgazi	Cumhuriyet Mah. Millet Cad. No: 22	+90 (352) 231 30 00	+90 (352) 231 30 12
30	54	Konya Büsan	Konya	Karatay	Fevzi Çakmak Mah. Kosgeb Cad. No: 3-A	+90 (332) 345 0230	+90 (332) 345 0991
31	25	Kozyatağı	Istanbul	Kadıköy	Sahtayıcedit Mah. Atatürk Cad. No: 36/A Kozyatağı	+90 (216) 477 7132	+90 (216) 369 1136
32	45	Maltepe	Istanbul	Maltepe	Cevizli Mah. Bağdat Cad. No: 444/A	+90 (216) 457 3369	+90 (216) 457 3370
33	31	Merkez	Istanbul	Şişli	Esentepe Mah. Büyükdere Cad. No: 129 A	+90 (212) 381 8555	+90 (212) 227 2452
34	48	Mersin	Mersin	Akdeniz	Uray Cad. No: 17 Şıhman İş Merkezi	+90 (324) 233 1149	+90 (324) 233 6932
35	59	Muratpaşa	Antalya	Muratpaşa	Muratpaşa Mah. Adnan Menderes Bulvarı No: 9 Muratpaşa	+90 (242) 229 1024	+90 (242) 229 1028
36	29	Necatibey	Ankara	Çankaya	Necatibey Cad. No: 23/A Kızılay	+90 (312) 205 1083	+90 (312) 229 6790
37	76	Nilüfer	Bursa	Nilüfer	Üçevler Mah. Ersan Sk. No: 7/B	+90 (224) 441 44 08	+90 (224) 441 44 28
38	22	Nişantaşı	Istanbul	Şişli	Harbiye Mah. Teşvikiye Cad. No: 49/B	+90 (212) 368 8158	+90 (212) 219 6617
39	37	Ostim	Ankara	Yenimahalle	Organize Sanayi Bölgesi, 100. Yıl Bulvarı No: 17	+90 (312) 386 0401	+90 (312) 386 0462
40	32	Özyeğin Ün.	Istanbul	Çekmeköy	Nişantepe Mah. Orman Sk. No: 28/30 Öğrenci Merkezi	+90 (216) 525 5000	+90 (216) 525 5001
41	36	Pendik	Istanbul	Pendik	Çınardere Mah. Gönenli Mehmet Efendi Cad. No: 83/1 Pendik	+90 (216) 598 1525	+90 (216) 598 1585
42	83	Salihli	Manisa	Salihli	Atatürk Mah. Belediye Cad. No: 89 /A	+90 (236) 713 49 09	+90 (236) 713 89 59
43	60	Sincan	Ankara	Sincan	Atatürk Mah. Meltem Sk. No: 43/B	+90 (312) 348 28 44	+90 (312) 348 28 30
44	92	Söke	Söke	Aydın	Konak Mah. Cumhuriyet Meydanı No: 4	+90 (256) 518 89 83	+90 (256) 518 65 34
45	24	Şişli	Istanbul	Şişli	Halaskargazi Cad. No: 207	+90 (212) 368 8122	+90 (212) 219 4254
46	75	Topkapı	Istanbul	Zeytinburnu	Maltepe Mah. Teyyareci Sami Sk. Beyaz Residans Sitesi C Blok No: 2/I	+90 (212) 638 91 61	+90 (212) 638 91 68
47	55	Ümraniye	Istanbul	Ümraniye	Alemdağ Cad. No: 372/1	+90 (216) 481 9101	+90 (216) 481 9103
48	53	Üsküdar	Istanbul	Üsküdar	Aziz Mahmut Hüdayi Mah. Halk Cad. No: 4-6A	+90 (216) 532 3307	+90 (216) 532 3475
49	12	Yeşilköy	Istanbul	Bakırköy	İstasyon Cad. No: 23/B Yeşilköy	+90 (212) 468 8480	+90 (212) 662 9457
50	26	Yıldız	Ankara	Çankaya	Hilal Mah. Hollanda Cad. No: 3/A	+90 (312) 405 8003	+90 (312) 442 2493

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