

odeabank

Annual Report 2023



Center of investment
for the future

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Since the day we were established, our commitment has been focused on the planet, humanity, society, and innovation through delivering impactful services, projects, and investments. In 2023, we launched Odea App, embodying our completely revamped and enhanced corporate identity from end to end. Besides, we delivered profound message to our customers, “You are at the center of investment.” While providing our customers with the best digital experience through Odea App, we have also focused on investment, bringing various investment-related content to our clients.

At Odeabank, we consistently monitor industry dynamics, aligning our strategies with the latest developments. Through our innovative product offerings, we are dedicated to continually differentiating ourselves and making a substantial impact in the banking sector of our nation.

Center of development

By closely following rapidly changing and developing technologies around the world, we offer practical solutions for customers to perform their transactions faster and easier. Through our “Phygital Banking” approach, we reinforce quality and service efficiency. With our new investment-oriented application, we enable customers to utilize their savings.



180%

Increase in
transaction volume
on mobile app

Center of **transformation**

We have started offering investment-focused banking to our customers through Odea App, launched in 2023. As we persist in our digital investments and stay abreast of the latest technological developments, our commitment remains to elevate service efficiency, customer experience, and satisfaction to the highest standards.

A woman with long dark hair, wearing a bright yellow jacket over a light-colored top, is smiling and looking down at a dark blue smartphone she is holding with both hands. She is standing outdoors in front of a modern building with large glass windows and a metal railing. The background is slightly blurred, showing other parts of the building and some greenery. The overall scene is bright and positive, suggesting a successful digital banking experience.

5.5

times more

Customers benefiting
from phygital banking

Center of **responsibility**

As a bank that places sustainable future at its core, we have initiated a new project in collaboration with the TEMA Foundation in 2023. Through our digital channels, we have donated a sapling on behalf of each Odeabank customer to the TEMA Foundation. Within the scope of our project, we established a memorial forest in the Malatya Aşağılupınar Afforestation Area, featuring 10,000 trees. Odeabank remains dedicated to ongoing efforts that leave positive impacts on our planet.

10 thousand
Saplings

Center of **innovation**

We launched Odea Radio, Türkiye's first and only bank digital radio broadcasting 24 hours per day. The first broadcast, dedicated to the 100th anniversary of our Republic, was the podcast 100 Years of the Republic with İlber Ortaylı and took place on October 29. We will continue to mix the rhythm of music with our investment-focused content.

October 29

Odea Radio's first
broadcast date

Center of art

To support digital art and emerging media artists, we conducted trainings and artistic activities in three categories through O'art, our art platform: Masterclass Program, New Media Guest Artist Program, and O'art Talks. In celebration of our organization's 10th anniversary, we provided creating artworks support to 10 promising artists. Additionally, to commemorate a decade of our bank, we curated an exclusive exhibition titled "Onunla" featuring works from 10 artists who have worked with O'art.



Creating artworks
support to

10
artists

Center of equality

To emphasize gender equality in all aspects of life, we continued our highly acclaimed “Fair Tales” project this year. We successfully distributed 1 million “Fair Tales” books to over 1,200 schools. Additionally, we continued to bring our adapted theater play, which also incorporates nature and environmental themes, to children as part of our project.



11 thousand

Fair Tales audience
in 2023

Chair's Message

In 2023, we are backing up our dynamic evolution with additional investments in the realms of artificial intelligence and digital trends development.

TL 84 billion
Total assets

We continue to pursue our medium-term goal of becoming Türkiye's leading "phygital" bank by closely monitoring and adopting sensitive developments in banking and finance in the digital world.

Dear Shareholders,

The year 2023 began with the earthquake disaster in February, deeply affecting all of us. Following the earthquakes, we, as Odeabank, mobilized all our resources to support the victims of this disaster among which some of our customers and employees and their families in the affected areas. Our greatest wish is that risks associated with similar natural disasters are better understood allowing to significantly reduce the losses in future occurrences.

The year 2023 has been marked by global inflation and geopolitical risks affecting financial markets. Central banks of countries have cautiously continued to implement tight monetary policies to fight inflation, and programs that support households and economic sectors with the aim of mitigating the effects of the recession.

Marking the 100th anniversary of the Republic of Türkiye, Odeabank continued in 2023 as in every year since its establishment to create value for the country. In addition to our responsibilities in the banking sector, we have continued our activities to support the community in the fields of sustainability, environment, and social issues. We see creating value for the country not only as generating income within the scope of our activities but also as implementing activities that support issues such as gender equality, financial literacy, sustainability, and women's empowerment.

In a period where we are witnessing the reflections of the steps taken by the economic administration in Türkiye to combat inflation and ensure financial stability, we, as Odeabank, continue to operate with sustainable profitability by adapting to ongoing regulations with our agile structure.

Our key priority continues to focus on reinforcing the financial standing of Odeabank through adequate liquidity and asset quality while protecting our capital and improving efficiency. Significant importance is also placed on governance and compliance matters in support of a solid operational structure.

As we completed a decade of Odeabank in 2023, we are backing up our dynamic evolution with additional investments in the realms of artificial intelligence and digital trends development, while retaining customer-oriented initiatives central to our path. Within that scope, we continue to pursue our medium-term goal of becoming Türkiye's leading "phygital" bank by closely monitoring and adopting sensitive developments in banking and finance in the digital world.

We move forward with determination and perseverance on the path we have taken, trusting in our ability to adapt and achieve the best possible results, regardless of the conditions.

As I conclude my message on behalf of the Board of Directors, I extend my thanks to all our stakeholders, especially our business partners, customers, and employees, for their support and contributions.

Sincerely,

TAMER GHAZALEH

Odea Bank A.Ş. Chair of the Board of Directors
Deputy Group CEO of Bank Audi SAL



CEO's Message

We created our Odea application with new investment-oriented features, changing the user experience, and made our long-awaited smart investment advisor Rob'O available to customers.

TL 58.2 billion
Deposits

TL 36 billion
Loans

Dear Shareholders,

Early in 2023, in February, an earthquake took place in Kahramanmaraş. Felt across 10 provinces in total, this disaster had a profound impact: as a country, we lost many of our people and the wounds of our nation are still healing. Following these earthquakes in Kahramanmaraş and Hatay, through our coordination and action team formed at the headquarters, we focused on providing material and spiritual support to address the needs in the region. I would like to share with you that our donations of two settlements to the "Purple Spaces" in the İskenderun and Malatya regions, with the collaboration of the Federation of Women's Associations of Türkiye, will continue until June 2024.

But also in 2023, we proudly celebrated the 100th anniversary of the Republic, one of the most important milestones in the history of the Republic of Türkiye, as well as the 10th anniversary of Odeabank.

The modern vision of our great leader Mustafa Kemal Atatürk, to lead our country to a bright future, continues to inspire us and is reflected in all our activities, from our steps for the economy to our social benefit projects.

In 2023, the impacts of ongoing inflation were still evident worldwide, despite signs of improvement. In 2023, we saw an increase in global geopolitical risks, and tensions between countries escalated. Many central banks continued tight monetary policies to combat inflation, while governments continue to implement fiscal incentives aimed at supporting households and companies. In the period ahead, the factors expected to impact countries' growth performances include geopolitical problems, possible fluctuations in the energy and food markets, developments in global supply chains, product and market diversification in the trade of goods and services, and the size and duration of decisions on financial tightening.

Although domestic markets are also inevitably affected by the global climate, in May, Türkiye's domestic market focused on the election and changes in the economic administration. The results of the steps taken by the new economic administration towards liraization and simplification have begun to be observed. These policies also impacted bank balance sheets. The sector's exit from FX-protected deposits changed the deposit structure, while the new economic policies led to a slowdown in corporate and retail loan demand. Despite such challenging conditions, in 2023, the banking sector had a positive year in terms of balance sheet, once again demonstrating its resilience by successfully managing risks through a strong financial structure.

While global and domestic economic and political projections remain as I stated, Odeabank showed strong financial results in 2023. Our net loans reached TL 34.5 billion and our deposits reached TL 58.2 billion. With these results, while our gross loan-to-deposit ratio equaled 64%, Odeabank maintained a robust balance sheet structure capable of funding itself. In line with our long-term goals, we continue to practice financial inclusion and diversification. Giving weight to asset quality, we announced our non-performing loan ratio as 4.2%. While our pre-provision and pre-tax profit stood at TL 3.5 billion, due to our effective asset management and strong equity structure, our Tier 1 capital adequacy ratio and capital adequacy ratio stood above the industry average, at 10.3% and 20.8% respectively.



CEO's Message

Our Odea Mobile Application received awards from the two most prestigious design competitions, Red Dot and A'Design.

10.3%

Tier 1 capital ratio

20.8%

Capital adequacy ratio

In step with global change that gains momentum with each year, Odeabank is not merely a financial institution, but an organization that shapes its vision and mission in accordance with the times and the agenda.

To better understand the needs of our customers and improve ourselves in the evolving digital world, we renewed our vision "To be the premier 'phygital' bank of Türkiye, offering the best digital experience with physical authenticity." One of the most important developments at the Bank was the implementation of our new investment-oriented application. Within the scope of our strategy to reflect the innovative identity of our Bank, we created our Odea application with new investment-oriented features, changing the user experience, and made our long-awaited smart investment advisor Rob'O available to customers. An exemplary product of the information age, Rob'O, Rob'O, our smart investment advisor powered by artificial intelligence, enables our customers to easily manage their investments.

In addition, our activities in 2023 won various awards. Our Odea Mobile Application received awards from the two most prestigious design competitions, Red Dot and A'Design. Our Contact Center Team, which continues to improve the Bank's service areas in terms of customer satisfaction by implementing worthy projects to provide the best customer experience, won The Stevie® Awards and the PSM Awards. As well, the Bank ranked 50th in Capital Magazine's "Female Manager Friendly 100 Companies" Competition, and Sinan Erdem Özer, our Assistant General Manager responsible for Technology and Operations, was included in the 2022-C-Suite Series 50 CTO List of Fortune Türkiye. We also won awards in three categories at the Brandon Hall Group Excellence Awards, considered one of the most prestigious awards in Human Resources.

At Odeabank, we continued to implement social benefit projects and invest in culture and art. Our theater play, Fair Tales, which aims to raise awareness for gender equality, nature and the environment among children, continued performances in the new season. In 2023, we again took part in the İKSV Istanbul Theater Festival with the theme of "There Is a Woman Behind This!" and sponsored the Bergama Theater Festival. We maintained our support to digital artists via our art platform, O'art.

I would like to mention another notable initiative. In the last quarter of 2023, to offer investment-focused content to a wider audience, we founded Odea Radio, Türkiye's first and only 24-hour bank radio station. On October 29, Odea Radio launched. Its first broadcast was the 12-part podcast, 100 Years of the Republic with İlber Ortaylı, Odeabank's special project for the 100th anniversary of the Republic.

In 2024, Odea Radio will continue to produce practical and useful investment-related content.

As a bank that facilitates life in our areas of expertise, we focus on providing authentic, simple and rapid services, and contributing to the sustainable public welfare. We will continue working with all our strength to contribute to the economic development of our country.

As the young, dynamic, and innovative bank of Türkiye, I thank all my colleagues for their dedication and professionalism, our partners for their continuous support and, most important, our customers, whose trust in Odeabank makes us stronger.

Sincerely,

Dr. Mert ÖNCÜ
CEO and Board Member

As a bank that facilitates life in our areas of expertise, we focus on providing authentic, simple and rapid services, and contributing to the sustainable public welfare. We will continue working with all our strength to contribute to the economic development of our country.

Odeabank in Brief

Odeabank made a point of taking steps that will carry its customers, shareholders and our country forward with its customer-focus strategy.



Odeabank is the Turkish subsidiary of the Bank Audi Group - one of the leading banks of the Middle East and the strongest financial institution of Lebanon.

Odeabank was founded in 2012 as the first bank to have received a license from scratch after 15 years in the Turkish banking sector. Entering as the 49th player in the Turkish banking sector, the Bank now ranks among the top ten banks in asset size, having achieved eleven times increase in asset size in just four years.

Operating with 41 branches and a total of 1,284 employees across the country, Odeabank made a point of taking steps that will carry its customers, shareholders and our country forward with its customer-focus strategy. The Bank conducts commercial and retail banking operations.

As in the previous 10 years, it will continue to make contributions to the national economy by strengthening its value and position in the sector every year with its strong capital structure and expert staff in the upcoming period.

With an asset size of TL 83.7 billion as of December 31, 2023, the Bank has become one of the most innovative and competitive banks in Türkiye in a short time thanks to its successful strategy. Through customer and service-oriented activities, Odeabank has increased its customers steadily, while maintaining development efforts and innovations for digital banking channels to address customer needs swiftly, easily and smoothly.

In line with its new business strategies, Odeabank focuses on serving the value-added export and production sectors and companies with a broad product range, and looks confidently to the coming period, ready to meet changing conditions with its high liquidity and strong capital structure.

As Türkiye's young, dynamic, and innovative bank, Odeabank believes in the future and the high potential of Türkiye, and thus will continue to improve its business model and work to provide all stakeholders with further added value.

41
Branches

1,284
Employees

Capital and Shareholding Structure

Shareholders	Number of Shares	Share Price (TL)	Shareholding Ratio
Bank Audi S.A.L	2,513,293,000	2,513,293,000	76.42%
European Bank for Reconstruction and Development	263,394,000	263,394,000	8.01%
International Finance Corporation	209,251,900	209,251,900	6.36%
H.H Sheikh Dheyab Binzayed Binsultan Al-Nahyan	131,697,000	131,697,000	4.00%
IFC FIG Investment Company S.a.r.l	112,674,100	112,674,100	3.43%
Mr. Mohammad Hassan Zeidan	58,532,000	58,532,000	1.78%
TOTAL	3,288,842,000	3,288,842,000	100.00%

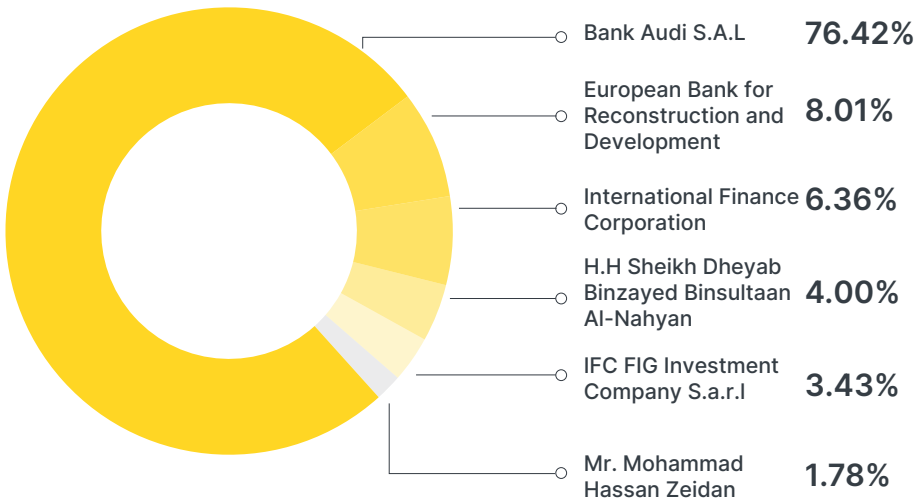
Neither Board Members nor senior managers are the Bank's shareholders.

Articles of Association

The above-mentioned shareholding structure has been reflected in Article 7 of the Bank's Articles of Association in accordance with the Banking Regulation and Supervision Agency of Türkiye resolution dated March 7, 2018, and numbered E-3272, approving the relevant amendment in Article 7 to the Bank's Articles of Association.

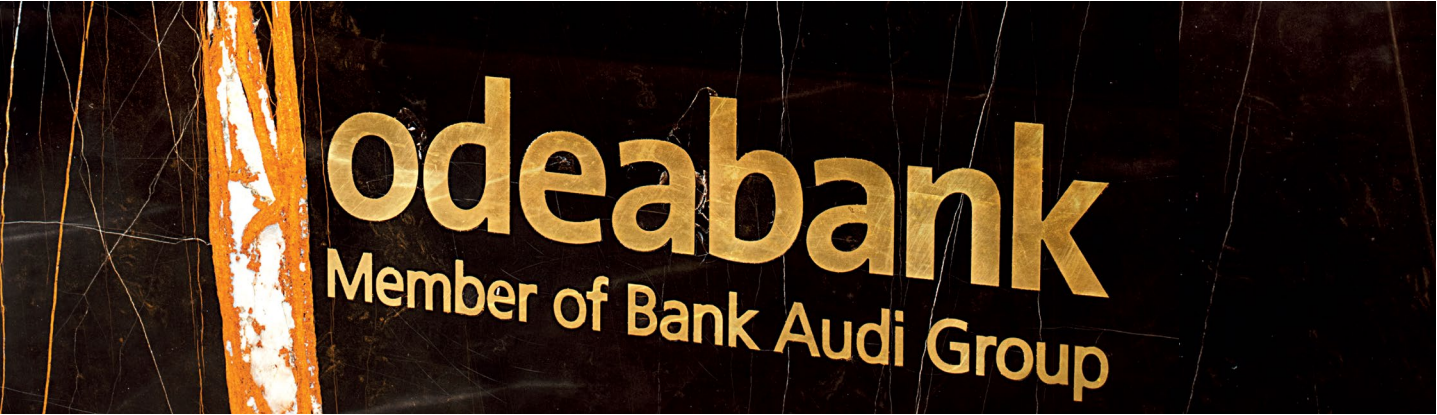
Branch Network and Personnel Information

Headquartered in Istanbul, the Bank has 41 branches and 1,284 employees in Türkiye as of December 31, 2023. The Bank has been authorized and organized to engage in commercial and retail banking activities within the framework of the Banking Law Article 4. The Bank does not have any direct subsidiaries operating in the financial sector..



About Bank Audi Group

Bank Audi is a leading Lebanese banking group with a universal banking profile.



Bank Audi is a leading Lebanese banking group with a universal banking profile. Based on a diversified universal model, it operates principally in Lebanon with footprints in the Middle East and North Africa (MENA) region, in Europe and in Türkiye. The Bank offers universal financial products and services including Corporate, Commercial, Retail and Personal, and Private Banking services in addition to other ancillary services. As of end-September 2023, based on unaudited financial statements, Bank Audi's consolidated assets reached USD 18.0 billion, principally driven by private customers' deposits of USD 15.2 billion, with shareholders' equity at USD 1.2 billion.

Today, Bank Audi Group boasts one of the largest branch networks in Lebanon, covering the Greater Beirut area and other strategic regions in Lebanon. The Bank has also two principal subsidiaries in the MENA region outside Lebanon, two principal subsidiaries in Europe and one in Türkiye.

Founded in 1830, Bank Audi Group was incorporated in its present form in 1962 as a private joint stock company with limited liability (société anonyme libanaise) for a period of 99 years.

The initial shareholders of the Bank were members of the Audi family, together with Kuwaiti investors. Since 1983, the shareholder base has expanded and, today, the Group's shareholder base encompasses more than 1,500 holders of common shares and/ or holders of Global Depositary Receipts (GDR), which represent common shares. The Bank's common shares including its GDRs are listed on the Beirut Stock Exchange.

Turkish Economy and Turkish Banking Sector in 2023

The stable road map implemented by the economic management has become a strong factor in the global fight against inflation.



Turkish Economy

The Russia-Ukraine war, which started in February 2022, still poses a threat, with serious damage to the global economy persisting due to casualties, migration issues, and food and energy prices. This situation highlights geopolitical problems among the risks to the global economy. However, despite the pandemic and the war, incentives and macroprudential policies have been effective in helping the global economy recover sooner than expected, as have various other measures. Disruptions in supply chains have largely improved, and freight costs and lead times are approaching pre-pandemic levels, although ongoing geopolitical tensions and trade protectionism trends have complicated international economic relations.

Despite the tightening in financial conditions and problems becoming chronic, global economic activity maintained its moderate outlook in the first half of 2023. In this period, the positive divergence in the services sector was noteworthy, especially in developed economies. This was mainly driven by the improvements in services sectors as social mobility returned to its pre-pandemic level. On the other hand, the restrictive impacts of monetary policies on the manufacturing industry have become more evident in developed economies. Inflation, which recently emerged as the most important economic issue on a global scale, is declining in developed and developing economies due to commodity prices, particularly energy prices, but remains relatively high.

5.9%

Turkish economy growth rate in the third quarter of 2023

In 2022, the Turkish economy demonstrated its resilience against adverse global events and achieved an uninterrupted growth of 13 years, registering a 5.5% growth rate. Factors such as the Russia-Ukraine war, disruptions in supply chains, and increases in global energy and food prices led to a deterioration in expectations, with a corresponding negative impact on the national economy through the current account deficit and inflation. However, the impacts of the war on the Turkish economy were mitigated thanks to Türkiye's importance as an alternative production and supply center in the post-pandemic period, as well as effective diplomacy. Moreover, with policies and measures supporting growth, the Turkish economy maintained its vitality and achieved 5.5% growth in 2022, above the average growth rate of OECD countries, providing a positive divergence from other member countries.

The growth performance observed in 2022 continued moderately in the first half of 2023, and the Turkish economy grew by 3.9% and 3.8%, respectively, in the first and second quarters. The announced third-quarter growth rate was 5.9%, indicating that the contractionary impact of the Kahramanmaraş and Hatay earthquakes – which affected a large geographical area, leaving economic damage and a loss of morale – on economic activity has been largely recompensed. In the second half of 2023, the Turkish economy is expected to grow closer to the MTP target throughout the year on the back of measures to stabilize domestic demand and boost exports, as well as the continued buoyant outlook in tourism.

In the January-August period of 2023, the increase in CPI continued to have an impact on the national economy. This increase was driven by the impacts of exchange rate developments, especially in core goods prices, the rigidity in service inflation, and the outlook for food prices above historical averages, as well as tax adjustments, cost pressures, and an inertia effect strengthened by the deterioration in inflation expectations. On the other hand, a number of foreign trade measures have been taken in the fight against inflation, including subsidies on energy prices, particularly for natural gas, and the price ceiling application on rent increases. In the second half of the year, the CBRT's consistent policy rate hikes, aligned with the fight against inflation, resonated with the markets; consequently, the stable road map implemented by the economic management has become a strong factor in the global fight against inflation.

The year 2023 started with news of the earthquake in Türkiye – a disaster that impacted the entire nation – and proceeded with developments such as the country's May elections, global efforts to curb inflation, and the change in economic management. In 2023, the national economy achieved sustainable growth despite numerous

global and national challenges. While sustaining a stable growth environment aimed at maintaining domestic and external balance, the objective was to enhance welfare within the fight against inflation. During this period, in addition to structural transformations, a tight monetary stance and fiscal discipline were the primary macroeconomic policy instruments. The 2024 targets include consolidating the environment of confidence and stability by strengthening the fight against inflation, creating a healthy business environment for productive investments that will increase employment, and improving the technology composition of production and exports with a focus on green and digital transformation.

In the period ahead, geopolitical problems and possible fluctuations in energy and food markets will continue to have an impact on countries' growth performances in global terms, as will developments in global supply chains, product and market diversification in the trade of goods and services, and the size and duration of decisions on financial tightening. In 2024, it is expected that the Turkish economy will also be shaped under the existing local measures depending on the global course.



Turkish Economy and Turkish Banking Sector in 2023

In 2023, a number of regulations were adopted to support the real sector, along with banks and bank customers.

Turkish Banking Sector

In 2023, with high levels of uncertainties in international markets, geopolitical risk factors, and risks such as inflation, a number of regulations were adopted to support the real sector, along with banks and bank customers.

Risks related to the industry include the Russia-Ukraine war and the Israel-Hamas conflict in the Middle East, as well as risks in the global economy, funding costs, and sectoral asset quality. Countries with financial strength and banks with good capital adequacy ratios are expected to be less impacted by these risks; therefore, it is important that the capital structure of the sector is strong.

The banking sector maintains its strong outlook in terms of capital adequacy. Following the change in January 2023 to increase the foreign exchange buying rates used in the Capital Adequacy Ratio (CAR) calculation, CAR ratios declined; the CAR, which stood at 19.5% in December 2022, fell to 17% in January after the change took effect, but gained some traction, rising to 18.7% in July due to the sector's strong profitability and the capital support provided to public banks.

The FX-Protected Deposits (KKM) scheme, announced in December 2021, had driven increased demand for the Turkish lira in the banking sector. Interest in the KKM scheme grew during the first half of the year, due to the removal of the interest rate ceiling for KKM accounts.

TL 23.5 trillion
Banking sector's
asset size

TL 604 billion
Banking sector's net
profit

In August, changes were made to the securities establishment and required reserve liabilities in order to encourage TL deposits outside the KKM: the practice of establishing securities and required reserve based on the share of TL deposits was discontinued; the target for conversion from FX deposits to KKM was abolished; and measures were announced to incentivize switching from KKM accounts to TL deposits.

In April 2022, a targeted credit policy for commercial loans was introduced to provide low-interest loans to specific sectors to boost productivity in the economy. As of June 2023, gradual interest rate hikes and simplification steps in macroprudential policies were introduced as part of monetary policy tightening. In this simplification process, banks' required reserve and security establishment liabilities that boosted TL deposits were eased, and the interest rate cap on TL commercial loans was lowered to a single notch.

Moreover, decisions were taken to tighten loans that encourage especially household consumption, while interest rates on credit cards and overdraft accounts were raised, and the BSMV (Banking and Insurance Transactions Tax) on consumer loans was raised. Within the scope of security establishment, monthly loan growth limits were reduced for TL commercial and vehicle loans. The risk weights used in the CAR calculation of consumer and vehicle loans and credit cards were increased, and the installment options for credit cards were abolished for overseas travel expenditures.

TL 14.9 trillion
Banking sector's
total deposit
amount



Turkish Economy and Turkish Banking Sector in 2023

The banking sector has exponentially increased the service and capacity of Alternative Distribution Channels and Digital Banking applications.

Despite macroeconomic fluctuations and a rapidly changing environment, the banking sector maintains a healthy capital adequacy.

In the second half of 2023, a slowdown was observed in annual increases for loan types other than individual credit cards. Having accelerated in the last quarter of 2022, annual TL commercial loan growth started to decelerate after peaking in February 2023; this downtrend has strengthened with the financial tightening steps taken since June. Although the 13-week annualized rates of change in TL commercial loans declined significantly, annual rates of change are still high. FX commercial loans, on the other hand, have continued to decline since 2018. Having accelerated since the last quarter of 2022, annual loan growth slowed down in the second half of the year, especially in consumer loans. The brisk course of the annual increase in retail credit card expenditures continued on the back of strong demand and ease of use, while the annual increase in corporate credit card expenditures slowed down in the second half of 2023.

In the second half of 2023, the Central Bank started to increase the policy interest rate as part of the new economic model's disinflation policy.

While targeted lending and restrictions on selective sectors continued, deposit rates increased in line with the CBRT's interest rate hikes.

According to BRSA data, as of December 2023, the total assets of the Turkish banking sector increased by 64% to TL 23.5 trillion. While, as of December 2023, annual loan growth in TL was 54% and in FX was -3% in USD terms, total growth compared to the same month of the previous year was realized as 53% with the currency impact. As of December 2023, an annual increase of 68% including the currency impact was observed in the deposit volumes of the banks as well. The total deposit amount of the sector has exceeded TL 14.9 trillion.

Even with risks in international markets, digitalization made significant inroads into the banking sector, providing efficiency and meeting customer needs. The sector has exponentially increased the service and capacity of Alternative Distribution Channels and Digital Banking applications, establishing itself as one of the most important sectors for digitalization in terms of identifying and adapting to needs.



The Turkish banking sector continued to support the economy by further strengthening its balance sheet structure.

Even amid fluctuating global markets, the banking sector had a profitable year in 2023, reaching a net profit of TL 604 billion as of December 2023. In the second half of 2023, funding costs increased in line with the Central Bank's policy rate hike, while interest income remained limited. In general, the banking sector experienced an FX-protected deposit return incentive in the second half.

Despite macroeconomic fluctuations and a rapidly changing environment, the banking sector maintains a healthy capital adequacy.

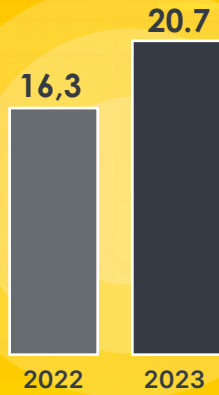
The total capital adequacy ratio, which indicates the continuation of a robust capital structure, was announced at 20.8% as of December 2023.

The banking sector stood strong in 2023 while facing developments such as geopolitical risks and inflation, and it operated in accordance with competitive conditions. The Turkish banking sector continued to support the economy by further strengthening its balance sheet structure.

Key Financial Indicators

Primary Liquid Assets (TL billion)

27.2% increase



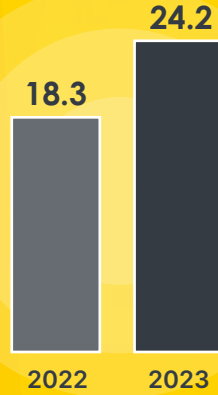
Net Loans (TL billion)

13.5% increase



Securities (TL billion)

32.3% increase



Total Assets (TL billion)

21.3% increase



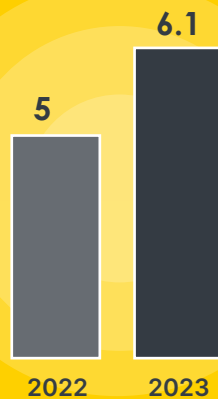
Deposits (TL billion)

18.3% increase



Shareholders' Equity (TL billion)

21.2% increase



Our Vision, Mission, Values and Strategic Goals

OUR VISION

To become the leading "phygital" bank of Türkiye, offering the best digital experience integrated with authentic physical services

OUR MISSION

To facilitate banking through authentic products and expertise, and be a responsible member of our community who contributes genuinely to its sustainable development

OUR VALUES

Authenticity

We understand our stakeholders, and make their lives easier. We think creatively, offer quick and practical solutions. We distinguish with our influence.

Excitement

We wonder, we discover, we believe in continuous learning. We make bold decisions to develop and improve. We design and achieve together.

Openness

We build honest and reliable relationships with the principle of accountability. We care about being simple and accessible. We share our thoughts and experiences openly.

Respect

We respect the individual, we value diversity and polyphony. We support gender equality, we volunteer for an equal world.

OUR STRATEGIC GOALS

For Our Customers

To become a bank that can identify its customers' needs accurately and increase their quality of life to make them feel special and become their indispensable business partner.

For Our Employees

To become a Bank where each and every employee will be proud to be a part of, treated fairly, and are given the opportunity to improve themselves and achieve their career goals.

For Our Society

To become a Bank that is sensitive towards the needs of the community in which it operates, aware of the duties of being a corporate citizen, and determined to improve the prosperity of the society.

For Our Sector

To become a dynamic and innovative Bank in the sector with its technological infrastructure, efficient service approach and experienced human resources

Commercial Banking

Commercial Banking offers value-added services to its customers through its expert human resources at 18 sites, consisting of 5 Commercial Centers and 13 Commercial Branches, in 13 provinces.

With a focus on maximizing existing customer satisfaction, it aims to create a strong customer base in the long term, together with new customer acquisition targets.

Odeabank aims to create pioneering and rapid solutions and display a customer-oriented approach while producing Commercial Banking financing solutions. With a focus on maximizing existing customer satisfaction, it aims to create a strong customer base in the long term, together with new customer acquisition targets. In line with these goals and efforts, it continued its steady growth in loan volume in 2023 as well. It offers value-added services to its customers through its expert human resources at 18 sites, consisting of 5 Commercial Centers and 13 Commercial Branches, in 13 provinces. Commercial Banking offers cash loans, foreign trade financing, letters of guarantee, and cash management solutions in particular.

The Commercial Banking structure is composed of the following departments:

Site Management

Site Management Unit visits branches and customers to closely follow up the needs of the customers and the market conditions.

The unit coordinates the budget planning and allocation of targets among branches and ensures the management of the sales performance of the branch channel, as well as undertakes the responsibility for centralized pricing.

PRODUCT MANAGEMENT

Deposit and Cash Management

Odeabank Cash Management continued its efforts to offer the right products to meet customer needs by following a customer-oriented approach in 2023 as well. Caring about versatile and long-term relations with its customers, Odeabank offers its customers products which enable rapid and easy payment and collection processes within Cash Management.

Integration with fintechs providing platform services in Supply Chain Finance was completed. It is very important for suppliers to be able to cash out their invoices before maturity to maintain their commercial existence, so Odeabank's cooperation will be beneficial for both buyers and suppliers.



The Bank's main goal has been to collect invoices of institutions in the provinces where it provides services, as well as institutions in the provinces where it does not provide services and with which it does not have a contract. Within this scope, Odeabank plans to complete mutual integrations with correspondent bank contracts and intermediate the payment of customers' invoices from all over Türkiye.

In 2023, efforts on the main company sector diversification in the Direct Debiting System (DDS) were completed. As a result of these efforts, a 65% increase was achieved in the total limit using the DDS product.

In 2023, in order for corporate customers to see their account movements in different banks on one platform, integrations were made with their APIs that provide multiple bank account management services.

Trade Finance and Insurance

Trade Finance and Insurance Unit provides marketing and sales support through a diversified product portfolio for its commercial branches' customer needs, actively engages in new customer acquisition, deepens the relationship with its existing customer base and leads sales campaigns.

Odeabank develops fast and boutique solutions for trade finance products. The Head Office, together with trade finance sales representatives domiciled at Commercial Branches, the Foreign Trade and Cash Management Expert Line and the branch network covering 80% of Türkiye's exports, provides solutions to support import, export and international projects. In addition to

Commercial Banking

In 2023, Trade Finance and Insurance Unit focused on the activities related to exporters, the most prominent actors in the development of the Turkish economy.

Odeabank has been one of the banks quickest to adapt to the changed rules for CBRT Rediscount Loans and has effectively contributed to our country's export goals by bringing the product together with our exporters.

conventional trade finance products, the Bank develops tailor-made products for Odeabank customers in parallel with market dynamics, provides solutions meeting companies' trade finance cycles to minimizing potential risks. In 2023, the Unit focused on the activities related to exporters, the most prominent actors in the development of the Turkish economy, and performed transactions by using the trade finance opportunities created by Bank Audi's group offices and connections in the Middle East and North Africa Region. In 2024, it will continue to secure trade finance transactions of customers in various countries, especially in the MENA Region, together with the global network of the Bank Audi Group. In addition to the trade finance transactions of commercial customers, the Unit increases cross-sell possibilities by engaging in local trade cycles of customers through letters of guarantee and domestic letters of credit. The Unit, which always focuses on responding to customer needs, will continue its digitalization efforts in 2024 as well.

Odeabank has been one of the banks quickest to adapt to the changed rules for CBRT Rediscount Loans and has effectively contributed to our country's export goals by bringing the product together with our exporters. Thanks to its pioneering position in the product, Odeabank enables financing for its exporting customers through CBRT Rediscount Loans in 2023. In terms of export financing, Odeabank will continue to support the financing needs of its exporter customers in 2024 within its partnership with İhracatı Geliştirme A.Ş. (İGE).

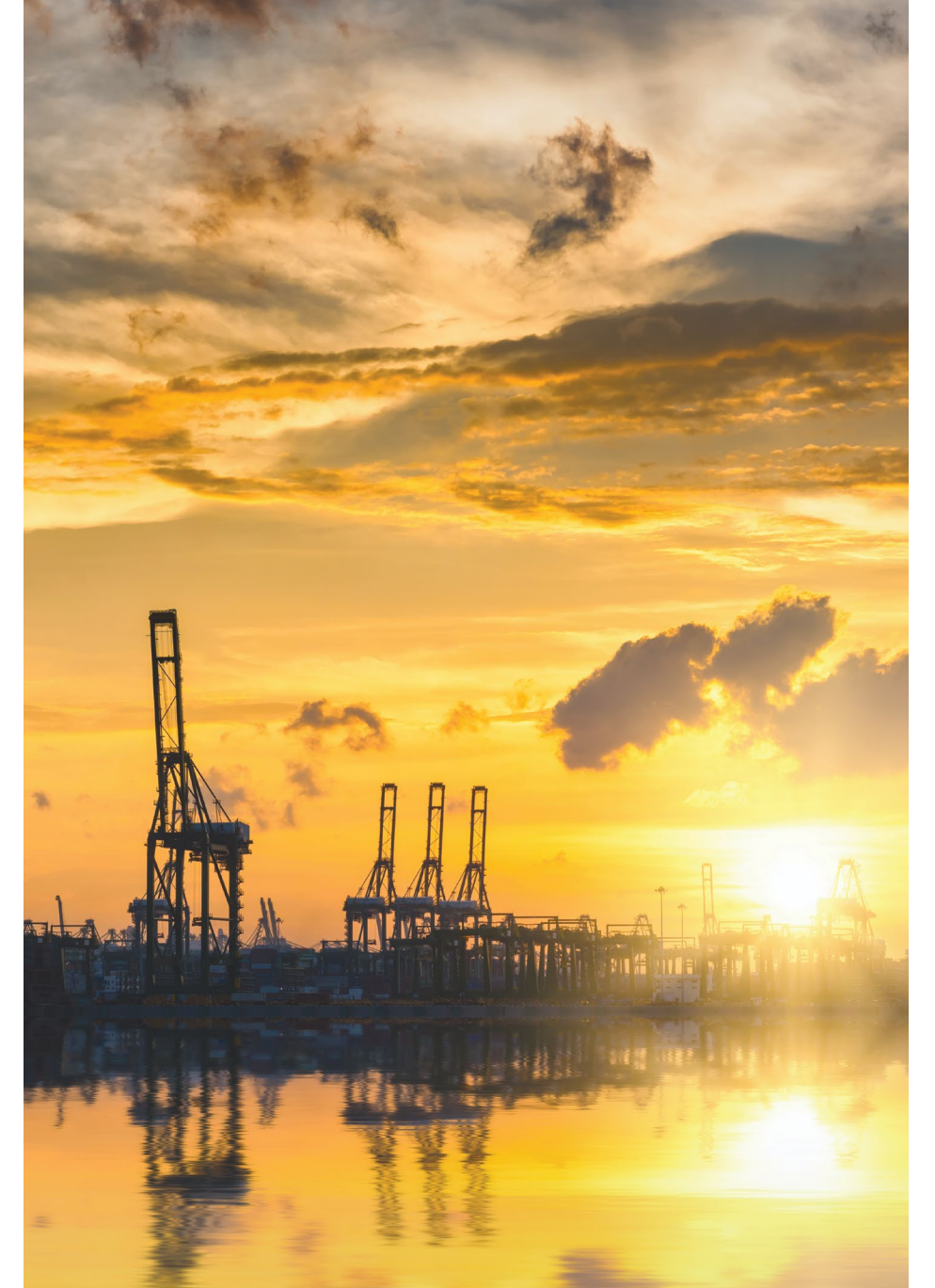
With the strategic cooperation agreement signed with Marsh Sigorta ve Reasürans Brokerliği A.Ş., one of the leading companies in the insurance sector, the Bank continues to provide services to customers through the branch network with structured products designed to meet the needs of customers.

Segment Management and CRM

The aim is to establish a strong marketing foundation and support product teams through the functions of "CRM" and "Commercial Banking Segment Management" which were established for strong focusing in marketing activities.

Credit Support Management

Responsible for preparing credit applications for Commercial Banking customers to be evaluated by the Credit Committee, coordinating the approval process and presenting to the Credit Committee.



Retail Banking

Odeabank increased the total number of active customers approximately 1.5 times in 2023.

In line with the ability to respond to changing needs of different customers, Retail Banking serves under the Affluent Banking segment for customers with assets above a certain size.

As of the end of 2023, Retail Banking, operating across Türkiye with its experienced staff, continues to develop structures that will provide the best service in deposit and investment products at every point of contact with customers by improving its service and activity processes.

Odeabank's main goal is to provide customers with products and services that are tailored to their needs and establish long-lasting relationships based on trust. In line with this goal, the Bank increased the total number of active customers approximately 1.5 times in 2023.

In accordance with its customer focused approach, Retail Banking expanded its product portfolio offered with the aim to provide added value to the investments of its customers and continued its claims in this regard also in 2023. The products and services offered in line with the goal of meeting the expectations of customers in different risk groups led to positive results obtained in the general satisfaction index measurements of the customers.

In line with the ability to respond to changing needs of different customers, Retail Banking serves under the Affluent Banking segment for customers with assets above a certain size. The Bank aims to offer boutique services that will meet the non-financial expectations of customers as well as their financial needs through Affluent Banking services. A wide range of alternatives supports customers in feeling privileged, including products and services such as dedicated RMs, rich investment product alternatives, free of charge EFT and money transfers through digital channels, free money withdrawal from all domestic ATMs, discounted safe deposit boxes, and the "Ayrıcalıklı" Card, designed specifically for this segment.

The Bank also serves customers under the umbrella of Odeabank Private Banking, combining its expertise in investment and deposit products with its superior service approach.



In line with customers' expectations and risk perceptions, it provides unique features and privileges to make their lives easier and meet their financial needs with expense commission privileges, discounted safe deposit box service, and the Odeabank Private Card, which is specially designed for this segment, while planning their financial assets with the most suitable products and expert customer relationship managers. Customers with Odeabank Private Card have unique travel opportunities and personalized assistance & concierge experiences.

As a pioneer of the sector, taking the remote account opening process, launched in 2015, one step further, Odeabank Retail Banking continues to offer "a phygital banking experience" under the umbrella of remote portfolio management for the last four years, combining its experienced financial consultancy service with Digital Banking.

Odeabank's communications aimed at raising awareness of its motto "You Are at the Center of Investment" and investment-oriented products/services in digital channels gained momentum. It became one of the leading banks in the sector with its personalized financial consultancy services offered to its customers, advantageous

product options tailored to digital acquisition channels, and free money transfer-EFT privileges via digital channels. In addition to sponsorships in channels where targeted customers can be reached, especially deposit comparison websites, and purchases made in performance-based communication channels, Odea reached a wide audience in terms of awareness and customer acquisition through collaborations with Türkiye's leading brands.

Odeabank has shown a successful growth trajectory by increasing the number of active customers, who were gained from digital channels and want to benefit from phygital banking services, 5.5-fold.

Retail Banking

Odeabank's customer-focused investment management approach has been designed to help customers achieve their goals of protecting and increasing their savings.

Customers are individually offered the ideal products, services, and consultancy support by highly specialized and experienced branch personnel.

Strategies and practices for Retail Banking products are designed as follows:

Investment and Treasury Products

Odeabank's customer-focused investment management approach has been designed to help customers achieve their goals of protecting and increasing their savings. This approach includes the following key elements:

- **Customer analysis:** Efforts are made to gain an in-depth understanding of customers' risk and return expectations.
- **Risk management:** Investment strategies are developed in line with customers' risk profiles.
- **Investment opportunities:** Customers are provided with the most diverse and innovative investment opportunities on the market.
- **Investment management:** An experienced and specialized team carefully manages investments of customers on behalf of them.
- **Investment strategy:** The most appropriate investment strategy is being created for customers through a planned process independent of possible risks.
- Customers are individually offered the ideal products, services, and consultancy support by highly specialized and experienced branch personnel. In addition, existing investment products are adapted to the digital world through mobile developments and innovative product approaches. In this respect, the following projects were realized this year:
 - o **Platinum/Palladium transactions on the Odea application:** Customers are able to easily track and manage their platinum/palladium investments from their mobile devices.
 - o **AI-powered investment management Rob'O application:** By leveraging the power of artificial intelligence, customers are provided with more personalized and efficient investment services that are tailored to their risk and return expectations.
 - o **Fund instruction infrastructure:** An infrastructure has been created to enable customers to perform fund transactions at any time.



- o **Fund campaign infrastructure:** The Bank's user acquisition processes were accelerated by creating a new campaign infrastructure.
- o **New funds:** A total of 27 new funds were added to the application.
- o **Borsa Istanbul transactions:** With BIST located within the Odea application, users have been brought together with stocks traded on Borsa Istanbul.
- o **New Fund collaboration:** A special Foreign Currency fund was established with Yapı Kredi Portföy for Odeabank customers.

These projects took Odeabank one step further in offering customers a better investment experience and becoming an innovative, trend creating brand.

The volume of non-deposit investment products thus increased 1.5 times. Fund market share in the sector reached 1.7% level. Total fund volume increased by 216% compared to the end of 2022. Accordingly, Odeabank initiated new projects to maintain its leadership in investment management and to offer more value-added products to its customers.

Deposit Products

Odeabank offers various options to customers wishing to utilize their savings in deposit products with fixed or variable income alternatives. In addition to conventional deposit products with monthly terms, Oksijen enables customers to earn overnight interest with TL, USD and EUR accounts that can address their daily cash needs with an on-demand lower limit.

In 2023, Oksijen Account on-demand limits were updated according to balance breakdowns, and interest rates for customers in the continuation period were revised according to balance breakdowns. Total AUM volume increased by 48% compared to year-end 2022.

While entering its 9th year, Oksijen Account, which greatly increased the Bank's deposit volume and played a significant role in customer acquisition and loyalty, continued its successful chart in 2023 as well. Through the Earn as You Spend campaign, customers' expenses of a total of TL 5,000 and more made with Odeabank credit or debit cards in the present month are charged to the Oksijen Accounts as plus interest rate for the coming month.

The Bank continued to offer FX-protected deposit products to its customers in 2023 and also offered products with advantageous TL deposit interest rates to customers who wished to exit from these products at the end of their maturities.

In order to support deposit volume and customer acquisition, TL time deposit campaigns were offered to newly acquired customers through both branches and digital channels. Retail Banking, which prioritizes customer satisfaction, will continue to offer the right product to the right customer at the right time at a fair price also in 2024, to develop new products in line with the expectations and needs of customers, to improve customers' banking experience, and to make its resources available for a sustainable relationship with all existing and potential customers.

Retail Banking

Odeabank began offering online private pension plans to support consumers in achieving their future retirement goals.

The Odea application, which was renewed in 2023, received international design awards, namely the A'Design Bronze award and the Red Dot Design award.

It aims to respond even more effectively to the current and potential needs of customers through digital platforms and processes, in line with the sector and the world.

Debit and Credit Cards

In credit card products, Retail Banking offers customers financial conveniences and solutions that meet their expectations and needs and ensures easy and fast access to these solutions. It aims to take a more prominent place in the wallets of upper segment customers with its segment-specific credit cards.

In 2023, the customers have continued to receive the best service through campaigns and experience improvements prepared according to their needs. In 2024, efforts are underway to launch innovative card products in line with changing customer needs.

Insurance and Private Pension

Product and service development activities in the field of bank insurance continue in such a way that customers can fulfill their needs more quickly and easily through many channels. Activities in the field of bank insurance are continued with AXA Sigorta A.Ş., MetLife Emeklilik ve Hayat A.Ş., HDI Sigorta A.Ş., Doğa Sigorta, and Viennialife Hayat A.Ş.

Odeabank began offering online private pension plans to support consumers in achieving their future retirement goals. The Bank continues to work on new products and new channels within the scope of Bancassurance.

Customer Experience and Design

Odeabank Customer Experience and Design Unit stands out as the unit that aims to increase customer satisfaction. Focusing on the processes of collecting and analyzing customer feedback, this unit strives to increase customer engagement by identifying strategies based on customer insights and offering tailored customer journeys and innovative services.

At the same time, it has the mission of driving a customer-focused culture transformation within the Odeabank organization and adopting user-focused design principles.

The Customer Experience and Design Unit works with a team specialized in experience and interface design, content writing, and customer experience. The Odea application, which was renewed in 2023, received international design awards, namely the A'Design Bronze award and the Red Dot Design award. Aiming for continuous improvement by utilizing user tests and research while developing the experiences in the application is a part of the unit's strategic approach.

The unit is also working on redesigning the website and ATM platforms to ensure a common design language across all channels. Meanwhile, the unit carried out projects such as Private Customer Value Proposition studies and updating the screens of portfolio managers in cooperation with different departments. Odeabank Customer Experience and Design Unit's strategic approach operates as a model that serves all teams and aims to increase customer satisfaction.

Digital Marketing

Odeabank Digital Marketing Unit manages the activities of determining, monitoring and improving digital metrics and targets across the Bank. It continues its planned works in order to achieve targets with internal and external stakeholders.



Advanced Analytics Center of Excellence

The Advanced Analytics Unit, which started operating within the Bank for the first time during the year, is positioned under retail banking and provides services to the entire Bank as part of the CoE organizational structure. The Advanced Analytics Unit is responsible for generating AI (artificial intelligence) based solutions the Bank needs through existing and potential data sources. It focuses on customer satisfaction in its efforts aiming to increase investment returns in line with effective deposit pricing and customers' risk expectations.

Retail Banking CRM

The Unit manages the centralized delivery of marketing and communication activities within retail banking to customers. In coordination with the retail banking product and segment teams, this team also carries out campaign notifications for the relevant products and customer groups. The Unit carries out marketing automation infrastructure change and screen enhancements projects aimed at enabling branch and remote customer representatives to manage their customers more effectively.

Retail Banking

In 2023, nearly 200 thousand Odeabank customers used digital contact points.

In 2023, Odeabank renewed its image with innovative and investment-oriented mobile application and internet banking that adapt to the digital age.

Digital Services

Odeabank Digital Services continues its activities to offer uninterrupted, simple, personalized and integrated experience to its customers through digital contact points (mobile, internet branch, ATM) in line with the strategies and business purposes of the bank. The Unit aims to develop, extend these channels and increase their efficiency.

In 2023, nearly 200 thousand Odeabank customers used digital contact points. As a result of these transactions and in comparison to the previous year, the mobile transaction volume increased nearly 101%. In addition, the Odeabank mobile application has been downloaded more than 220 thousand times.

Monitoring the trends and developments in technology, the Digital Services Team provides solutions to help customers perform transactions faster and more easily.

Thus Odeabank, which achieved an increase in efficiency, aims to continue its customer satisfaction-oriented efforts in 2024 by making many innovations with the technological investments it made in order to create effective channels and provide the best digital customer experience.

In 2023, Odeabank renewed its image with innovative and investment-oriented mobile application and internet banking that adapt to the digital age.

Odeabank enables its customers to perform their banking transactions through 70 established ATMs throughout Türkiye. Using the power of its technological infrastructure, the Bank continues to develop security measures against various card cloning attacks at ATMs. In 2023, transaction volume at ATMs increased by 22% compared to the previous year.

With an application launched in 2023, all customers were able to withdraw/ deposit money and make balance inquiries five times a month free of charge from all other bank ATMs in Türkiye.

Experience improvement and development projects continued during 2023 at Odeabank ATMs, which fully meet the expectations of its customers.

In August 2023, the Rob'O product, the first of its kind among banking applications in Türkiye, was made available to customers. Rob'O, which prepares fund portfolios for customers among selected funds traded on TEFAS, performs all market monitoring with artificial intelligence technology.

Designed as the education and content platform in Odeabank's new mobile application, Akademi'O provides customers with content that increases their financial literacy level. This platform includes training videos and articles, podcast series and newsletters in many different categories.

"Investment News" has been added to the Odea application to enable customers to follow developments in the market. There is also a "Special News" section for private customers. In addition, with the Economic Calendar feature, important developments in the markets are conveyed on a daily basis, and important events can be added to their own calendars.

The new flow developed for creating or updating passwords allows users to complete their transactions in a practical way by using the NFC technology in their new ID cards.

A collaboration was initiated with Dataroid, a company that tracks and analyzes the footprints of users in the application, evaluates screen and usage times, and interacts directly with users through different notification activities. This collaboration enables improvements and developments to be made in the user experience by accurately analyzing data.

In August 2023, the Rob'O product, the first of its kind among banking applications in Türkiye, was made available to customers.



Transformation and Ecosystem Banking

The main responsibility of the Digital Transformation Office is to pioneer Odeabank's digitalization, and to lead the creation, application and monitoring of a digital roadmap.

Focusing on transformation, the Digital Transformation Office researches recent global and local banking practices and trends with a view to continuous improvement, and works on their implementation at Odeabank.

Digital Transformation Office

Established in line with Odeabank's digital strategy and targets, the main responsibility of the Digital Transformation Office is to pioneer the Bank's digitalization, and to lead the creation, application and monitoring of a digital roadmap.

Focusing on transformation, the Digital Transformation Office researches recent global and local banking practices and trends with a view to continuous improvement, and works on their implementation at Odeabank. In order to develop the innovative capabilities of the Bank, it manages potential collaborations and partnerships with fintechs, universities, and academies.

Odeabank believes that it can achieve its goals by creating a customer-oriented culture that is open for trial, discovery, and feedback. Teams established with the aim to realize an agile cultural transformation in-house continue their activities in accordance with agile methods.

The strategies and activities of the Digital Banking Department are categorized under two main groups:

1. The Digital Transformation Office focuses on digital growth in new businesses. Supporting the phygital concept, the aim is both to open new doors to customers and to improve existing experiences by improving the existing power of customer representatives with new digital products and services.

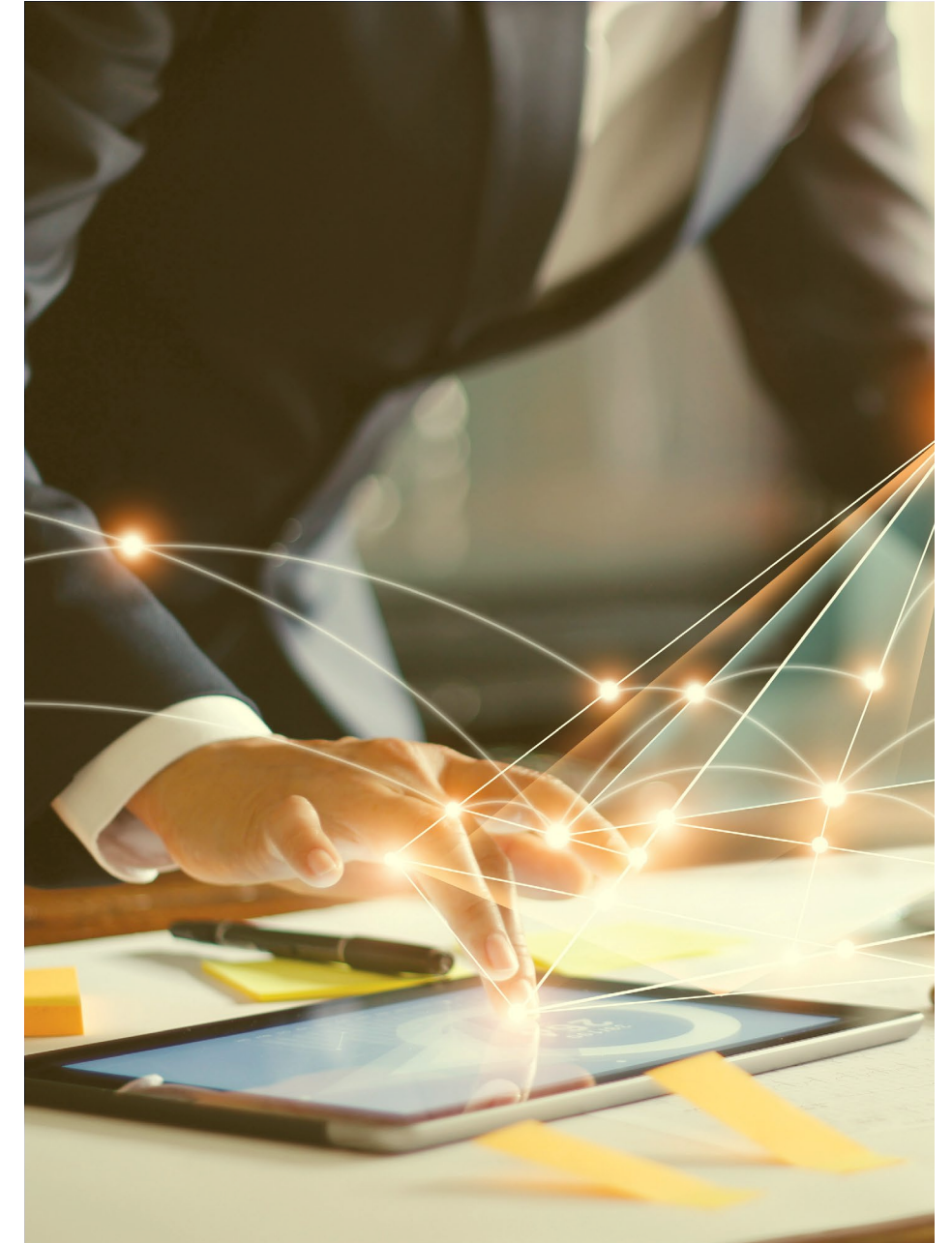
In this context, efforts are made;

- In research and execution of potential collaborations and partnerships for designing products and services which will create a difference in the market and shine a light on Odeabank,
- In areas such as investment-focused digital services, digital payments and transfers,

- In personalized smart banking practices supported with artificial intelligence models and in line with customer needs,
- In activities for improvement of existing contact points with customers,
- In accordance with regulation, in supporting implementation activities for the coming period.

2. Regarding the digitalization of basic banking services and operations:

- Within the scope of the digitalization of the branches, works are done to strengthen existing relations with customers and to support customer representatives in investment subjects with AI based models (digital asset assistant) regarding the new value propositions to be offered to customers.
- At present, works are performed for digitalization of basic banking and operations in order to develop and renew the digital experiences offered to customers.



Treasury, Capital Markets and Financial Institutions

Platinum and palladium were added to the product range in both spot and derivative products.

Treasury, Capital Markets and Financial Institutions completed the opening process of the FX'O project for in-Bank and non-Bank users. The project will allow more advantageous exchange rates and faster transactions.

Treasury, Capital Markets and Financial Institutions are managed within the framework of the strategy determined by the Senior Management of the Bank and approved by the Board of Directors, and in this direction, the efforts affecting the funding and investment activities are made. Treasury, Capital Markets and Financial Institutions have the following functions:

Treasury, Capital Markets and Financial Institutions completed the opening process of the FX'O project for in-Bank and non-Bank users. The project will allow more advantageous exchange rates and faster transactions.

In spot and futures transactions in gold and silver, competitive pricing was maintained, and their importance among capital market transactions was preserved, based on authorization by Senior Management. In addition, platinum and palladium were added to the product range in both spot and derivative products in line with customer demands.

Considering the market interest in Eurobond products among Fixed Income Securities, the Unit maintained the activity in both interbank transactions and transactions with customers.

The Unit restricted the effect of transaction restrictions with foreign counterparties in option and interest transactions on customer activity by alternative risk minimization methods. Active trading on the Futures and Options Exchange was initiated.

As it has done in previous years, Treasury, Capital Markets and Financial Institutions will play an active role in supporting the strong capital structure of Odeabank in the upcoming years. With its know-how and experienced team, the Unit will continue to provide services, adding new product varieties to the wide range of products offered in all interbank and customer transactions.



While continuing to make contributions towards the Bank's high return and profitability targets, the Unit will also continue to efficiently manage liquidity and interest rate risk in accordance with the general policies of the Bank.

Balance Sheet Management

Balance Sheet Management manages Odeabank's liquidity and interest rate risks. Management of the liquidity needs or surpluses that may arise in TL and FX in the short and medium-term is under the responsibility of the Unit within the framework of the responsibilities and obligations imposed by the general policies of the Bank, and the relevant legislation and regulations. Furthermore, it monitors long-term interest rate risks in the balance sheet and executes hedging transactions as required. Balance Sheet Management's responsibilities also include monitoring funding costs, calculating internal transfer prices for loans and deposits, and managing the securities portfolio.

Balance Sheet Management maintained the Bank's strong liquidity structure in the intensely regulated environment of 2023. It worked throughout the year for the Bank to adapt quickly and completely to changing market conditions and took various actions to mitigate the effect of market interest rate volatility on the balance sheet, providing a positive contribution to the Bank's interest income and total profitability. The Bank's securities portfolio was actively utilized in this process, and inflation-indexed securities helped preserve the capital.

Trading

In line with the Bank's profit goals and within the limits determined by the Bank's Board of Directors, the Trading team trades in interbank markets in derivatives such as Spot and Forward FX Transactions, Gold and Precious Metals, FX / Interest Rate Swaps, Treasury Bills, Government Bonds, Eurobonds, Cross Currency Swaps and Options.

In addition, Trading prices all products that it trades through Treasury Sales for branch and direct Treasury customers, and the Bank announces the prices of products such as Foreign Exchange and Precious Metals, Treasury Bills, Government Bonds and Eurobonds, which it offers pricing service through branches and alternative distribution channels.

In 2023, in an environment where central banks of developed countries raised interest rates and took liquidity constricting actions, and in an environment of election uncertainty and subsequent changes in monetary policy in Türkiye, the Trading Unit swiftly assessed developments and ensured the uninterrupted continuation of customer pricing, positively contributing to the profitability of the Bank. Having adapted to the market environment where the regulations change rapidly, it implemented the necessary products for the Bank to benefit from the general ratio and securities purchase advantages, and shown its support in pricing.

Treasury, Capital Markets and Financial Institutions

In 2023, Treasury Sales provided solutions to customers in terms of balance sheet management and financial risks and structured the necessary products.

Treasury Sales determined the Treasury product needs of customers together with portfolio representatives in branches and offered appropriate products to manage foreign exchange and interest rate risks in competitive markets and increase their returns.

In addition to the increase in trading volume and profitability on the FX'O platform, which enables instant prices to reach both customers and the branch network quickly and accurately, the product range was expanded, and spot and derivative products in platinum and palladium were started to be traded. The Unit will continue its efforts to increase product range and to deliver products directly to customers in 2024 as well. Within this scope, efforts have been initiated to trade index options on Borsa Istanbul.

Treasury Sales

Treasury Sales offers price quotations for Spot, Forward, Swap and Option FX, FX-Interest Rate Swaps, Treasury Bills, Government Bonds, Corporate Bonds, Eurobonds, Interest Rate and Cross Currency Swaps for the Bank's retail and commercial customers in line with their respective risk appetite. Pricing of all these products to Odeabank branches is also carried out by the relevant team. These operations are carried out in accordance with the principles and rules established

by Odeabank's Senior Management and CMB. The Unit designs and offers structured products to manage foreign currency and interest rate risks, and increase their returns. It provides internal and external customers with up-to-date information on economic developments and market conditions. The Unit carries out this process on a daily basis, as well as face-to-face through direct company visits, and in this context, it visited more than 150 customers in 2023. Supporting efforts to increase cross-sales opportunities within the Bank, Treasury Sales operates with a competitive pricing strategy, broad product range, and fast and close customer relations.

Treasury Sales determined the Treasury product needs of customers together with portfolio representatives in branches and offered appropriate products to manage foreign exchange and interest rate risks in competitive markets and increase their returns. In 2023, the Unit provided solutions to customers in terms of balance sheet management and financial risks and structured the necessary products.

The Unit started branch trainings to increase the knowledge of Treasury products and systems in Commercial branches. The trainings will cover all Commercial branches and will continue in 2024 as well.

Treasury Sales unit played a leading role in the realization of many projects in 2023 in expanding the product range and adapting new systems. Some of the more than 20 completed and ongoing projects are;

- Addition of Platinum and Palladium to the product range in spot, forward, and option product types,
- Trading options on the Borsa Istanbul Index,
- Completion of the flow of Eurobond transactions between Nova and Business Intelligence platforms,
- Automatic FX'O customer segment updates based on price sensitivity analysis,
- Transition to FX'O Phase IV order automation,
- Making 360T FX Pricing Platform available for Commercial customers,
- Automatic feeding of quotations requested (RFQs) by commercial customers via Bloomberg through the FX'O platform,
- Use of a new payment system (Multicurrency Payment System) to be able to intermediate payments for commercial customers with payments in currencies without nostro.



Treasury, Capital Markets and Financial Institutions

In 2023 Odeabank the overall coordination of Odeabank sustainability activities were transferred to Financial Institutions and Funding.

Financial Institutions and Funding worked to reach the most suitable foreign trade financing methods for its customers in the area of foreign trade transactions.

Financial Institutions and Funding

Financial Institutions and Funding continued to improve its relations with development finance institutions operating in Türkiye within the current conjuncture in 2023 and aimed to support its activities under the umbrella of sustainability through its existing strong relationships with these institutions. In addition to technical assistance and training activities to support the Bank's capacity building on sustainability, it continued its efforts to implement new thematic loan programs for positive impact.

The Unit, which participated in all of the Bank's non-deposit funding processes, contributed to the evaluation of the most optimal funding alternatives for the Bank under current conditions.

In the area of foreign trade transactions, the Unit, which worked to reach the most suitable foreign trade financing methods for its customers, continued its efforts to expand the Bank's correspondent network and strategically increase its geographical sphere of influence and signed various contracts with international financial institutions such as the Inter American Development Bank and Proparco in line with this goal.

Another significant change in 2023 was the transfer of the overall coordination of Odeabank sustainability activities to Financial Institutions and Funding. Within its new area of responsibility, the Unit keeps working to ensure that sustainability activities of critical strategic importance for the Bank progress at a high pace and continues its activities within the roadmap created to ensure that the sustainability perspective feeds into all of the Bank's activities.



Treasury Middle Office

The Treasury Middle Office team basically identifies the systemic and technical needs of the Treasury and Capital Markets products realized by the Bank and its customers before, during and after realization and takes necessary actions. It also controls the transactions realized by the Treasury and ensures that they are processed correctly in the systems used by the Bank. It provides reconciliations in many products such as the same-day foreign exchange position control and the Bank's fixed income securities portfolio control. In parallel, it ensures the realization of Broker, ISDA, CSA and GMRA agreements with counterparties and the effective realization of the collateral management process as a result of these agreements. It establishes a lean communication on behalf of the Treasury by setting up a contact point with all stakeholders for the Treasury and the Bank and providing a single point of contact.

It realizes Data, CRM, robot automation, and systemic reporting issues on behalf of the Treasury by providing real-time and historical data needs of the Bank from Treasury systems.

In addition, it plays an active role by making suggestions on process development within the Bank since it works in partnership with all Treasury teams.

Key activities realized in 2023 are as follows:

- Simultaneous pricing controls were introduced for Treasury and customers.
- Reconciliation controls were introduced between the treasury systems used.
- Datamart installation works were carried out on behalf of Treasury and robot automation was provided.

In 2023, Datamart installation works were carried out on behalf of Treasury and robot automation was provided.

Technology, Data and Operation

Technology and Operations provided services throughout 2023 without interruption, and in compliance with regulatory changes.



Technology and Operations Unit is responsible for the uninterrupted continuation of all transactions carried out through the Headquarters, Branches and Direct Banking channels, especially the main banking system structure, in accordance with the established rules and regulations. Technology and Operations provided services throughout 2023 without interruption as the Department continued to follow technological advances and regulatory changes. Its expert team and functions are organized as follows:

IT Infrastructure

Information Technologies is responsible for the development of the technological infrastructure required for the 24/7 uninterrupted service of all applications, hardware and technical infrastructure offered to customers by Odeabank.

Infrastructure Automation

1. **High-End Storage Update:** Capacity and performance of disk units were increased and additional features were added.
2. **Microsoft AD and Exchange Upgrades:** Security and performance have been improved by upgrading the systems to 2019 versions.
3. **Data Centers Active-Active Operation:** The centers in Istanbul and Ankara were switched to an active-active structure, increasing system continuity and accessibility.
4. **Windows 10 Upgrade in ATM Devices:** ATM devices were upgraded to Windows 10, improving security and standards.
5. **Application Modernization and Container Orchestration:** Container orchestration product was diversified to modernize applications and provide cost advantage and flexibility.
6. **Infrastructure Organization and IT Service Management:** By expanding the infrastructure organization and establishing IT service management, the infrastructure was made more efficient and manageable, and service quality was increased.
7. **Fortigate SD-WAN Transition for Offsite ATMs:** Network connections of ATMs in remote locations were made secure and efficient.
8. **Transition to Multiple Operator Usage in Istanbul DC:** Network connection reliability and continuity were increased.

IT Governance

A total of 65 new categories/projects/boards were defined on the Jira Application, making it easier to track processes. A total of 1,507 operational requests were met through the Jira application.

Test Automation

Regression tests are run in Intervision release transitions. In these tests, 620 scenarios can be tested automatically without the need for manual testing. These tests are run weekly for a total of 301 scenarios developed for web and mobile environments. Projects are being supported in terms of performance test application.

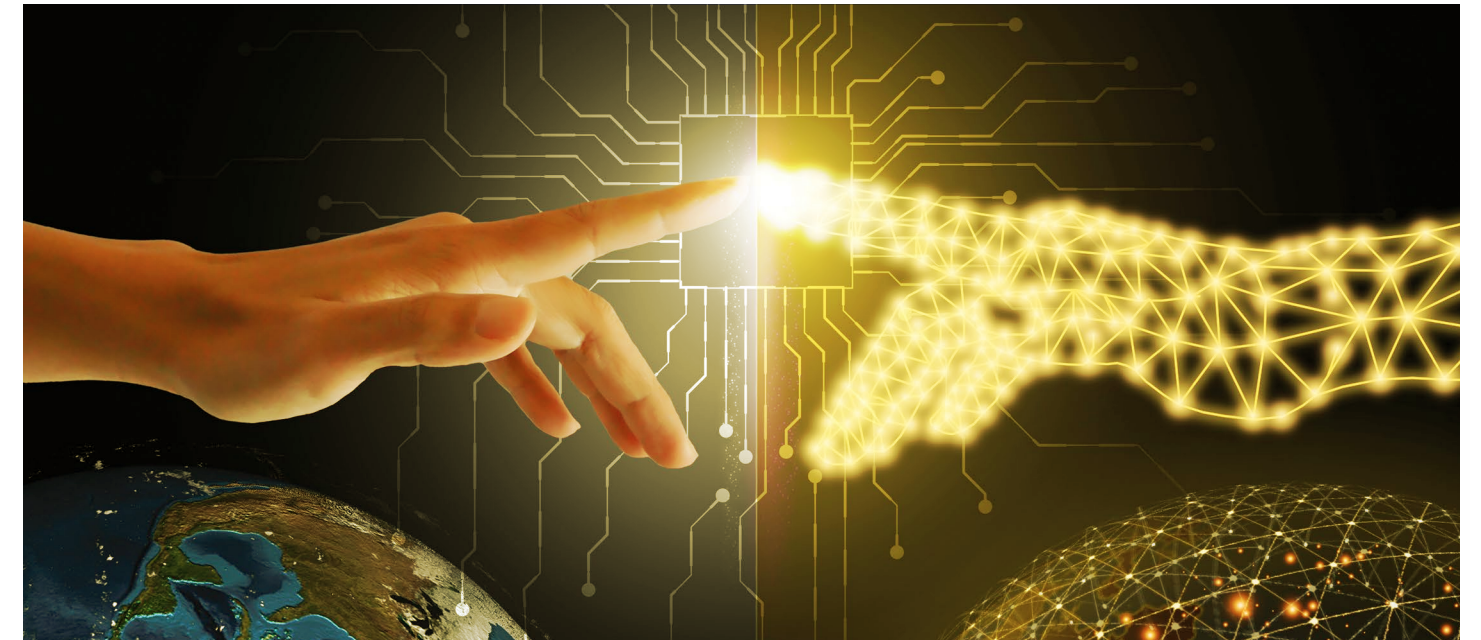
IT Banking Support and Authorization

IDM Project

As of 2023, a total of 1,700 accounts, both internal and external, are managed through IDM.

Thanks to the reflection of job entry-exit and task changes to all applications by taking the HR system as a source, possible vulnerabilities were prevented, compliance with regulations was ensured, and a total of 400 Man/Day gain was achieved in 2023.

Information Technologies is responsible for the development of the technological infrastructure required for the 24/7 uninterrupted service of all applications, hardware and technical infrastructure offered to customers by Odeabank.



Technology, Data and Operation

50 large-scale/strategic projects were implemented in 2023 in line with the strategy, goals, and requirements of Senior Management, the business lines, and support units.

IT Digital Banking Software Development, IT Project and Portfolio Management, IT Core Banking Software Development

As part of the plans to address efficiency, operational risk, and market conditions within the framework of banking regulations and legal obligations, 50 large-scale/strategic projects were implemented in 2023 in line with the strategy, goals, and requirements of Senior Management, the business lines, and support units. With the introduction of the projects in question, the Bank ensured compliance with legal regulations and enabled customers to receive quality service from all channels.

- For NOVA, the securities module, transaction and report screens including new technology screens and functionalities.
- The Chatbot product, powered by artificial intelligence, was launched, enabling Contact Center services with higher quality and faster.

- Arrangements were put into service to enable spot transactions with value date in order to increase the volume of Treasury products.
- ATMs were upgraded to the new version to increase system efficiency. Besides, customer experience has been improved with the addition of the QR code withdrawal function.
- PPS insurance was offered to customers through branches.
- The ROB'O product, which offers investment consultancy, was made available to customers through the Mobile Banking channel, with the aim of increasing the volume of investment transactions.
- Fund price through channels 24/7 fund order has been activated.
- The function of obtaining passwords via NFC function on Mobile Banking channel was put into use.
- Functionality to enable our customers to encourage their relatives to become Odeabank Customers was launched through Mobile Banking channels.
- Platinum Palladium transactions were launched through Branches, Digital Channels, and FX'O in order to increase the diversity of foreign exchange transactions.
- "Welcome" benefits are developed for customers. Special deposit interest rates were offered as well as a Welcome gift.
- Improvements in Purchasing, Invoice, Delivery Notices, and Contract processes were implemented.
- In the Video Call Remote Account Opening process, innovative solutions were implemented.
- Innovations were implemented to increase the diversity of Treasury transactions.
- Processes and reporting improvements were made for Oksijen account.
- In scope of Restructuring of Live and Non-Performing Loans, Restructured Loan Reports were improved
- Integration with the export development platform was ensured.



- Kibele-Accounting system arrangements made for compliance with IFRS 16 standards were put into service.
- Improvements were made to enable supplier risk assessments to be carried out more efficiently and systematically.
- A parametric pricing model was launched to offer customers different deposit pricing options.
- Arrangements were put into use to make Treasury Middle Office approval processes more efficient, resulting in FTE gains.
- The structure enabling regular savings instructions to be received from the account was implemented.
- Customer channel movements were logged, and customer experience was measured, ensuring customer-specific products and offers were prepared.
- With the Internal Audit Department Application Project, findings management was realized through a systematic flow.
- Arrangements were put into use to enable customers to easily and quickly become Tacirler investment customers and transfer money through mobile banking channels.
- During the customer acquisition process with Remote Account opening, Customer acquisition was increased by NFC and FAST improvements. With the DVP Project, digital channel infrastructure technologies were renewed and enriched with new investment products and features. The project enabled building a mobile and internet infrastructure that is focused on quick delivery by utilizing latest technologies, offering customized products according to the behaviors of customers within the application, adding share purchase/sale/viewing functions through Borsa Istanbul, and assisting customers with the AI-supported robo advisory product to achieve maximum profit through minimum risk by preventing them from making errors in fund products in relation to their risk appetites,

Improvements were made in the IT Operating model to accelerate main banking development processes and to increase efficiency, the Core Banking Software Development team was established, and software developer positions were created to carry out software development activities over main banking. In this context, the CaaP process was initiated with Intertech, and the foundations of Inhouse software processes were laid. These actions enabled

- Efficiency in terms of time is to be achieved in project development processes.
- External party vendor dependency is to decrease.
- Working as a single, focused team also brought about benefits with the project timing, improving costs by half.

Technology, Data and Operation

A Project and Portfolio Management team has been established to handle innovative projects with the right prioritization and to manage/execute them with the right methodologies.

Efforts were undertaken to renew existing systems, together with various consolidation and transformation projects so that advantages in technological development, performance increase and cost advantage are provided, and serious gains have been achieved.

A Project and Portfolio Management team has been established to handle innovative projects with the right prioritization and to manage/execute them with the right methodologies. In this focus, quarterly planning was initiated in order to establish an agile structure that can flexibly adapt to changing conditions and strategies. New communication cycles, including quarterly planning meetings, portfolio management cycles and innovative project tracking mechanisms, were established to ensure that the entire organization meets on common grounds to pursue the same strategic priorities. Since having tools that support the processes will carry the applicability to the highest level, improvements have been made in Jira that create efficient project management processes. This will create an important space for accurate demand management, accurate project management, and accurate portfolio management, as well as tracking for everyone.

It is aimed to include various innovative functions in Internet Banking following the launch of the DVP Project focused on Mobile Banking as part of the renewal of the infrastructure technologies of digital channels and the enrichment of digital channels with new investment products and features.

In addition to many innovative strategic projects to be implemented in 2024, it's aimed to implement innovations that will enable customers to have Pre-Approved Loans and acquire Foreign Equity customers and money transfer opportunity through the Mobile Banking channel.

Efforts were undertaken to renew existing systems, together with various consolidation and transformation projects so that advantages in technological development, performance increase and cost advantage are provided, and serious gains have been achieved.



DATA MANAGEMENT

Establishing Data COE structure and organizational arrangement: Data COE was established to monitor Odeabank's data-driven transformation, to create the data infrastructure for artificial intelligence-based projects, to build a big data platform, and to structure a corporate data architecture for the entire Bank.

Data Governance, Big Data and ML Ops Unit, Data Management and Robotic Process Automation teams were gathered under this department.

Data warehouse modernization project: Necessary DWH/BI health check studies were conducted to create an enterprise financial data model. Accordingly, a 3-tier data warehouse project was launched to meet all the Bank's analytical and reporting needs from a single and centralized data structure.

Establishing a generative AI working group: A working group was established to develop a generative AI roadmap, study generative AI usecases, and raise awareness of gen AI at Odeabank.

Robotic Process Automation

In 2023, 2.9 FTE was gained with 29 processes within the scope of robotic process automation.

Within the scope of SQL Server Reporting Services, 1.10 FTE gain was achieved by having 89 reports within automatic coverage.

As part of the branch operation scorecard, the criteria model for 2023 was developed, and monthly scorecards were prepared with the new structure. The annual scorecard average was realized as 82.5. Support was provided for process studies and official institution requests with 55 different reports as ad hoc report requests.

Information Security

An effective risk management approach is adopted to guarantee the security of Odeabank's information assets. Activities performed within the scope of information security encompass the Bank's information systems, information infrastructure, data and related processes.

Development efforts for human resources, processes and technologies are undertaken to protect information assets against cyber threats and attacks that become more sophisticated each passing day.

In 2023, a Maturity Assessment Study was conducted to assess the current status and maturity of Odeabank cyber security standards in line with internationally recognized norms and frameworks, as well as local regulations, and to identify opportunities for improvement.

Technology, Data and Operation

Operations acts in line with internal and external customers' satisfaction while ensuring transactions are performed rapidly, with ultimate quality and zero error.

System updates aimed at customer satisfaction were performed, system integrations of processes were increased, and more emphasis was placed on risk-related developments.

In 2023, studies were carried out to ensure the confidentiality, integrity, and accessibility of information within the scope of compliance with and supervision of the laws and regulations to which the Bank is subject. While the security logs of information systems infrastructures are constantly monitored, activities were carried out to improve the Cyber Incident Management infrastructure, which will allow the detection, and reporting cyber threats.

In this context, test studies were also carried out to measure the effectiveness of cyber incident management processes.

In 2023, the execution and operation of the processes for the management of security vulnerabilities arising on Information Technology systems continued in parallel to improvement efforts.

Besides, training courses and awareness-raising activities were carried out to educate employees and outsourcers with access to bank resources on information security and current information security threats in order to prevent vulnerabilities

that may result from user errors, and infrastructure improvement works that will allow the measurement of their effectiveness continued. In scope of this, infrastructure improvements have also been undertaken to measure the effectiveness of such studies.

Operation

Operations acts in line with Odeabank's principle of minimum risk, maximum efficiency and internal and external customers' satisfaction while ensuring transactions are performed rapidly, with ultimate quality and zero error. In addition to Teller and Back-office Operations at branches, Head Office's Central Operations carries out product transactions in their respective area of responsibility and expertise with high quality and efficiency, to ensure that the goals of business functions are achieved in line with Odeabank's strategies.

The core activities conducted in 2023 are as follows:

- System updates aimed at customer satisfaction were performed, system integrations of processes were increased, and more emphasis was placed on risk-related developments.

- Significant savings were attained in labor and physical resources due to more efficient, more effective and expeditious operations.
- Processes were reviewed from a risk perspective, taking the assessments of internal and external auditors into account. Risk mitigation activities continued.
- Process improvement studies were carried out to increase customer satisfaction and the quality of the service provided and to reduce the service time.
- Up-to-date version transitions were also completed within the technological infrastructure serving all products and processes, making transaction times more efficient and faster.
- Regular information was provided by the Head Office teams for the effective implementation of the Risk Committee, which was established to increase the exchange of information by expanding communication between the operational staff and marketing teams in the branches.
- Close monitoring and effective NORM Management helped improve FTE & Scorecards, while both branch and Head Office teams were managed with a focus on efficiency and quality.
- All transactions, documents, printed documents were reviewed. In order to minimize printed documents, efforts were made to maintain documents as much as possible on digital media.
- Centralization activities were carried out and, in this context, some basic operations were shifted from the branches to the Head Office operational teams to ensure efficiency, increase quality and reduce risks.



Technology, Data and Operation

New developments in technology were followed closely and switching to Robotic Process Automation applications were continued.

Especially the field teams were managed as a single pool when necessary, and all necessary support was provided to branches by other branches or from the Head Office to avoid problems in business continuity.

- New developments in technology were followed closely and switching to Robotic Process Automation applications were continued. Many central processes have been robotized and automated to reduce the risk of operational errors, increase efficiency and provide faster service.
- Branch Operations continued the SLA (Service Level Agreement) application, which has been extensively used for years at Head Office Operational teams, with an increasing variety of transactions.
- Meetings were held on various subjects with Branch and Head Office operational teams, and efforts were made to continue a warm communication.
- Branches were visited for "Quality Assessments" which is included especially in the performance criteria. Thus, both inspections were made and the site was controlled through on-site meetings.
- For the purpose of ensuring uniformity in operations and practices between branches, strengthening communication, increasing control over procedures and processes, and ultimately increasing operational quality, the Operation Mentors application continued this year as well; the application is formed by teams with high-level experience and knowledge, who are believed to carry out this duty successfully.
- Especially the field teams were managed as a single pool when necessary, and all necessary support was provided to branches by other branches or from the Head Office to avoid problems in business continuity.
- Trainings were organized to increase the level of knowledge of Branch Operations personnel and to keep them up-to-date (5 trainings), and competency exams grouped according to titles were held.



- All affiliated branches were visited, including all marketing and operations teams, to receive requests, problems, and feedback that may be important for the strategy of the next three years, and accordingly, development activities were planned and actions were started to be taken.
- In parallel with the Bank's growing and diversifying product groups and the changing organizational structure within the Bank, organizational changes were made within the Operations Team.

Contact Center

The Odeabank Contact Center continues its efforts to create a unique customer experience with a service approach tailored to individuals and institutions.

The Contact Center strives to meet the needs of customers at the highest level through continuous analyses of customer calls, in order to reduce the need for such calls. The Contact Center consistently works to become one of the Bank's main service channels with even more effective services.

97 employees all with bachelor's degrees and 9% who are able to speak English are working at the Contact Center, which aims to provide the best customer experience. In addition to making efforts with the aim of continuously improving user-oriented technologies, Odeabank Contact Center also offers video call services along with voice calls between 08:00 and 02:00.

Technology, Data and Operation

Odeabank Contact Center offers the right products to the right customers and increases customer loyalty.

Contracts to be signed with business partners are completed under a central structural aid and control under the coordination of the Contracts Management Unit.

Odeabank Contact Center which operates with the aim of providing its customers with the best customer experience, offers the right products to the right customers and increases customer loyalty. The incoming call team delivers a high performance, without compromising quality in services, in its sales activities, which are designed according to customers' needs and the Bank's strategy for the period.

The Customer Inquiry Management unit handles customer inquiries from all channels that come to the bank and moderates platforms such as social media and şikayetvar.com. Another target of the unit is performing root-cause analysis from incoming inquiries to produce permanent solutions to problems and to reduce the number of complaints and appeals.

Internal Services and Banking Support

Internal Services and Banking Support Department conducts all support activities required for the banking processes in the most efficient way and with the most appropriate costs under the main axis of Procurement, Security, Administrative Affairs and Construction-Real Estate in line with the primary goals, strategy and objectives of Odeabank.

The activities of the Internal Services and Banking Support Department in 2023 are as follows:

Procurement

- It is ensured that the procurement transactions that might be needed in line with the interests of the bank are completed in compliance with the procedures.

- Maximum due diligence is given to relevant procurement transactions in order to comply with the "Outsourced Service Procurement" article included in the "Regulation on Information Systems and Electronic Banking Services of Banks" published by the BRSA on July 1, 2020.
- Standard agreements are used in procurement transactions and these are used in jobs/projects performed with business partners.
- Contracts to be signed with

under a central structural aid and control under the coordination of the Contracts Management Unit.

Security

- Monthly security bulletins are published and risk maps are regularly updated by evaluating events in our country and its immediate surroundings, developments in the security world, and information obtained from open/intelligence resources.
- The security personnel were

fire, rescue, protection and first aid in preparation for potential emergencies, and fire/earthquake drills, which were started in 2023 at the Head Office and branches, are continued.

- In 2023, a total of 896 physical/online trainings were planned for all security personnel on many topics such as terrorism, sabotage, robbery, natural disasters/emergencies, and effective communication.



Technology, Data and Operation

Providing all kinds of support services to all the business lines in a minimum time and with maximum quality is the constant goal of the Internal Services and Support Service Department.

The project to archive public institutions' documents incoming to Attachment Investigation over UETS is continuing.

Administrative Affairs

Improvements were made to the Bank's inventory and elementary insurance management. Updates were made to the Bank's vehicle policy and personnel service operations.

The project to archive public institutions' documents incoming to Attachment Investigation over UETS is continuing.

Construction and Real Estate

In line with the Bank's strategy, the Department manages and develops all real estate and/or properties that Odeabank branches and Head Office use for operations or intermediation as well as investments in the same by taking costs and benefits into consideration.

Furthermore, it is charged with:

- Construction and Real Estate is charged with: All arrangements related to the procurement, construction, maintenance and repair of the sites belonging to the Head Office functions and branches;

- Organization of potential changes to the concept or design of the Bank's practices,
- Addressing construction-related requirements of Branches and Head Office buildings.

The Internal Services and Banking Support Department will make the maximum contribution to be able to realize the business lines' and the Bank's strategies and goals in the coming period, in line with the Bank's mission, vision and policies, increase the competitive environment by including new suppliers in its portfolio that comply with the Bank's quality and continue its activities in accordance with ethical principles.

Providing all kinds of support services to the business lines in a minimum time and with maximum quality will remain as the constant goal of the Internal Services and Support Service Department in order for them to carry out their activities in the most efficient way.



Credits

Credits maintained the quality of its loan portfolio and its customer satisfaction focus throughout the year.

Work continued on the digital transformation project to increase the efficiency of credit processes.

The Credits unit is authorized to issue loans to commercial and retail customers within the scope of the Banking Law. It monitors the workflow in the main banking system to control and revise credit processes, as necessary. The field of activity of the Credits Department covers the credit processes, correct financial analyses, effective control and effective monitoring functions required for the Bank to achieve its goals. Credits periodically compiles results from its expansive database of customer financials to inform revisions on the Bank's sectoral strategies.

In 2023, Credits continued to evaluate loan applications in an expedited manner by leveraging analytics, completing necessary intelligence-gathering procedures, and allocating loans efficiently as part of the relevant approval processes.

In this period of volatility in financial markets, Credits maintained the effectiveness of the Bank's credit evaluation processes without compromising customer satisfaction. Credits maintained the quality of its loan portfolio and its customer satisfaction focus throughout the year. In addition, work continued on the digital transformation project to increase the efficiency of credit processes.

In parallel with the legal regulations introduced in the aftermath of the earthquakes that occurred this year, review studies were conducted and support was provided for commercial and retail customers operating/living in the region.

Credits operates within the following functional organization:

Corporate and Commercial Credit Allocation

Credit Allocation analyzes loan requests with analytical methods, and forwards the request to the relevant approval mechanisms after completing the intelligence process, taking into account the conditions specific to the loan request. Credit rating processes are corroborated by a variety of private and official information sources, both national and international, including the Credit Bureau and the Risk Center, to expedite the loan process and meet the needs of customers within their credit limits.

Retail Credit Allocation

Retail Credit Allocation team evaluates the requests received in accordance with the financing needs of individual customers and provides housing, vehicle and consumer loans to these customers. According to the analytical evaluation and intelligence inquiry results, in addition to loans, the allocation of limits for products such as overdraft accounts, credit cards is also made by the loans allocation team.

Credit Coordination

The main responsibility of the credit coordination team is the systematic execution of credit operation processes based on the process of customers evaluated by credit allocation teams, ensuring controls, conducting official corporate reporting on loans, performing internal Bank reporting activities related to loans.



Credit Inquiry

Detailed intelligence reports are prepared within the scope of the information obtained from the risk center, credit registry office and other sources for corporate and/or commercial customers who request a loan. In addition, cheques that are subject to collateral, customer news published in the national press and information related to market intelligence are shared with allocation teams.

Environmental Social Risk Assessment

Odeabank evaluates environmental and social impacts in loan allocation processes with detailed customer-based reviews and monitors them with periodically organized consolidated reports.

Remedial and Recovery Management

System improvements were made for the early warning system to run on AI and machine learning basis.

Remedial and Recovery Management Unit makes great efforts with preventive actions for increasing the asset quality of the Bank and making collections for currently non-performing loans.

Remedial and Recovery Management consists of Credit Monitoring and Data Management, Administrative Follow-up and Non-Performing Loans Management, and Legal Follow-up units.

Remedial and Recovery Management Unit makes great efforts with preventive actions for increasing the asset quality of the Bank and making collections for currently non-performing loans.

The global pandemic, which started in 2020, had negative effects on the world and our country's economy. The role assumed by the Remedial and Recovery Management Unit is very important in terms of protecting the interests of both the Bank and the customers. The Unit, which made every effort to fulfill its important responsibilities during this period will continue to do the same in 2024.

In 2023, system improvements were made for the early warning system to run on AI and machine learning basis and to include financial data, and the project was realized.

Credit Monitoring and Data Management

is responsible for:

- Identifying potentially problematic loans in advance through close monitoring of all Odeabank loans via Early Warning system based on artificial intelligence and machine learning; working in collaboration with relevant functions for necessary action.
- Meeting all reporting requirements of the Department and conducting analyses.
- Keeping procedures and regulations up to date and ensuring coordination with internal and external auditors.
- Leveraging internal and external sources to effectively monitor retail customers with overdue payments between 1 to 90 days and ensuring collection.

Administrative Follow-up and NPL Management

- oversees the following tasks:
- Managing and closely following up on customers whose repayments have been overdue for 30 to 90 days, under applicable law.
 - Re-structuring debt for customers who have delinquencies despite their ongoing operations in line with their current cash flows; obtaining additional collaterals as necessary; harmonization of clients' loans with their incomes, in case of currency mismatch between income and expense, eliminating delays and lastly remediating customers who are or may be problematic for Odeabank; or, if not possible, deciding to initiate legal proceedings.
 - Making negotiations and agreements with customers in the legal proceedings phase for fast settlement of risks.

- Negotiating with customers who wish to hand over their personal or commercial properties as an offset to their liabilities against Odeabank or as part of a buyback guarantee; determining and agreeing on the terms of the agreement; obtaining the committee approvals at relevant authority levels regarding those mutually-agreed terms; and signing such agreements with customers to ensure collection on behalf of Odeabank.

Legal Follow-up

is responsible for:

- Managing and maintaining legal processes regarding the collection of all loan receivables transferred to the legal follow-up accounts.
- Negotiating the customer offers that may occur during the legal processes and the terms and conditions to be agreed on with customers with the supervision of the relevant units, and ensuring the committee approvals.

- Maintaining judicial processes for legal proceedings both through contracted law offices and personally.
- Selecting, auditing, and performance-oriented management of contracted law firms that will carry out legal procedures, terminating working with contracted/law firms, if necessary.
- Coordinating all operational procedures of contracted law firms regarding systematic and legal proceedings files.

The Unit started to use a legal follow-up program integrated with UYAP Institution Portal and thus aims to increase productivity in its operations.



Legal Department

The legal infrastructure of all kinds of new products and services introduced by Odeabank in 2023 was prepared by the Legal Department.

Legal Department is responsible for drafting and negotiating contracts for all kinds of banking products and services needed and contracts for the procurement of goods and services.

Legal Department provides timely, effective and objectively preventive legal support and consultancy for all the activities of Odeabank's Headquarters and branch organizations, ensures the settlement of disputes to which the Bank is a party, and follows the lawsuits.

The Unit is responsible for drafting and negotiating contracts for all kinds of banking products and services needed and contracts for the procurement of goods and services. It audits the legal adequacy and compliance of all contracts to which the Bank is a party. In this context, it prepares legal opinions on the necessary issues and makes the necessary guidance in terms of compliance with the legislation during the fulfillment of daily banking transactions.

The Unit prepares the legal infrastructure for all products, services and projects within the Bank. In this regard, the legal infrastructure of all kinds of new products and services introduced by the Bank in 2023 was prepared by the Unit. Also, evaluating business line and customer reconciliations for the purpose of structuring non-performing loans and preparing documentation are also within the scope of the unit's duties. At its own discretion and upon the request of business lines, the Legal Department organizes relevant training courses.

In 2023;

- The Bank's standard contracts such as the Banking Services Agreements, General Loan Agreements, Overdraft Account Agreements, and Consumer Loan Agreements were updated,
- Legal consultancy was provided for the loans to be extended with the guarantee of İhracatı Geliştirme A.Ş. ("İGE"), of which the Bank is a shareholder, and for the contracts to be concluded with İGE,

- Legal support was provided to the relevant units required for the expansion of the range of investment products and services offered by the Bank such as Rob'O, and
- Within the scope of Provisional Article 32 of the Banking Law, support was provided to the relevant units in the negotiation of important financial restructuring agreements in which the Bank is involved and in the ongoing processes.

Legal Department examines the Bank's related policies and procedures from a legal perspective and ensures that they are kept up-to-date, and supports the establishment of the Board of Directors decisions regarding the corporate management of the Bank and the organization of the Ordinary and Extraordinary General Assembly meetings.

In line with the Bank's vision of becoming Türkiye's leading "phygital" bank, in 2023, the Legal Department incorporated digital solutions into its operations in the areas of letters of guarantee, contracts management, and reporting.

Litigation attorneys employed within Legal Department are responsible for internally following, finalizing and representing the Bank in front of related public authorities at all intermediation applications, litigation,



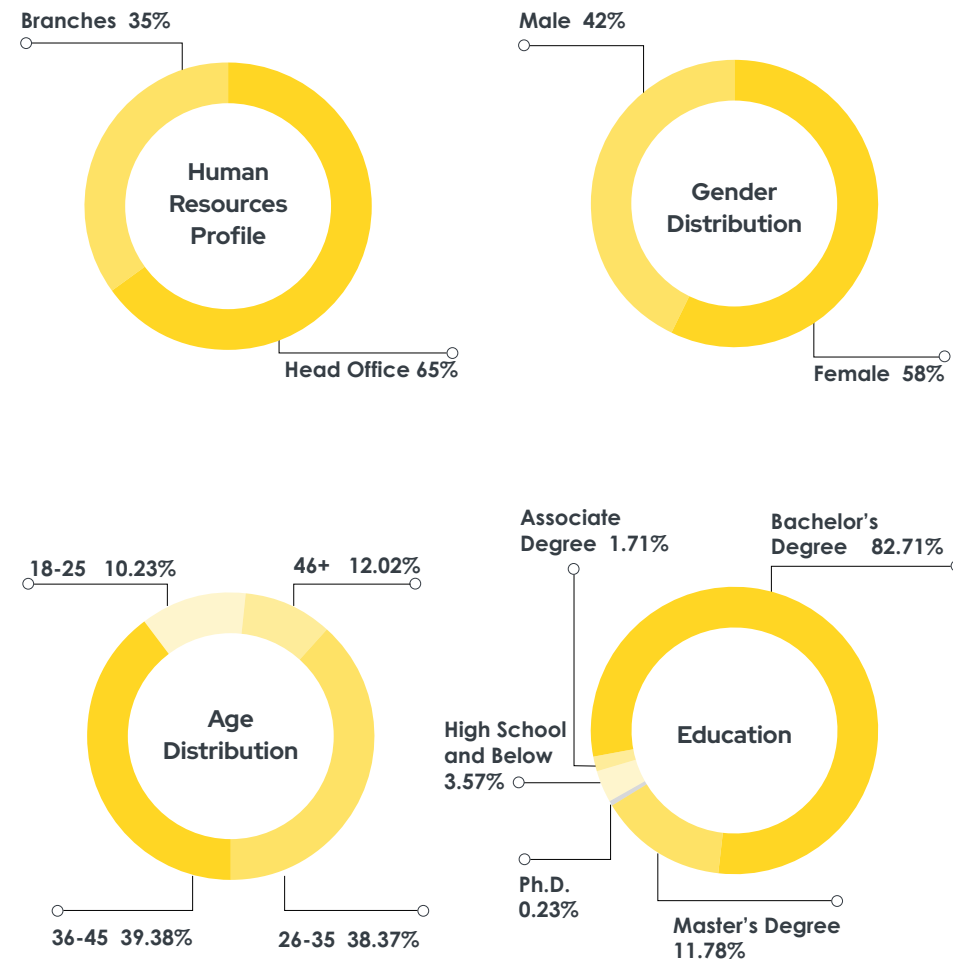
complaints, and lawsuits to which the Bank is a party, which are not related to customers, and which are submitted to the litigation accounts, for determining and assigning the case files to be assigned to contracted lawyers according to case contents, and for reporting lawsuits to interested parties. In case the related line of business needs, the Department provides legal support and consultancy for various subjects that turned or may turn into a lawsuit or in communication with public authorities and organizations. Again if the related line of business needs, it provides file controls regarding possible lawsuits, where the Bank may be involved in, or supplies information on its summary. In personnel processes such as rescission processes, termination notices, defense letters, warnings, etc. managed by the Human Resources Department, it provides legal consultancy and guidance to the Human Resources Department.

Consultancy is given to the Real Estate Department on issues regarding the immovables that passed into the ownership of the Bank, documents are created and transactions are made, or coordination is provided with contracted proxies, when necessary, regarding the legal actions to be taken. It provides consultancy and guidance to the Customer Enquiry Management regarding expenses returns originating from Consumer Law, objection to THHK, complaint due to repayment, etc.

Legal Department will continue to be in a strategic partnership with all other business lines in the upcoming period and contribute to the realization of the Bank's vision with its agile working model that embraces Odeabank's mission and values.

Human Resources

Of the employees at Odeabank, 77% are generation Y, with an average employee age of 36.



Odeabank Human Resources considers fair evaluation, equal opportunity and transparency as basic principles while managing its human resources, which is its most valuable capital. The Department is approachable and solution-oriented. It monitors the respective goals of business units, provides Senior Management with supportive feedback, and offers consultancy and guidance in the Bank's areas of improvement.

With the aim of efficiency and success of Odeabank, the Unit assumes the responsibilities, within the scope of the Bank's strategic goals and needs, to employ success and result-oriented, honest, consistent, ethical, teamwork-oriented candidates, manage the orientation, career, wage, fringe benefits and performance processes, establish and lead processes for training, development, talent management, and back-up plan that will enable the transformation of the learning experience to personal development, and provide management consultancy.



Human Resources strives to create a professional working environment and offer career development opportunities to employees. Accordingly, it carries out motivation and engagement activities and designs and implements new processes and practices, considering the diverse needs of employees from different generations.

Human Resources also contributes to Odeabank's efficiency and performance by establishing an environment that is accessible, supportive, and responsive to its employees.

Recruitment Processes

In 2023, the organization aimed to recruit success-oriented candidates who welcome change and hold the ideal levels of educational achievement and experience for their respective position.

Odeabank prefers to meet its experienced human resources needs primarily from within the Bank, in order to support the development of its current employees, to enable them to advance in their careers, and to strengthen the corporate culture. Emerging career opportunities are first shared with all employees and vacancies are filled after the applicants are evaluated according to their competencies and objective criteria.

It is important for the Bank to bring in and promote young talents to the corporation. In this context, the "Nova Internship Program," "Young Talent," "Young Talent in Sales" and "IT Young Talent" recruitment processes were completed to add new graduates who want to pursue a career in banking by using their potential and academic background, to the Odeabank family. Among the applications received, highly motivated, dynamic, innovative, and result-oriented young talents who successfully completed the general ability, English tests, and one-to-one interview processes are given the opportunity to make a good start to their careers with the Odeabank culture.

During recruitments, Odeabank enriches its staff in every sense by selecting individuals who are success-oriented, dynamic, competitive, innovative and unique, who understand the needs of their customers and have high social sensitivity.

Human Resources Profile

Of the employees at Odeabank, 77% are generation Y, with an average employee age of 36.

Human Resources

In October 2023, the “Employee Loyalty Survey” was conducted to improve the experience of employees and increase loyalty.

The culture document, which was created by defining the meanings of Odeabank values in everyday working life, as well as the corresponding behaviors expected of employees, was shared with all employees in the form of a handbook.

The bank, which wants to provide an end-to-end recruitment and job adaptation process for all of its candidates, has improved the employment experience by implementing a digital onboarding practice beginning with the candidate recruitment processes to adapt employees to the corporation more quickly throughout the orientation process. In this context, an onboarding experience was designed to best reflect the Odeabank employer brand by evaluating the survey research and executive feedback, and the process began to be managed through a digital platform. Thus, the experience provided for the newly hired employee, including his/her first manager and teammate in charge of the adaptation process (buddy), was structured through day-to-day assignments and experience questionnaires conducted at various stages.

Employee Relations and Internal Communications

Designed along with the principle that “our most valuable asset is our people,” Odeabank’s HR practices continued to support business units in parallel with the Bank’s goals and policies. Cross-functional synergy was created between business units to improve collaboration, and internal communication activities were conducted to support the mental and physical “wellbeing” of the employees.

To strengthen the communication with employees, branch visits and department meetings have been planned. In these one-to-one meetings, employees were met and a listening environment where they can submit their feedback and any ideas and recommendations was created.



In October 2023, the “Employee Loyalty Survey” was conducted to improve the experience of employees and increase loyalty. With the valuable contributions of the employees, this survey aims to demonstrate Odeabank’s current strengths as a corporation and to guide the issues that need to be given importance and priority in order to increase organizational effectiveness in employee experience.

Various activities were planned and continued also in 2023 so that the values launched in 2022 as part of the new employer brand would become a part of Odeabank culture and the defined concept of “Odealist” would be kept alive and disseminated by the employees. One of the most important practices implemented in this context was the “Odealist Value Awards” contest. With this practice, colleagues who keep Odeabank values alive were identified, rewarded, and selected as the first cultural ambassadors.

The culture document, which was created by defining the meanings of Odeabank values in everyday working life, as well as the corresponding behaviors expected of employees, was shared with all employees in the form of a handbook. All communication activities carried out within and outside the Bank began to be carried out with these values and the concept of “Odealist” in mind, and in-Bank seminars were positioned so that they relate to Bank Values.

Human Resources

Odeabank incorporates an employee- and value-oriented, fair-reward system.

In 2023, remuneration activities were carried out by taking into account the average wage in the banking sector by positions grade and employees' annual performance results, along with dynamics within Odeabank and annual budgets.

Performance Management

The performance management process at the Bank is designed to support and guide employees in achieving better results. In this context, performance evaluations are made under two main headings based on business goals and behaviors, so that employees are guided by clarifying what and how they will do during the year. Business targets are created on an annual basis through scorecards, revised within the year if necessary, and evaluated according to the extent to which each employee achieved these targets at the end of the year. Scorecards were created for all employees, including the branch network, and numerical results are mainly calculated by the Bank's Finance and Strategic Planning Department.

In addition to the scorecards, which were implemented for the first time in 2021, the behavioral indicators associated with Odeabank new values were integrated into the performance system in 2022. Thus, it will be possible to measure how long the values live within the Bank's culture and to what extent employees adopt these behaviors. In accordance with the findings obtained from the behavioral evaluations it is planned to organize training activities center the behaviors that need to be improved,

The OKR practice continues in the departments where agile working methodology is adopted, and the performances of the employees in the squads continue to be evaluated in line with the squad OKRs determined quarterly.

In this journey set out with the vision of becoming the leading "phygital" bank of Türkiye, offering the best digital experience integrated with authentic physical services, the Bank's organizations continued to be transformed throughout 2023 in order to strengthen the data management strategy and empower data-driven decision-making mechanism.

In parallel with this approach, Process and Capacity Planning functions were structured under the Human Resources organization with the aim to achieve the targeted digitalization of processes quickly and effectively and to increase the working efficiency and quality of the organization.

Agile Transformation Office

Product and Segment agile areas were established under Retail Banking as part of the Transformation to an Agile Organization study started in 2021. A total of nine agile teams work in these areas by applying agile methodologies. Role-based development programs were carried out to increase the competencies of agile roles operating in agile areas and to enable them to be more effective in transformation. In order to focus more on the Transformation to an Agile Organization process, the Agile Transformation Office was established under the Deputy Directorate of Human Resources. Agile transformation activities continue in line with the Agile Transformation Office's roadmap.

Capacity Planning and Organization Management

It conducts organizational analysis and design studies with a digitalization and data-driven approach analogous with the Bank's strategies and carries out capacity planning for branches and Head Office units.

Process and Profile Management

The Unit provides the definition and modeling of critical business processes in line with the Bank's strategic goals, identification of development areas, execution and coordination of human, technology, and customer-oriented process improvement studies, and project studies of processes such as efficiency, digital transformation, etc. by reviewing service models.

Wage Management and Reward System

Considering its employees as the most important of its success, Odeabank incorporates an employee- and value-oriented, fair-reward system to ensure that all employees are highly motivated and create added value.

In 2023, remuneration activities were carried out by taking into account the average wage in the banking sector by positions grade and employees' annual performance results, along with dynamics within the Bank and annual budgets.



Human Resources

Odeabank employees have opportunities for vertical and horizontal promotions with corresponding authority and responsibilities in alignment with their competency development.

As part of the Young Talent Program, which was launched in August 2023, 51 young talents participated in a one-month development program consisting of training and workshops in core banking, technical, professional, and personal development.



Career Management

As part of Odeabank's Human Resources practices, Odeabank employees have opportunities for vertical and horizontal promotions with corresponding authority and responsibilities in alignment with their competency development.

Guidance and personal development opportunities are provided to employees in accordance with their competencies and areas of expertise.

In order to fill vacant positions or newly opened positions at the Bank primarily from within the Bank and offer the employees different career opportunities, internal job postings are made and position postings are published in a way that all Bank employees can apply, and the applications are then evaluated.

In this regard, a total of 26 internal postings were made and through the applications made for these postings different career paths were opened for a total of 25 employees.

Training, Development and Leadership Management

It conducts training and development design studies, implements evaluation practices to find the most appropriate training solutions, plans trainings, measures the training programs realized, takes and reports the necessary actions based on the measurement results, and ensures the execution of back-up processes.

Odeabank considers employee training and development as a defining key factor for its success. In line with the Bank's long-term strategic needs and goals, the training activities are continued in order to achieve of providing a continuous learning environment which is for creating highly motivated and effective workforce.

In 2023, within the scope of Odeabank's agile learning strategy, technical and non-technical competencies of the employees were assessed and developed with customized training solutions through digital channels.

Young Talent Program

As part of the Young Talent Program, which was launched in August 2023 to attract young talents to the Bank, 51 young talents participated in a one-month development program consisting of training and workshops in core banking, technical, professional, and personal development.



They had the opportunity to get to know the Bank and its processes more closely through trainings as well as sharing sessions with department managers. The goal was to ensure the continuity of the development of young talents with different training topics that are planned during the year, and their participation in the technical trainings organized in this direction was ensured.

Leadership and Talent Management

Coaching-based competency development trainings, with each competency considered as a separate development journey, were continued to be held as part of leadership and talent management activities, in line with the results of competency measurements made. Within the scope of the Odeabank Leadership Program (O'lider), a development journey titled "Developing Innovation," designed in line with the needs of the target audience, was launched in 2023.

Within the scope of the Odeabank Leadership Program (O'lider), Odeabank executives were supported to participate in online development programs conducted by the Business Schools of the world's leading universities to improve their leadership competencies, and they were encouraged to share their knowledge and experience on different topics related to leadership through in-house Leadership Talks.

In 2023, a "Leadership Development Program" was organized for the managers appointed at the Head Office. The three-month program aimed to develop their competencies and skills critical for their new positions.

Human Resources

A total of 48 group trainings were realized in 2023 within the scope of data trainings, and a total of 767 employees participated in the trainings.

As part of the **Öğreniy'O Webinar Series**, a total of **8 webinars** were held in 2023 on various topics such as science, art, psychology, health, personal care, and parenting.

Navi Development Program

The program designed to ensure the holistic development of IT employees' professional and personal competencies, which are critical for their duties, was launched in 2023. As part of the program, department employees participated in professional development trainings via the online training platform. In addition to professional development trainings, planning for personal development trainings designed for IT employees also started in 2023.

Data Science Development Trainings

In line with the Bank's goals and strategies, data trainings, which were implemented to improve the competencies of Odeabank employees in data management and data science, continued in 2023 as well.

A total of 48 group trainings were realized in 2023 within the scope of data trainings organized on a title basis and designed to improve the data literacy of employees and to spread the data-based decision-making culture, and a total of 767 employees participated in the trainings.

Öğreniy'O Webinar Series

As part of the Öğreniy'O Webinar Series, which is organized for the participation of all Bank employees and aims at the holistic development of them, a total of 8 webinars were held in 2023 on various topics such as science, art, psychology, health, personal care, and parenting.

İlham Veriy'O Webinar Series

The webinar series, which were started in 2021 to encourage all employees to have a continuous learning and multi-disciplinary perspective, were organized in various fields such as economy, data, agile culture, continued in 2023 with a total of 12 live chat sessions.



Onboarding and Adaptation at Odeabank

As a part of the digital onboarding experience, a special page named "That's the Day" was prepared on the intranet so that new employees can easily find the information they may need from a single source about the "e-orientation" and Bank practices from the first day to help them adapt to the culture by internalizing the vision, mission, and values of the Bank.

In this context, it is aimed to improve the employee experience by presenting the information they need to adapt to the work environment and culture from the first day through a structural mechanism.

Apart from the formal training solutions mentioned above, Odeabank has adopted the "peer learning" methodology, and continued to contribute to the informal learning process to develop an Odeabank training culture.

Within this scope, the Vide'O platform has been positioned as an alternative social learning platform. Short, instructive videos recorded by employees and seminar records have been published here.

Finance, Financial Control and Strategy

The Geographic Information Systems License was renewed, GIS data was shared with the relevant Ministry.

Planning, Control and Strategy Department analyzes the Bank's performance periodically, in comparison with competitor banks by identifying the market trends in the Turkish banking sector and preparing projections.

Finance, Financial Control and Strategy Department consists of Legal Reporting, Financial Reporting and Capital Management, Financial Control, Accounting and Taxation, Planning & Control and Strategy Departments.

Finance, Financial Control and Strategy Department conducts accounting and taxation activities of the Bank in accordance with the standards, reports its financial results to its domestic and international customers, shares its analyses with national and international public institutions and regulatory authorities specific to the sector and the Bank, and analyzes the Bank's performance periodically. It prepares short- and long-term budgets and comprehensive periodic reports to help the Bank monitor the results and take necessary actions. It prepares market share tracking and periodic financial comparison analyses with other banks in the sector in order to analyze the total performance of the Bank.

Appraisal and Mortgage

The Department is charged with ensuring transparent and reliable preparation of appraisals for real estate taken as a guarantee in accordance with the rules determined by regulatory authorities. In addition, it is responsible for seamless receipt of collaterals and managing release processes, as necessary. Appraisal, Hypothec and Property Sales also reports monthly to regulatory authorities such as the BRSA, CMB and the Central Bank.

The unit implemented the e-release project in 2020, the e-hypothec project in 2021, and the real estate management system project, in which all processes about the real estates acquired in return for receivables will be followed, in 2022. The Price Index of Commercial Real Estate, which we regularly transmit to the Central Bank from the Evas system every quarter, was requested to be transmitted via the High Frequency Data system



as of the first quarter of 2022, and the necessary developments were completed by the end of the first quarter. The application for the Geographic Information Systems License Certificate, which was required to be obtained by the Ministry of Environment, Urbanization and Climate, was made in the second quarter of 2022 and the document was obtained. For 2023, the Geographic Information Systems License was renewed. GIS data was shared with the relevant Ministry in 2023.

Planning, Control and Strategy

Planning, Control and Strategy Department is responsible for the establishment of basic strategies for Odeabank's budget, profitability tracking, and growth and asset quality improvement. In addition, it ensures the execution and coordination of the Bank's relations with its shareholders and third parties within the scope of corporate governance principles

and also shares its information and opinions about Odeabank and the banking sector with internal and external customers, national and international public institutions and regulatory authorities. It analyzes the Bank's performance periodically, in comparison with competitor banks by identifying the market trends in the Turkish banking sector and preparing projections.

Corporate Communications and Marketing

In 2023, Odeabank launched its new mobile application “Odea” with its motto “You Are at the Center of Investment.”

Due to the earthquake disaster experienced in Türkiye, Odeabank mainly contributed to social benefit projects in the earthquake region in the first half of 2023.

Corporate Communications and Marketing Department carries out Odeabank’s digital and conventional advertising, marketing communications, social media communications, internal communications, public relations, sponsorship, event management and social responsibility activities. The department is responsible for conveying information on the Bank’s products, services, and activities to stakeholders, clearly and accurately, and in line with the Bank’s goals and strategies.

Due to the earthquake disaster experienced in Türkiye, Odeabank mainly contributed to social benefit projects in the earthquake region in the first half of 2023. Following the earthquake disaster that shook Türkiye, Odeabank donated 2 containers to the “Purple Spaces,” which was established in İskenderun and Malatya in cooperation with the Federation of Women’s Associations of Türkiye and which provides services for women, children, individuals with special needs, the elderly and disadvantaged groups in earthquake-affected regions for 12

months. Odeabank’s corporate identity was renewed in 2023 and a new discourse was created. On the other hand, in the second half of 2023, the Bank continued its projects to develop culture and arts through the corporate social responsibility project Fair Tales and exhibitions organized within the Odeabank’s art platform O’art, content activities such as O’blog and O’mag, sponsorship activities, and new projects.

In 2023, Odeabank renewed its corporate identity and launched its new mobile application “Odea” with its motto “You Are at the Center of Investment.” Additionally, the Bank has commenced producing investment-focused content with a new communication strategy. Within this scope, “You Are at the Center of Investment” was launched and promotional films were shared on social media.



Branch dressings were changed in line with the “You Are at the Center of Investment” motto. In addition, the Investment Focused Podcast series, moderated by Güzem Yılmaz Ertem, was launched and 14 episodes were broadcast in 2023 with investment experts. As part of its investment-oriented banking strategy, Odeabank created an Investment by Odea column on the popular Oggusto and The Magger pages, where it shares what needs to be known about investment, the latest developments in business life, and interviews with successful business people.

As part of the communication activities for its new mobile application, Odeabank signed collaborations with “Fularsız Entellik,” “Ortamlarda Satılacak Bilgi,” and “Rabarba with Mesut Süre” podcasts, and Barış Özcan’s YouTube channel.

Adding a new one to its activities to contribute for creating an equal future, Odeabank broadcast the podcast program “Women in Corporate Life” with Aposto Radio as part of its podcast activities.

In 2023, Odeabank broke new ground and launched Odea Radio, Türkiye’s first and only 24-hour bank radio. The digital radio’s first broadcast was the 12-part podcast “100 Years of the Republic with İlber Ortaylı,” Odeabank’s special project for the 100th anniversary of the Republic, which was streamed on October 29. Odea Radio, which was established by Odeabank and has just started its broadcasting life, bringing a fresh breath to the broadcasting world and combining music with the strategy of investment, will continue its broadcasting life with various contents in 2024.

In 2023, Odeabank was also the Gold Sponsor of TMA Foyder’s Annual Summit, Platinum Sponsor of Webrazzi Summit 2023, Premium Sponsor of Istanbul Fintech Week, Platinum Sponsor of the 23rd Dynamics Congress, and continued to support student and sports clubs. Besides, as part of special days activities, on April 23rd National Sovereignty and Children’s Day, the Bank donated to nearly 1,000 students studying at Darüşşafaka Schools, aiming to support their qualified education within the scope of equal opportunity in education. Odeabank supported the Koruncuk Foundation’s “Bu İş Çok Zor Yonca” campaign on October 11, International Day of the Girl Child, and Happy Paws’ Kars Susuz Project on October World Animal Day.

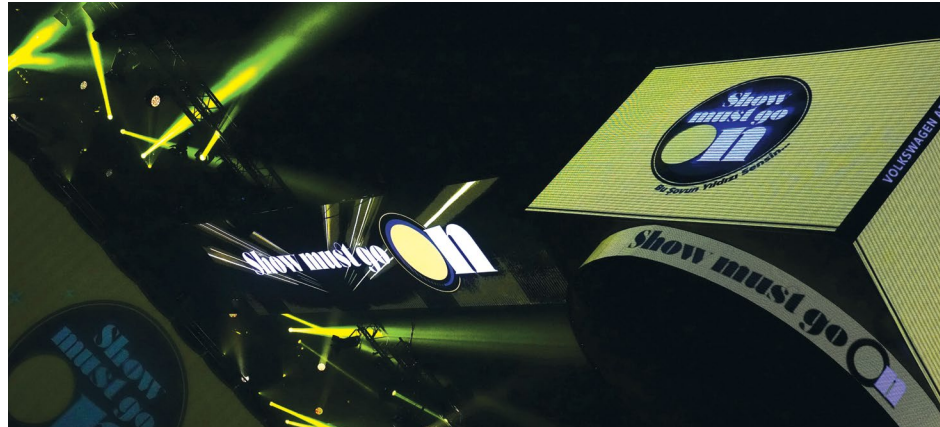
In 2023, Odeabank continued its communication activities regarding its 10th year anniversary.



Corporate Communications and Marketing

Corporate Communications and Marketing is responsible for conveying information on Odeabank's products, services, and activities to stakeholders, clearly and accurately.

Within the scope of internal communication organizations, Odeabank held CEO Meetings online on a quarterly basis.



Within this scope, two separate events were organized where all Odeabank employees came together, and customers and business partners were hosted.

And, like each year, various events were organized in order to reinforce internal communication.

Within this scope, the Bank organized the Managers' Meeting, Branch Managers' Meeting, Awards Calling You event where Contact Center teams came together, ITDay event where Information Technologies teams came together, and Human Resources Development Program event. Within the scope of internal communication organizations, Odeabank held CEO Meetings online on a quarterly basis.

The culture and arts magazine O'mag, which covers rapidly changing trends and interesting topics such as fashion, culture, travel, art, architecture, gastronomy, new technologies, and distributed to the Head Office and all branches throughout the year, was sent together with Time Out magazine and met with its readers.

Odeabank's blog O'blog regularly publishes monthly contents on technology, sustainability, saving methods, arts and culture, social gender equality, investment, and many more.

In 2023, Odeabank collaborated with "Accessible Everything" initiative to conduct a due diligence and set a roadmap to make its digital channels accessible. Within this scope, Digital Accessibility Training, "Disabled or Blocked?" webinar was organized with Odeabank employees. In addition, sign language and audio description were added to individual loan agreements. The agreements have been made inclusive of individuals with disabilities.

Corporate Communications and Marketing will develop projects in 2024 to further enhance the Bank's recognition, reputation, and brand awareness.



Sustainability

In its activities, Odeabank complies with all national laws and regulations on environmental and social issues.

With its responsible business approach, Odeabank aims, if possible, to eliminate environmental and social negative impacts that may arise directly or indirectly from its financial tools and service activities, and if not, to minimize them.

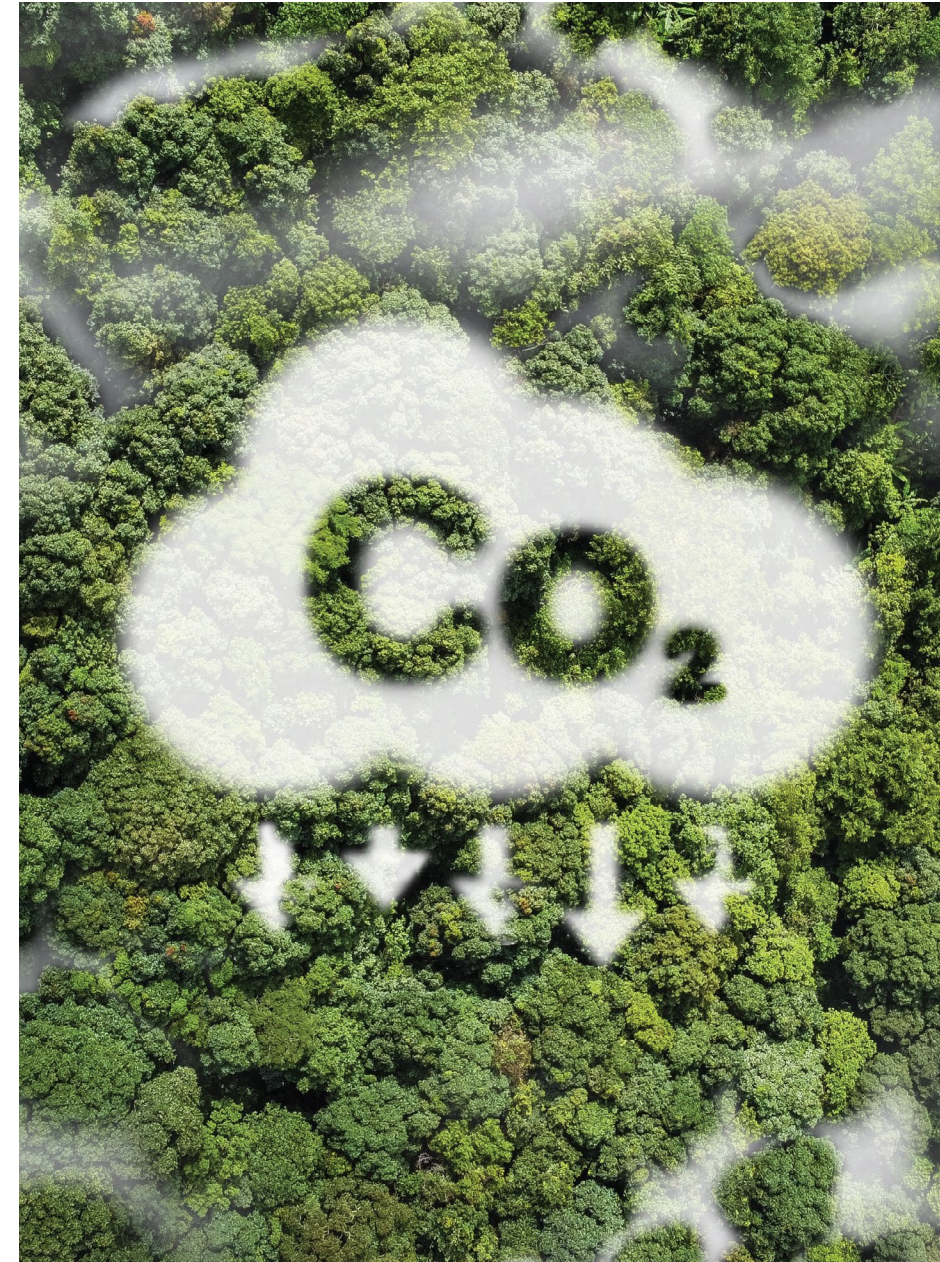
Aiming to produce value by being aware of many transformative environmental, social and corporate conditions of today and also the expectations of internal and external stakeholders, Odeabank aims to encourage robust and sustainable environmental and social development in conducting its banking activities. With its responsible business approach, the Bank aims, if possible, to eliminate environmental and social negative impacts that may arise directly or indirectly from its financial tools and service activities, and if not, to minimize them. For this purpose, by taking the International Finance Corporation's (IFC) Prohibited Activities List as a reference, Odeabank adopted its own Prohibited Activities List.

In its activities, Odeabank complies with all national laws and regulations on environmental and social issues and aims to ensure that its credit customers do so as well. The Bank determines measures to be taken to eliminate or mitigate the environmental

or social risk associated with the activity to be financed and supports crediting projects that improve environmental conditions such as renewable energy investments, waste recycling investments, and investments to reduce carbon emissions or to increase efficiency.

Odeabank continues to act in an environmentally responsible manner in its operational practices.

At its Head Office and branches, the Bank approaches waste management, electricity, water, and paper use processes with sensitivity and adopts a positive attitude to realize different-scale projects that will be beneficial. Documents at the branches are kept electronically, and without using paper, customers can get their queue numbers via the mobile Q-matic application. As protecting the environment, by providing the option of receiving ATM receipts via SMS or e-mail, Odeabank also expands the service network offered to its customers.



With the aim to monitor the development and efficiency of sustainability-related activities and the strategic decisions to be taken at a higher level of authority, starting from August 2023, the Bank's Corporate Governance Committee was turned into the Corporate Governance and Sustainability Committee, and the committee's span of authority has been expanded to cover Sustainability-related matters. As added to the Corporate Governance and Sustainability Committee Charter, it is within the scope of the Committee's authority and responsibilities to regularly review the Bank's activities related to Sustainability topics.

The Bank's Sustainability Unit, established in 2022, continues to operate its activities at full speed under the Financial Institutions and Funding function since October 2023. In many of its activities, the Sustainability Unit receives support of the working group consisting of representatives from various departments within the Bank. In addition to the internal working group, Odeabank participates as a member in the Sustainability Working Groups of TBB (Banks Association of Türkiye), BCSD Türkiye, and YASED (International Investors Association). In 2023, the Bank became a member of TÜSİAD's "Environment and Climate Change" and "Gender Equality" working groups.

Sustainability

In 2023, Odeabank entered TÜSİAD's "Environment and Climate Change" and "Gender Equality" working groups.

Odeabank carried out Sustainability Strategy Development Project, Carbon Emissions Measurement/Calculation and Reporting, and Sustainability Management System (SMS) Documentation studies in 2023.

In 2023 under the leadership of the Sustainability Unit, considering to integrate Sustainability principles into all direct and indirect fields of its activity, Odeabank also carried out Sustainability Strategy Development Project, Carbon Emissions Measurement/Calculation and Reporting, and Sustainability Management System (SMS) Documentation studies with support of a professional consultant. Within the Sustainability Strategy Development Project, sub-targets serving the material focus areas were identified in parallel with the Bank's vision and mission, and short, medium, and long-term action plans for these targets. As part of the strategy development project, through Carbon Emissions Measurement/Calculation and Reporting process after carrying out the calculation of

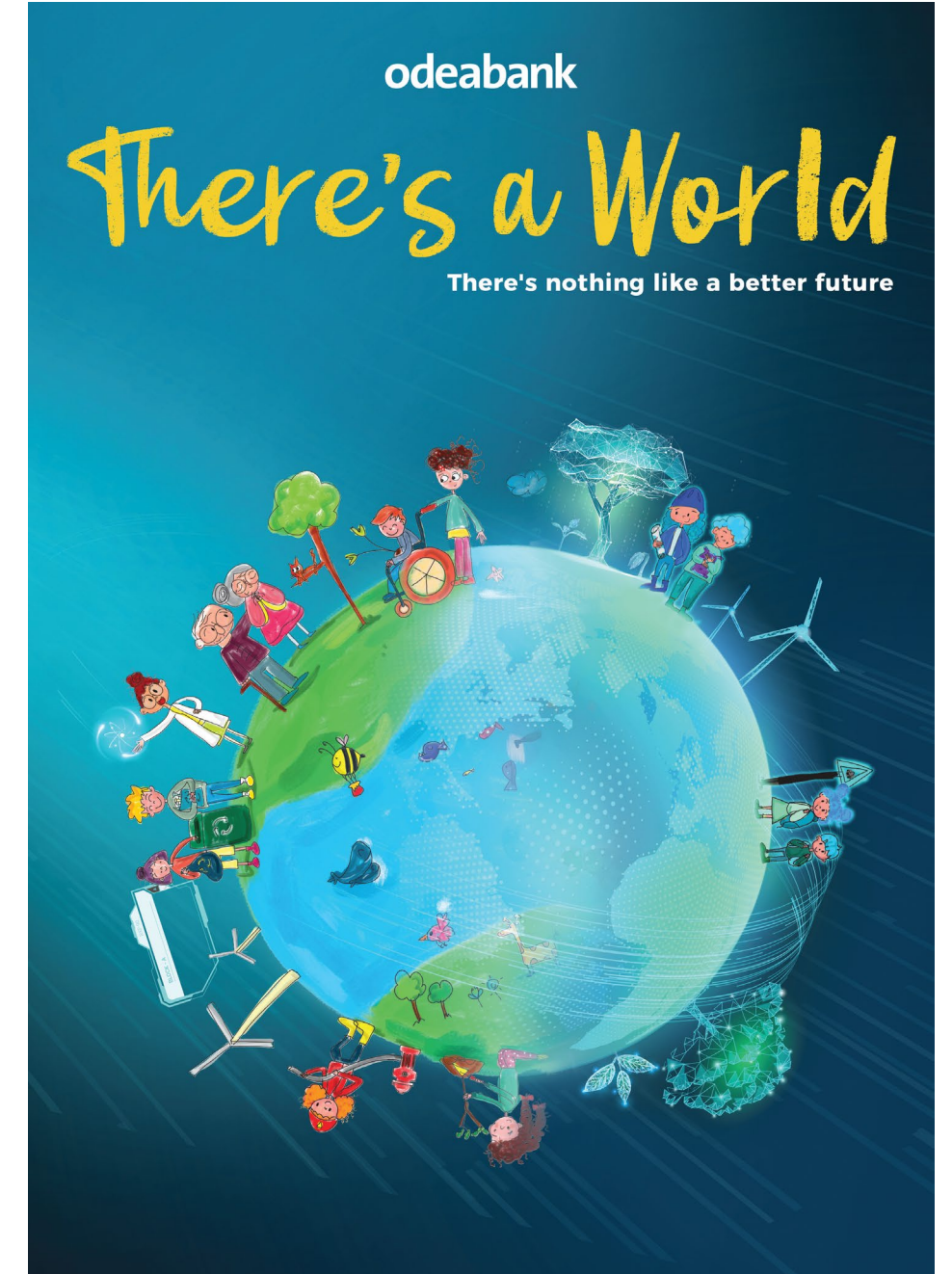
emissions arising from the Bank's operational activities by determining operational data and calculation factors, a procedure that defines the methods and responsibilities was prepared to monitor, record, and ensure the compliance and control of GHG emissions within the Bank. In line with the principle of integrating Odeabank's environmental, social, and managerial sustainability approach into its business processes, published procedures and policies were revised within the scope of Documentation Project.

Contribution of banking sector practices to the United Nations Sustainable Development Goals and the important steps taken nationally or globally are shared periodically, with the aim of raising environmental and social awareness among employees.

Besides raising awareness activities among employees and the society, with the aim of bringing important issues of the business world on sustainable finance to the agenda and to disseminate good practices, as one of the sponsoring banks of 9th Sustainable Finance Forum organized by the Business Council for Sustainable Development Türkiye (SKD) in cooperation with Global Compact Türkiye, Odeabank participated in the panel on "Sustainable development focus of the finance sector in outsourcing and the February 6 earthquakes" with a senior representative.

The Bank's second Sustainability Report, which covers its sustainability targets and performance, environmental and social indicators for January-December 2022 period, was published in line with Global Reporting Initiative (GRI) Standards for all its stakeholders.

Having left behind 10 years of solid financial structure, Odeabank will continue to work in line with the Bank's strategies, activities, and future targets and contribute to a sustainable future.



Corporate Social Responsibility

In 2023, the Fair Tales theater play was staged 14 times in Istanbul and twice in Eskişehir free of charge and reached more than 11 thousand people.

1 million
Books sent within
the scope of the
“Fair Tales” project

In addition to its commitment to sustainable development, Odeabank embraces corporate social responsibility and actively works for its community and society. It takes on a proactive and collaborative role to improve the quality of life, the public good, cultural development, and the well-being of society.

Odeabank focuses on issues such as gender equality, women's empowerment, organizational management, human rights, business practices, environment, fair business practices, consumer problems, and social participation, at the international level.

The “Fair Tales” project, which drew a lot of interest, continued in 2023 as well, with 1 million books sent and more than 1,200 schools reached.

The theater play adapted from the “Fair Tales” project, which focuses on the concept of gender equality with the aim of providing an equal future for children by addressing world-famous fairy tales in an egalitarian manner, which covers nature and environmental issues as well, continued to meet with children. In 2023, the Fair Tales theater play was staged 14 times in Istanbul and twice in Eskişehir free of charge and reached more than 11 thousand people. To date, it has reached more than 31 thousand children with 38 plays.

In addition, Odeabank donated two settlements at the İskenderun Nardüzü and Malatya regions of the “Purple Spaces,” which was established in İskenderun and Malatya in cooperation with the Federation of Women's Associations of Türkiye and which provides services for women, children, individuals with special needs, the



elderly and disadvantaged groups in earthquake-affected regions. The containers in the settlements offer a wide range of services, from therapy and playgrounds for children to health, hygiene, and psychological counseling services for women. Launched in June 2023, the project covers a one-year period.

Odeabank met the personal needs of 10 female students for a year by supporting the Koruncuk Foundation's “Bu İş Çok Zor Yonca” campaign on October 11, International Day of the Girl Child. In addition, on October 4, World

Foundation on behalf of those who became individual customers through digital channels in 2023, and a memorial forest of 10 thousand saplings was created.

Odeabank encourages all managers and employees to act with a sense of social responsibility both in their personal lives and as the Bank's employees while performing professional duties. The Bank organizes special events and training activities to raise employee awareness on environmental and social issues. Accordingly, Odeabank is committed to;

- Embrace the principle of honesty and open communication in interactions, communicating openly with all internal and external stakeholders;
- Value human resources by promoting versatility, diversity, and equal opportunity;
- Reward talent, supporting teamwork and employees' development;
- Apply the highest standards of integrity in business relations;
- Promote healthy ecosystems, social equity, and good organizational governance within its sphere of influence and supply chain;
- Take responsibility for decisions and actions and be trustworthy; and
- Positively affect its entire value chain with its social responsibility awareness.

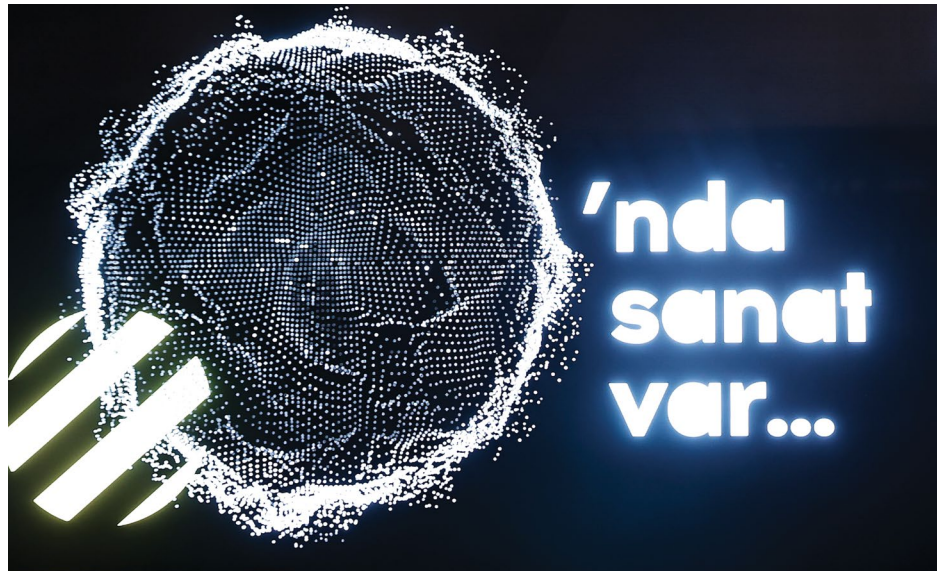
Animal Day, Odeabank collaborated with Happy Paws to support the vaccination and treatment of puppies in the Kars Susuz Project.

In 2023, Odeabank signed a new project through TEMA Foundation. As part of the project, Odeabank donated a sapling to the TEMA Foundation on behalf of each person who becomes an individual Odea customer via digital channels. Odeabank donated saplings to the Malatya Aşağılupınar Afforestation Area through TEMA

Contributions to Art and Culture

Odeabank's art platform **O'art**, supports contemporary art production and contributes to the visibility of artists and art.

Having mission of supporting young artists in the fields of digital art and new media, Odeabank's art platform O'art carried out trainings and activities in three categories, namely Masterclass Program, New Media Residency Program, and O'art Talks, which it targeted in the 2022-2023 period in cooperation with Piksel.



In addition to its financial activities, Odeabank also carries out activities that contribute to society and culture. Believing that art and culture are a strong bond that brings societies together, Odeabank undertakes projects that contribute to this field through its own art platform O'art and sponsorships in culture and arts fields.

Since 2015, Odeabank's art platform O'art, which hosts representatives of contemporary art, supports contemporary art production and contributes to the visibility of artists and art. O'art has also transferred its exhibitions to the digital platform and opened them to visitors on its website.



With the mission of supporting young artists in the fields of digital art and new media, Odeabank's art platform O'art carried out trainings and activities in three categories, namely Masterclass Program, New Media Residency Program, and O'art Talks, which it targeted in the 2022-2023 period in cooperation with Piksel. In the Piksel. | O'art New Media Residency Program, 10 artists selected were given training and production scholarships of TL 100 thousand each and TL 1,000,000 in total. Within the scope of the special project for Odeabank's 10th anniversary, the participating artists were given the opportunity to work with the most important new media artists of the world and Türkiye for three months, and two selected artists

were given the opportunity to be guests of Residency Unlimited, one of the most important artist residency programs in the USA, for two months, with all expenses paid. The "Soft Discipline" exhibition was realized with young artists who graduated from the program. A group digital exhibition curated by Ekmel Ertan and the artists of the works was presented to art lovers at Alan Kadıköy between September 6 and October 6.

O'art also organized the "Onunla" exhibition especially for the 10th anniversary of Odeabank's foundation. Bringing together 10 artists who worked with O'art to date and their works with the idea of celebrating Odeabank's 10th anniversary, the "Onunla" exhibition was curated by Begüm Güney and presented

to art lovers with the venue sponsorship of Fişekhane.

As part of the 27th Istanbul Theater Festival organized by the Istanbul Foundation for Culture and Arts in 2023 and sponsored by Odeabank with the theme "There Is a Woman Behind This!" the plays "Flu Lysistrata," "Sen Hamlet Değilsin," and "Kız Kardeşler" were staged.

Odeabank supported two other festivals as part of its sponsorships in the fields of culture and arts. In 2023, Odeabank sponsored the Bergama Theater Festival and the Creative Children's Festival and also took part in the Creative Children's Festival with the play "Fair Tales."

Awards

Odeabank has received Contact Center of the Year (Up to 100 Seats) –Financial Service Industries Gold Stevie Award.

Odeabank has received awards in Talent Management - Talent Acquisition - Leadership Development / Human Resources at Brandon Hall Group Excellence Awards.

Odeabank's work was deemed worthy of awards in various fields in 2023.

- Odea Mobile Application:
 - Red Dot Design Award 2023
 - A'Design Award & Competition: Bronze A' Design Award Winner for Mobile Technologies, Applications and Software Design Category in 2022)
- Fortune Türkiye 2022 C-Suite Series 50 CTO: Sinan Erdem Özer, Assistant General Manager of Technology and Operations at Odeabank
- Capital Women-Friendly Companies Survey "100 Women Manager-Friendly Companies": Odeabank – 50th place
- The Stevie® Awards: Contact Center of the Year (Up to 100 Seats) –Financial Service Industries Gold Stevie Award
- Şikayetvar Awards: Banking B Segment - Diamond Award
- PSM Awards: Internal Innovation Silver PSM Award - Contact Center
- Brandon Hall Group Excellence Awards: Talent Management - Talent Acquisition - Leadership Development / Human Resources



Board Members, Senior Management (Executive Committee Members) and Auditors

Name	Position	Appointment Date	Education
Tamer Ghazaleh	Chair	24.05.2019	Bachelor’s Degree
Khalil El Debs	Vice-Chair	14.04.2014	Master’s Degree
Mouayed Makhoulf	Board Member	30.10.2019	Master’s Degree
Antoine Najm	Board Member	09.01.2020	Bachelor’s Degree
Dr. Ayşe Botan Berker	Board Member	12.10.2020	Ph.D.
Dr. Farid Lahoud	Board Member	14.12.2020	Ph.D.
Me. Chahdan Jebeyli	Board Member	03.06.2021	Master’s Degree
Oya Aydınlık	Board Member	17.06.2021	Bachelor’s Degree
Ebru Oğan Knottnerus	Board Member	01.07.2021	Bachelor’s Degree
Hilmi Güvenal	Board Member	07.04.2022	Bachelor’s Degree
Elias Abou Sleiman	Board Member	28.09.2023	Master’s Degree
Dr. Mert Öncü	Board Member - General Manager	02.04.2018	Ph.D.
Yalçın Avcı	Deputy General Manager-AGM in charge of Commercial Banking	07.06.2012	Master’s Degree
Mehmet Gökmen Uçar	Deputy General Manager-AGM in charge of Finance, Financial Control and Strategy	02.07.2018	Bachelor’s Degree
Sinan Erdem Özer	AGM in charge of Technology and Operations	03.09.2018	Master’s Degree
Hüseyin Gönül	AGM in charge of Risk Management and Internal Control	24.06.2019	Bachelor's Degree
Emir Alpay	AGM in charge of Treasury, Capital Markets and Financial Institutions	09.09.2019	Master's Degree
Cenk Demiröz	AGM in charge of Credit Allocation	25.11.2019	Master’s Degree
Ebru Vardar	AGM in charge of Human Resources	14.09.2020	Bachelor’s Degree
Hüseyin Cem Taner	AGM in charge of Credit Monitoring and Remedial	01.06.2012	Bachelor’s Degree
Gürcan Kırmızı	AGM in charge of Retail Banking	21.11.2022	Bachelor’s Degree
Aslı Pinar Akbaydoğan	Director, Chief Legal Counsel	04.01.2016	Bachelor’s Degree
Tolga Usluer	Director, Head of Internal Audit	10.07.2017	Master’s Degree
Önder Yılmaz	Director, Regulations and Compliance	05.05.2020	Master’s Degree
Murat Bitirici	Director, Digital Transformation	10.02.2021	Bachelor’s Degree

Title	Position	Elected General Assembly	Term of Office
KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi	Auditor	27.03.2023	1 Year



Tamer Ghazaleh
Chair of Board of Directors, Chair of the Remuneration Committee, Associate Member of the Credit Committee

Tamer Ghazaleh holds a Bachelor’s Degree in Accounting from the University of Jordan (1998) and is a graduate of the Executive Management Program (EMP) at the Harvard Business School (2009) and Advanced Management Program (AMP) at the Harvard Business School in 2019.

Tamer Ghazaleh joined Bank Audi Group in 2004 as Chief Financial Officer (CFO) of Jordan Branches, in charge of the Finance and Administration Departments there. In March 2006, Mr. Tamer Ghazaleh moved to Bank Audi SAE (EGYPT) where he became assistant General Manager and CFO, bringing a significant contribution to the expansion of the bank’s activities in Egypt and to the establishment of its strong financial pillars. In June 2014, he was appointed Deputy Group CFO within Head Office in Beirut and then promoted to Group CFO in March 2014, and to Deputy Group CEO in July 2020.

Throughout his career at Bank Audi Group, Tamer Ghazaleh was a key contributor to the development and adaptation of the Bank’s financial management to its complex needs and expansion plans, mobilizing adequate human resources for financial management and making use of advanced integrated information technology to align the Bank to international best practice in financial management and reporting, and to abide by the evolving International Financial Reporting Standards. He currently assists the Group CEO in leading the day to day operation of the Group’s activity, responsible primarily for the implementation of the Group’s strategy. He is currently a member of the Board of Directors of several affiliates of Bank Audi, and Co-Chair of the Group Executive Committee of the bank.

Prior to joining Bank Audi Group, Tamer Ghazaleh occupied several positions in international companies, as he worked for three years with Deloitte and Touche M.E. (Jordan and UAE). In 2001, he joined the Standard Chartered Bank in Jordan, where he became CFO as of 2002 and a member of the Executive, Risk, and ALCO committees until 2004. Having acted as the Vice-Chair of the Board of Directors of Odeabank as of November 2020, he was appointed as the Chair of the Board of Directors of Odeabank as of August 2023.



Khalil El Debs
Vice-Chair of Board of Directors, Member of the Risk Committee and Credit Committee

Khalil El Debs currently acts as Deputy Group Chief Executive Officer of Bank Audi s.a.l. He is in charge of Corporate & Commercial Banking, Capital Markets & Treasury, SME, Retail Banking, Energy & Infrastructure Finance, Operations, Private Banking, Private Equity, and the International Division. In his role, he oversees the development and implementation of the business strategies and policies of the bank across these business lines.

He also serves as Chair of Bank Audi LLC (Qatar) and is member of the Board of Directors of Bank Audi France sa and Bank Audi (Suisse) SA. He was appointed as Vice-Chair of the Board of Directors of Odeabank as of August 2023.

When he joined Bank Audi in 1995, Khalil Debs played a key role in the development of the corporate and commercial lending activities of the bank in Lebanon, and he actively contributed to the regional expansion activities on which Bank Audi embarked since 2004. He previously acted as Group Head of Corporate Banking overseeing the corporate and commercial lending activities of the bank’s entities in all countries of operation, in addition to his role as a member of their respective credit committees. In 2008, he established and successfully launched the Group’s syndication and project finance division. He also led a number of key transactions in the MENA region.

Khalil Debs holds a Master's degree in Business Administration from the Lebanese American University and is a Chartered Financial Analyst (CFA) since 2001.

Board Members, Senior Management (Executive Committee Members) and Auditors



Mouayed Makhoulf
Board Member, Member of the Audit Committee, Risk Committee and Corporate Governance and Sustainability Committee

Mouayed Makhoulf is a member of the Board of Directors of Odeabank since October 2019.

Mouayed Makhoulf joined Bank Audi Group in August 2019 as a General Manager and a member of the Group Executive Committee of Bank Audi sal with a primary focus on the regional corporate business as well as the various special initiatives within the Group.

Prior to joining Bank Audi Group, Mouayed Makhoulf was the Regional Director of the Middle East and North Africa region (MENA) at the International Finance Corporation (IFC), World Bank Group where he was responsible for IFC's investments and advisory programs in more than 20 countries in MENA, with over 250 staff across 14 offices. During his tenor as a Regional Director of MENA, IFC's work in the region witnessed a considerable shift in creating the right space for stronger private sector contribution in most of the countries of the region which was done through both investing directly in some of the most noticeable private sector transactions as well as focusing on the needed upstream work with the relevant authorities and governments. Prior to that, Mr. Makhoulf was a Manager in the Financial Institutions Group responsible for IFC's investments in the financial institutions space in the Middle East and North Africa region based in Dubai, UAE.

Mr. Makhoulf joined IFC in Washington DC in 1998. During his career at IFC, he relocated to several major offices across many regions and covered a large number of markets including Central Asia, MENA, Türkiye, Europe, Latin America and Asia. Mr. Makhoulf holds a Master of Science degree in Finance from the George Washington University in Washington, DC.



Antoine Najm
Board Member and Member of the Credit Committee

Antoine Najm holds a Bachelor's Degree in Business Administration (Finance) from HEC Montreal (1993) and has received his undergraduate degree and high school diploma in Canada.

He serves as Chief Credit Officer at Bank Audi S.A.L. since May 2022, in charge of the Group Credit division constituted of (i) Group Corporate Credit Management department, comprising Regional Credit Approvals and Reviews, Group Credit Admin & MIS, (ii) Corporate Credit Risk-Lebanon department. He manages the Group Corporate Credit Portfolio, with responsibilities encompassing the entire process, from independent credit approval to portfolio reviews. He initiated and managed the de-risking strategy of the Group loan portfolio in early 2017 (ongoing) and acts as an independent credit approval authority across the Group for all credits above entities' local limits.

He is a member of the Group Executive Committee as well as IFRS9 steering committees across entities, including validation of staging and migration, permanent invitee of the Risk Committees of the Board and is a key member in remedial management forums.

Antoine Najm joined Bank Audi Group in May 2005 as Head of Credit Risk Review. Before joining Bank Audi Group, he worked for eleven years with Bank Saradar where he occupied several positions including the position of Head of Credit Department from January 2000 until April 2005. He has been serving as a Board Member and Member of the Credit Committee of Odea Bank A.Ş. since January 2020.



Dr. Ayşe Botan Berker
Board Member, Chair of the Risk Committee and Corporate Governance and Sustainability Committee

Dr. Botan Berker completed her secondary education at TED Ankara and holds a Bachelor's degree in Business Administration from Middle East Technical University, a Master's degree in Economics from the University of Delaware (USA), and a Ph.D. in Banking & Finance from Marmara University. Beginning her professional career at the Central Bank of the Republic of Türkiye as a specialist in external debt, Dr. Berker then worked on various assignments such as loans provided within the body of the World Bank and OECD Consortium to Aid Türkiye. Serving as an Assistant Manager in the Department of Balance of Payments, she then worked as Manager in the Department of International Institutions in charge of borrowing from foreign markets at the Central Bank. Between 1994 and 1996, Dr. Berker worked as London Representative of the Central Bank of the Republic of Türkiye. Before leaving the Central Bank in January 1999, she served as External Affairs Assistant General Manager. She then opened the Türkiye office of Fitch International Credit Rating Company, where she worked as Türkiye General Manager and Board Member until March 2012. Dr. Berker founded Merit Risk Management and Consultancy Services company in April 2012. She served as the Independent Board Member and Chair of the Risk Committee of Turcas Petrol A.Ş. between 2012 and 2018.

Acting as an Independent Board Member and Chair of the Audit Committee since 2018 at İş Leasing A.Ş., Mrs. Berker is also serving as an Independent Board Member and Chair of the Risk Committee at Ulusal Faktoring A.Ş. She is also a member of the Turkish Education Foundation's Board of Trustees and Board of Directors as well as being a member of Global Relations Forum.

Botan Berker has been a Board Member of Odea Bank A.Ş. since October 2020.



Dr. Farid Lahoud
Board Member and Member of the Audit Committee

Farid Lahoud is a member of the Board of Directors of Odeabank since December 2020.

He joined Bank Audi, Lebanon, in 1991, moving from a leading London-based discount house. Throughout his career at Bank Audi, he played a senior role in corporate, structured, and project finance and led the origination and structuring of debt programs, bank capital instruments, hybrid equity issuance and asset-backed securities programs. He was appointed as Corporate Secretary of the Bank Audi Group in 2006 and as Group Chief Compliance Officer in 2020. He is a member of the Boards of Directors of several affiliates.

He has served also as a member of the Oversight Advisory Committee of the United Nations Educational, Scientific and Cultural Organization (UNESCO) from 2019 to 2022 and has served, from 2013 until 2016, as a member (Chair from 2014 onwards) of the Oversight Advisory Committee of the United Nations World Health Organization (WHO).

Farid Lahoud holds a Doctorate in Business Administration from ESA Business School in Lebanon, in association with Paris I Panthéon Sorbonne, and a Master's degree in Business Administration from the City University of London. He also holds a Bachelor's degree in Engineering from the American University of Beirut.

Board Members, Senior Management (Executive Committee Members) and Auditors



Me. Chahdan Jebeyli
Board Member and Chair of the Corporate Governance and Sustainability Committee

Me. Chahdan Jebeyli is a Senior Audi Group Advisor: Legal and Compliance. He is a Board Member and Chair of the Audit Committee at Audi Capital, Saudi Arabia. He has been a member of the Board of Directors of Odeabank since June 2021.

Me. Jebeyli is also the former President of the Compliance Officers Committee at the Union of Arab Bankers and the current President of the Compliance Committee at the Lebanese Bankers Association.

Me. Jebeyli joined Bank Audi in 2007 from Citibank where he acted as Managing Director for the legal and compliance in the Middle East and North Africa region. Before Citibank, he practiced law in the USA with a focus on commercial and banking matters.

Me. Chahdan Jebeyli is a former Lebanese Judge, he holds an LLM in International Banking Law Studies from the Boston University and is a member of the New York, American, International and Beirut Bar Associations.



Oya Aydınlık
Board Member and Chair of the Audit Committee

Oya Aydınlık has a Bachelor's Degree in Business Administration from the University of Maryland. She started her career as an Auditor at Arthur Andersen. Then she joined Societe Generale as Internal Auditor and acted as an Assistant General Manager between 1991 and 1996. For a while, Oya Aydınlık worked in London to establish JPM's Istanbul Branch, she then moved to Türkiye as Vice President and Management Board Member for JPMC Türkiye. She was also a Management Board Member of the brokerage company JPM Menkul Değerler A.Ş. providing brokerage in equities, futures, and options.

In 2011, she joined Credit Agricole Türkiye as an Independent Board Member and continued as Chair of the Audit Committee. Then, she continued her career as a Board Member of Standard Chartered Investment Bank after the banking license was acquired by the Organization and she held this position until 2020.

She has been an Independent Board Member and Chair of the Audit Committee of Odea Bank A.Ş. since June 2021.



Ebru Oğan Knottnerus
Board Member, Member of the Risk Committee and Remuneration Committee, and Associate Member of the Credit Committee

Ebru Oğan Knottnerus has a Bachelor's Degree in Business Administration from the Middle East Technical University and a Master's Degree in Musicology and Ethnomusicology from King's College London. Starting her banking career in 1991, she continued with roles at various private sector banks and organizations as manager and senior manager in the fields of internal audit, internal control, financial planning, various system software implementations and project management, predominantly focused on risk management.

Specializing especially in risk management in the banking sector, she administered risk management activities of Garanti BBVA and its subsidiaries by acting as the Head of the Risk Management between 2001 and 2018. She was a Board Member of Risk Managers' Association, which she was a founding member of since 2002 and she also acted as the Chair of the Association between 2008 and 2014.

Mrs. Knottnerus has been serving as an Independent Board Member of PASHA Yatırım Bankası A.Ş. and Board Member of PASHA Bank Georgia since 2018.

She has been an Independent Board Member of Odea Bank A.Ş. since July 2021. She has 33 years of experience in banking and business administration.



Hilmi Güvenal
Board Member

Having graduated from Boğaziçi University, Department of Industrial Engineering in 1985, Güvenal completed the Management Development Program ("PMD") at Harvard Business School in 1993.

Mr. Güvenal has assumed a number of top executive roles besides serving as Board and Committee Member across various companies of Tekfen Holding for 15 years. Between 2009 and 2019, Mr. Güvenal served as the CEO of Hayat Varlık Yönetim A.Ş. – an asset management company.

Mr. Güvenal has been continuing to serve as consultant within the capacity of Reform Kurumsal company, which he established in 2002.

He is currently serving as Member of the Board in Dünya Varlık Yönetim A.Ş. and Vice-Chair in Tam Finans Faktoring A.Ş. He published his first book titled "Yol Yakınken" in 2023.

Board Members, Senior Management (Executive Committee Members) and Auditors



Elias Abou Sleiman
Board Member

Elias Abou Sleiman holds a Master of Science degree in Comparative Government from the faculty of economics at the London School of Economics in London. He also holds a Bachelor's Degree from the University of Beirut in Political Science and Public Administration.

Elias Abou Sleiman joined Bank Audi Group in 2009 as Group Head of Counterparty Credit Risk in the bank's risk department in Lebanon. Elias Abou Sleiman had previously worked for 16 years in various banking jobs in London latterly holding the positions of Senior Risk Officer – VP at ABN-AMRO Bank and later at RBS focusing on Derivatives and Trading Credit Risk.

Elias Abou Sleiman was promoted to the position of Group Chief Risk Officer of Bank Audi in June 2018 and continues in this role to date. Elias Abou Sleiman is member of Bank Audi Group Executive Committee and sits on the Bank's ALCO and IFRS 9 committees. He is currently a board member of Bank Audi LLC (Qatar). As of September 2023, Mr. Abousleiman was appointed as a Board Member of Odeabank A.Ş.



Dr. Mert Öncü
Board Member, General Manager, Chair of the Credit Committee

Dr. Mert Öncü holds a Bachelor's degree from Istanbul Technical University, Electronics and Telecommunications Department and an MBA in Finance from DePaul University, Chicago, where he also worked as a graduate assistant. He served as an intern in the Chicago Mercantile Exchange Group between 1992-1994 and, in 2001, he received a Ph.D. in banking from Marmara University Banking and Insurance Institute. In 2010, he completed the Emerging Leaders and Emerging Companies Certification Program at Insead France, followed by the Advanced Management Program (AMP) of Harvard Business School in 2017.

Starting his banking carrier in Koçbank's Treasury Department in 1994, Dr. Öncü was present during the merger of Koçbank with Yapı Kredi Bank in 2006. Following the merger, Dr. Öncü held various executive roles in Treasury Management. He served as a Board Member and Vice-Chair of the Board for the Izmir Futures and Options Exchange between 2007-2013 until its merger with Borsa Istanbul.

As of 2011, Dr. Öncü served as Assistant General Manager responsible for Treasury and Financial Institutions and as a member of the Executive Committee at Yapı Kredi Bank. As of 2018, he served as a Board Member at Yapı Kredi Yatırım. On April 2, 2018, Dr. Öncü was appointed as the CEO and a Board Member at Odeabank.



Yalçın Avcı
Deputy General Manager, Assistant General Manager

After graduating from the Middle East Technical University with a bachelor's degree in Metallurgy Engineering in 1995, Avcı was accepted to the MT Program at Türk Boston Bank A.Ş., thus beginning his career in Corporate Banking.

He then completed his MBA degree at the School of Administration of Ankara Bilkent University in 1997 and worked as a Customer Representative at the Ankara Branch of İktisat Bank from 1997 to 1998.

Avcı joined Midland Bank A.Ş. (later to be become HSBC A.Ş.) and moved to Istanbul in 1998. After restructuring of the bank as HSBC A.Ş., he contributed to its rapid growth in the Turkish market, actively taking part in the acquisition of first Demirbank in 2001 and then the Advantage Card, i.e., a credit card brand, in 2002. He served as the Head of Corporate Banking in charge of Automotive, Retail, Energy and Real Estate banking operations from 2005 to 2010 and led the Corporate Branches Sales and Marketing operations as the Group President of Corporate Banking from 2010 to 2012.

After his career journey at HSBC, which lasted 13.5 years, Avcı joined Odea Bank A.Ş. in 2012 as the Assistant General Manager of Corporate Banking, effectively becoming one of the founding members of the bank. His area of responsibility was expanded first to Commercial Banking and then to SME Banking. In November 2018, all of the Bank's activities in the field of Wholesale Banking were combined under the umbrella of Commercial Banking, which had the most competitive edge at the time. Avcı still serves as the Assistant General Manager in charge of Commercial Banking and has also been appointed as the Deputy General Manager effective from November 2019 onwards.



Mehmet Gökmen Uçar
Deputy General Manager, Assistant General Manager

Mehmet Gökmen Uçar graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Economics Department in 1998. Between 1998 and 2002, he worked at Başaran Nas Bağımsız Denetim ve S.M.M.M. A.Ş. (PwC) as an Independent Auditor and obtained the Certified Public Accountant qualification. He joined Koçbank in 2002 and worked in Budget Control and Planning as Budget Planning and MIS Supervisor until 2005.

Between 2005 and 2007, Mr. Gökmen Uçar assumed various management responsibilities in the strategy, budgeting and planning areas under UniCredit Group, in Italy, Germany and Austria. He returned to Yapı Kredi in 2008 and worked as Capital Management, Cost Control and Allocation Supervisor, Head of Financial Reporting and Vice President in charge of Financial Reporting and Accounting, respectively. In 2011, he was appointed as Financial Reporting and Accounting Executive Vice President. Between 2012 and 2015, he served as Assistant General Manager responsible for Retail Credits, concurrently serving as a Member of the Board of Directors at KKB.

He worked as Assistant General Manager responsible for Human Resources and Organization from January 2016 until July 2018, and also served as a Member of the Executive Committee at Yapı Kredi. Mr. Gökmen Uçar joined Odeabank as Assistant General Manager in charge of Strategy and Business Development in July 2018. He has served as CFO - Assistant General Manager in charge of Finance, Financial Control and Strategy since November 2018 and as Deputy General Manager as of December 2021.

Board Members, Senior Management (Executive Committee Members) and Auditors



Sinan Erdem Özer
Assistant General Manager

Sinan Erdem Özer graduated from the Department of Computer Engineering at Middle East Technical University and completed the MBA program at Koç University between 1998-1999. Beginning his banking career in 1994 at Koçbank, Mr. Özer worked as System Engineer, Division Manager and System Support and Operations Group Manager until 2006. He led the infrastructure team during the integration project of Yapı Kredi Bank and Koçbank and served as the head of Yapı Kredi Bank's IT Service and Support Groups between 2008 and 2010. Between 2010 and 2018, he worked as the Group Director in charge of IT Infrastructure, Operations, IT Security, Software Development and IT Governance of Subsidiaries at Yapı Kredi Bank.

Mr. Özer has been serving as Assistant General Manager in charge of Technology and Operations at Odea Bank A.Ş. since September 2018.



Hüseyin Gönül
Assistant General Manager

Hüseyin Gönül graduated from the Department of Business Engineering, Istanbul Technical University in 1995. Gönül began his professional life in 1995, joining Demirbank A.Ş. as a Management Trainee and later as Internal Auditor between 1996 and 1998. He was appointed Internal Auditor and Risk Manager, respectively, at Dışbank A.Ş. (1999-2005).

In 2005, Mr. Gönül assumed the title of Credit Risk Management Director at Fortis Bank A.Ş. In February 2011, he was appointed Rating Models Development Director at TEB A.Ş. Mr. Gönül who served as Internal Systems Assistant General Manager/CRO at Odea Bank A.Ş. from 2019 till April 2022 has been serving as Assistant General Manager in charge of Risk Management and Internal Control as of April 2022.



Emir Alpay
Assistant General Manager

Emir Alpay graduated from the Department of International Business Administration and Marketing at Marmara University in 1996. He completed his MA in Business Administration at the University of North London in 1997.

Mr. Alpay started his career in 1999 at Koçbank and, in 2006, joined Akbank, where he held the titles of Corporate Sales Director and Director in charge of Treasury, Derivatives and FX Markets, respectively. In 2013, he was appointed CEO of Yapı Kredi Portfolio Management. Since September 2019, Mr. Alpay has worked as Assistant General Manager in charge of Treasury, Capital Markets and Financial Institutions at Odeabank A.Ş.



Cenk Demiröz
Assistant General Manager

Cenk Demiröz holds a BA and MA from the Department of Economics at Boğaziçi University and Cornell University, respectively. In 2000, he started working as a Customer Representative in Corporate Banking at HSBC Bank.

Between 2002 and 2010, Mr. Demiröz served in the Corporate and Commercial Loans Department at HSBC Bank. In 2010, he joined ING Bank as Co-Chair of Commercial and SME Loans, after which he returned to HSBC Bank to serve as Director in charge of Corporate, Commercial and Financial Institutions Credit Allocation, Market and Counterparty Risks. He served as Assistant General Manager and Deputy General Manager in charge of Credits at Albaraka Türk from 2017 to 2019. In November 2019, Mr. Demiröz joined Odeabank A.Ş. as Assistant General Manager in charge of Credits.

Board Members, Senior Management (Executive Committee Members) and Auditors



Ebru Vardar
Assistant General Manager

Ebru Vardar completed her undergraduate degree in Engineering Management at Istanbul Technical University. Starting her career at Vestel, she then took the HR Consultant position at Arthur Andersen in 1997, and during her six years of consultancy experience, she has worked on many restructuring projects in various sectors.

In 2003 she started working at Ernst & Young as HR Director. In 2013 she took the role of HR Director at Yapı Kredi Bank and during her career, she carried out projects on corporate culture, employer branding, performance management and reward systems, recruitment and talent management. She later took the position of HR Assistant General Manager at Boyner Grand Retailing INC. Ebru Vardar joined Odeabank as HR Director and Member of the Executive Committee in September 2020, and as of February 2022, she has been serving as Assistant General Manager in charge of Human Resources.



Cem Taner
Assistant General Manager

Graduated from Business Administration Department at Ankara University Faculty of Political Sciences, Cem Taner started his banking career at Koçbank with Management Trainee (MT) Program in 1996. Following that he held various managerial positions in the Corporate and Commercial Banking Departments at Citibank, Oyakbank, and HSBC Bank, respectively, and served as Group Head of Corporate Center at HSBC Bank until 2012. He then joined Odeabank in 2012, during its establishment stage, as the Corporate and Commercial Banking Director.

In 2019, Cem Taner was assigned with the reorganization of the Remedial and Recovery Department at Odeabank and he served as Senior Executive in charge of Credit Monitoring, SME Close Follow-up, Retail Collection, Data Analysis and Reporting, Administrative Follow-up, Problematic Loans Management, and Credit Asset Management.

In addition to these duties, Cem Taner managed and realized the project to establish a new early warning system based on machine learning using artificial intelligence, which is developed by Odeabank as a first in the sector.



Gürcan Kırmızı
Assistant General Manager

Mr. Kırmızı graduated from Management Department at Boğaziçi University in 2002. He began his banking career in the same year at Yapı Kredi Bank Payment Systems. He then respectively worked at the same Bank as Portfolio Management Vice-President in 2010; Retail Banking Marketing Analytics and One-to-one Marketing Vice-President in 2013. Serving as Credit Risk Management Executive Vice President between 2015 and 2018, Mr. Kırmızı worked as Retail Banking Segment Management Executive Vice President at the same Bank between 2018 and 2019. Mr. Gürcan Kırmızı worked as Associate Partner at McKinsey&Company Istanbul Office between 2019 and 2022 with his managing role in consulting project of strategy design, business building and execution at Banking, Payments, and FinTech sectors until he was appointed as Assistant General Manager responsible for Retail Banking at Odea Bank A.Ş. as of November 2022.

Committees

Credit Committee

The Credit Committee is responsible for creating guidelines for the credit allocation activities of the Bank in accordance with the credit policy, economic goals and the general risk profile of the credit portfolio of the Bank. The Credit Committee is a consultancy and decision making body in charge of credit allocations, provided that it is limited to ten percent of the equity of the Bank. In addition, the Committee also provides opinions and recommendations to the Board for loans where the amounts are above the delegated authority of the Committee and execution of the duties related to loans assigned by the Board.

The composition of the Credit Committee of Odea Bank A.Ş. is as follows:

Committee Chair	Dr. Mert Öncü	Board Member (General Manager)
Committee Member	Khalil El Debs	Vice Chair of the Board
Committee Member	Antoine Najm	Board Member
Committee Associate Member	Tamer Ghazaleh	Chair of the Board
Committee Associate Member	Ebru Oğan Knottnerus	Board Member

Audit Committee

The Audit Committee is responsible for monitoring the efficiency and effectiveness of the Internal Control, Risk Management and Internal Audit systems on behalf of the Board and for monitoring the processing of these systems, as well as the accounting and reporting systems under the Banking Law and related regulations. The Committee is also responsible for following the integrity of the information generated; it is further responsible for making the necessary preliminary assessment for the selection of Independent Audit Institutions by the Board and regularly monitoring the activities of the Independent Audit Institutions selected by the Board. The Audit Committee pursues whether the provisions of the Regulations concerning internal control, internal audit and risk management as stipulated in the “Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks” and internal policies and implementing procedures approved by the Board are abided by or otherwise, and the Committee makes recommendations to the Board regarding the precautions to be put into place, which are deemed necessary.

In addition, it is among the duties and responsibilities of the Audit Committee to supervise whether the Internal Audit system covers the Bank’s current and planned activities and the risks arising therefrom; to examine in-house procedures concerning the internal audit to be validated upon the approval of the Board; to maintain the communication channels, which will enable the notification of irregularities that may arise within the Bank to the Audit Committee or Internal Audit unit or otherwise to auditors.

The Audit Committee obtains reports from the relevant units and Independent Audit Institutions related to the execution of such duties and carries out its evaluations and findings in respect thereof.

The composition of the Bank’s Audit Committee is as follows:

Committee Chair	Oya Aydınlık	Board Member
Committee Member	Dr. Farid Lahoud	Board Member
Committee Member	Mouayed Makhoulf	Board Member

Corporate Governance and Sustainability Committee

The Committee provides appropriate communication channels and thus it ensures that the appropriate actions and transactions are securely delivered to the related authorities within the Bank in line with the corporate values and ethical rules; designs a system that will enable the possible deviations to be reported and by monitoring their compliance with the Corporate Governance Principles the Committee makes improvement efforts and offers suggestions to the Board of Directors in respect thereof. The Committee revises annually the Corporate Governance Framework of the Bank and presents a report to the Board of Directions related thereto.

As of August 2023, the authorities and responsibilities of the Corporate Governance Committee has been extended such that it includes the duty of overseeing Bank’s sustainability activities therefore the name of the Committee has been modified as “Corporate Governance and Sustainability Committee.

The Committee monitors regularly the compliance of the Bank with the Corporate Governance Principles; manages the acceptance of a new member (director) to the Board of Directors and oversees the creation and implementation of the continuous director development program if necessary. Ensures that Board Member distribution, structure, policies and processes meet the relevant legal and regulatory requirements and further ensures the correct implementation of the Corporate Governance framework and provides opinions in the event of problems or deviations. Pursuant to the relevant regulations, the Chair of the Committee is a Board Member, who does not have executive duties.

As per the aforementioned extension in its scope of activity, as of August 2023, the Committee has been responsible for the follow-up of Bank’s Sustainability engagements and approval of the Sustainability Report of the Bank.

The composition of the Corporate Governance and Sustainability Committee is as follows:

Committee Chair	Me. Chahdan Jebeyli	Board Member
Committee Member	Mouayed Makhoulf	Board Member
Committee Member	Dr. Ayşe Botan Berker	Board Member

Committees

Risk Committee

The Risk Committee is responsible for and in charge of identifying, measuring, monitoring and controlling of all risks, which the Bank may be exposed to, by means of the policies, implementing procedures and limits determined for the monitoring, controlling and when necessary changing the risk-return structure involved based on the future cash flows of the Bank, and in accordance with the nature and level of activities. The Risk Committee supports the Board of Directors in fulfilling the responsibilities of the Board such as maintaining the risk appetite, examining and approving the risk framework and policies of the Bank, examining periodic risk reports and monitoring risk functions within the Bank.

The composition of the Risk Committee of Odea Bank A.Ş. is as follows:

Committee Chair	Dr. Ayşe Botan Berker	Board Member
Committee Member	Mouayed Makhoulf	Board Member
Committee Member	Ebru Oğan Knottnerus	Board Member
Committee Member	Khalil El Debs	Vice-Chair of the Board

Remuneration Committee

The Committee evaluates the remuneration policy and its applications within the framework of risk management and submits annually its suggestions related to these evaluations and findings to the Board of Directors via periodic reports. The Committee further ensures that the salaries to be approved for Board Members, Senior Managers and other Bank personnel are in compliance with the ethical values, internal balances and strategic goals of the Bank.

The composition of the Remuneration Committee of Odea Bank A.Ş. is as follows:

Committee Chair	Tamer Ghazaleh	Chair of the Board
Committee Member	Ebru Oğan Knottnerus	Board Member

Information on the Participation of the Board of Directors and Committee Members at the Respective Meetings

In 2023, the Board of Directors of Odeabank physically convened on February 8, 2023, March 27, 2023, May 9, 2023, August 8, 2023, November 8, 2023 and December 13, 2023; and held another meeting through video conferencing on March 9, 2023.

On February 8, 2023

the Board of Directors held a meeting, Board Members Mr. Mouayed Makhoulf, Mr. Antoine Najm, Dr. Ayşe Botan Berker, Dr. Farid Lahoud, Ms. Oya Aydınlık, Mrs. Ebru Oğan Knottnerus, Mr. Hilmi Güvenal and Dr. Mert Öncü attended the meeting. Chair Dr. Imad Itani, Vice Chair Mr. Tamer Ghazaleh and Board Members Mr. Khalil El Debs and Me. Chahdan Jebeyli were unable to attend the meeting due to their prior commitments.

12 (twelve) Board resolutions were taken at this meeting.

On March 9, 2023

the Board of Directors held a meeting through video-conferencing. Vice Chair Mr. Tamer Ghazaleh, and board members Mr. Khalil El Debs, Mr. Mouayed Makhoulf, Mr. Antoine Najm, Dr. Ayşe Botan Berker, Dr. Farid Lahoud, Ms. Oya Aydınlık, Mrs. Ebru Oğan Knottnerus, Mr. Hilmi Güvenal and Dr. Mert Öncü attended the meeting through video-conferencing. Chair Dr. Imad Itani and Board Member Me. Chahdan Jebeyli were unable to attend the meeting due to their prior commitments.

1 (one) Board resolution was taken at this meeting via circulation in accordance with Article 390/4 of the Turkish Commercial Code, as the meeting was held through video-conferencing.

On March 27, 2023

the Board of Directors held a meeting chaired by the Chair Dr. Imad Itani. Chair Dr. Imad Itani, Vice Chair Mr. Tamer Ghazaleh, and Board Members Mr. Khalil El Debs, Mr. Mouayed Makhoulf, Mr. Antoine Najm, Dr. Ayşe Botan Berker, Dr. Farid Lahoud, Me Chahdan Jebeyli, Ms. Oya Aydınlık, Mrs. Ebru Oğan Knottnerus, Mr. Hilmi Güvenal and Dr. Mert Öncü attended the meeting..

7 (seven) Board resolutions were taken at this meeting.

On May 9, 2023

the Board of Directors held a meeting chaired by the Chair Dr. Imad Itani. Chair Dr. Imad Itani, Vice Chair Mr. Tamer Ghazaleh, and Board Members Mr. Khalil El Debs, Mr. Mouayed Makhoulf, Mr. Antoine Najm, Dr. Ayşe Botan Berker, Dr. Farid Lahoud, Me. Chahdan Jebeyli, Ms. Oya Aydınlık, Mrs. Ebru Oğan Knottnerus, Mr. Hilmi Güvenal and Dr. Mert Öncü attended the meeting.

8 (eight) Board resolutions were taken at this meeting.

On August 8, 2023

the Board of Directors held a meeting chaired by the Chair Dr. Imad Itani. Chair Dr. Imad Itani, Vice Chair Mr. Tamer Ghazaleh and Board Members Mr. Mouayed Makhoulf, Mr. Antoine Najm, Dr. Ayşe Botan Berker, Dr. Farid Lahoud, Me. Chahan Jebeyli, Ms. Oya Aydınlık, Mrs. Ebru Oğan Knottnerus, Mr. Hilmi Güvenal and CEO Dr. Mert Öncü attended the meeting. Board Member Mr. Khalil El Debs was unable to attend the meeting due to his prior commitments.

10 (ten) Board resolutions were taken at this meeting.

On November 8, 2023

the Board of Directors held a meeting chaired by the Chair Mr. Tamer Ghazaleh. Chair Mr. Tamer Ghazaleh, Vice Chair Mr. Khalil El Debs and Board Members Mr. Mouayed Makhoulf, Mr. Antoine Najm, Dr. Ayşe Botan Berker, Dr. Farid Lahoud, Me. Chahdan Jebeyli, Ms. Oya Aydınlık, Mrs. Ebru Oğan Knottnerus, Mr. Hilmi Güvenal, Mr. Elias Abou Sleiman and Dr. Mert Öncü attended the meeting.

8 (eight) Board resolutions were taken at this meeting.

On December 13, 2023

the Board of Directors held a meeting chaired by the Chair Mr. Tamer Ghazaleh. Chair Mr. Tamer Ghazaleh, Vice Chair Board Mr. Khalil El Debs, and Board Members Mr. Mouayed Makhoulf, Mr. Antoine Najm, Dr. Ayşe Botan Berker, Dr. Farid Lahoud, Ms. Oya Aydınlık, Mrs. Ebru Oğan Knottnerus, Mr. Hilmi Güvenal, Mr. Elias Abou Sleiman and Dr. Mert Öncü attended the meeting. Board Member Dr. Ayşe Botan Berker was unable to attend the meeting due to her prior commitments.

11 (eleven) Board resolutions were taken at this meeting.

In 2023, apart from those that were discussed during the foregoing Board meetings and submitted for approval by circulation as per Article 390/4 of the Turkish Commercial Code, 18 (eighteen) board resolutions were taken in accordance with Article 390/4 of Turkish Commercial Code without holding actual or video-conference meetings.

Committee Meetings

Audit Committee

In 2023, the Audit Committee of the Bank convened in five meetings on February 6, 2023, March 27, 2023, May 8, 2023, August 8, 2023 and November 6, 2023 along with holding a meeting via video-conference on February 2, 2023 and adopted 15 (fifteen) resolutions. Apart from those, the Committee adopted 2 (two) resolutions without holding any actual or video-conference meetings on June 15, 2023 and December 13, 2023.

Corporate Governance and Sustainability Committee

In 2023, the Corporate Governance and Sustainability Committee of the Bank convened in three meetings on February 7, 2023, May 8, 2023 and November 7, 2023 and adopted 2 (two) resolutions.

Risk Committee

In 2023, the Risk Committee of the Bank convened in six meetings on February 7, 2023, March 27, 2023 and May 8, 2022, August 8, 2023, November 7, 2023 and December 13, 2023 and adopted 5 (five) resolutions.

Remuneration Committee

In 2023, the Remuneration Committee of the Bank held two meetings through videoconferencing on January 23, 2023 and July 21, 2023 and adopted 5 (five) resolutions. Apart from those, the Committee adopted 1 (one) resolution without holding any actual or video-conference meetings on August 9, 2023.

Odeabank paid TL 5,585,124.86 (gross) to its independent Board and Committee members in 2023.

Managers of Internal Systems Units

Hüseyin Gönül

Assistant General Manager in charge of Risk Management and Internal Control /CRO

Hüseyin Gönül graduated from the Department of Business Engineering, Istanbul Technical University in 1995. Gönül began his professional life in 1995, joining Demirbank A.Ş. as a Management Trainee and later as Internal Auditor between 1996 and 1998. He was appointed Internal Auditor and Risk Manager, respectively, at Dışbank A.Ş. (1999-2005). In 2005, Gönül assumed the title of Credit Risk Management Director at Fortis Bank A.Ş. In February 2011, he was appointed Rating Models Development Director at TEB A.Ş. Mr. Gönül appointed as Internal Systems Assistant General Manager / CRO at Odeabank A.Ş. in June 2019 has been serving as Risk Management and Internal Control Assistant Manager/CRO since April 2022.

Tolga Usluer

Internal Audit Department

Director

He received his B.A. degree in Economics from Middle East Technical University in 2000, and his MBA from the Social Sciences Institute of Bahçeşehir University in 2009. Currently, he is pursuing a Ph.D. in Business Administration at Yeditepe University. Mr. Usluer began his banking career in 2000 as an Assistant Auditor at Finansbank. He served in various positions at the same bank, and finally as Deputy Head of Internal Audit. Mr. Usluer holds several certifications, including Certified Internal Auditor (CIA), Certification in Risk Management Assurance (CRMA) and Certified Fraud Examiner (CFE). He served as a Board Member at the Institute of Internal Auditing - Türkiye. After resigning from his former position, Mr. Usluer began working at Odeabank A.Ş. on July 10, 2017, as Head of Internal Audit.

Önder Yılmaz

Director of Regulations and Compliance

He joined the Bank in 2020 as the Secretary General and has been serving as the Director of Regulations and Compliance since April 2022. He performs all the necessary duties to fulfill the obligations of the Bank as stipulated by the Banking Law and its sub-regulations, the Capital Markets Law and its sub-regulations, the CBRT Regulations and the Regulation on the Program of Compliance with Obligations of Anti-Money Laundering and Combating the Financing of Terrorism. He is also a Board Member of the Risk Center of the Banks Association of Türkiye.

Yılmaz completed his bachelor's degree at the Department of International Relations, Faculty of Political Sciences, Istanbul University in 2004. He has a master's degree from Boston University's Metropolitan College-Finance Department in 2015, and a master's degree with thesis from Marmara University Banking Department in 2017.

Between 2006-2020, he served as the Bank Auditor, Advisor to Chair, Head of Corporate Communications and Foreign Relations Department, and Head of Off-Site Supervision Department at the Banking Regulation and Supervision Agency (BRSA), respectively. Between 2005-2006, he acted as an Assistant Auditor at the Ministry of Health and as a National Property Assistant Auditor at the Ministry of Finance.

Managers of Internal Systems Units

Kaan Çiftçi
Director of Internal Control and Fraud Prevention

Kaan Çiftçi obtained a BA from the Department of Business Administration at Bilkent University in 1996, followed by an MBA at Yeditepe University in 2000. Çiftçi began his career in 1996 at Demirbank T.A.Ş. (which was later taken over by HSBC Bank A.Ş.) as an Assistant Auditor. After serving the Internal Audit Department of the same bank until 2005, he worked at the SME Banking Department of HSBC Bank A.Ş. (2005- 2012). Joining Odeabank A.Ş. as the Business Strategy and Infrastructure Director - Commercial Banking in 2012, Çiftçi remained in office until June 2019, when he was appointed Internal Control and Compliance Director. As of April 2022, he has been serving as Internal Control and Fraud Prevention Director.

Kıvanç Eren
Risk Management
Credit Risk Senior Manager

He received his Bachelor's degree from the Mathematics Department of Hacettepe University in 1998 and his MBA from Yeditepe University in 2002. Eren started his banking career in 1999 and has worked at the Risk Management departments of Fortis, Finansbank and ING Bank before joining Odea Bank A.Ş. Currently, he is a Senior Manager of Credit Risk Management in Odeabank He holds the certificate of Financial Risk Manager (FRM) awarded by the Global Association of Risk Professionals (GARP) and is specialized in Basel II, statistical analysis, Scorecard/rating modeling, and economic capital.

Tolga Aktürk
Risk Management
Market & ALM Risk Senior Manager

Tolga Aktürk graduated from Middle East Technical University (METU), Department of Mathematics in 2004. He received his master's degree from Middle East Technical University (METU), Financial Mathematics in 2006. He started his career in 2007 and he worked at the Risk Management Department of Türk Ekonomi Bankası (TEB) in November 2013 before joining Odea Bank A.Ş. He is specialized in Asset Liability Management (ALM) Risk, balance sheet analysis, liquidity analysis, structural interest rate risk, modeling, market risk, and counterparty credit risk.

Kemal Oğuz Ilgar
Risk Management
Operational Risk and Business Continuity Manager

Ilgar holds a BA in Business Administration from the Faculty of Economics and Administrative Sciences, Anadolu University in 2003. In 2005, he completed his MBA at Clarkson University, New York. Between 2006 and 2012, Kemal Ilgar worked as an Independent Auditor and Advisor in the Corporate Risk Services Department at an independent audit firm, DRT (Deloitte). Joining Odeabank in 2012, Ilgar was Assistant Manager in the Internal Control Unit until 2015. In April 2015, he has been appointed Manager to the Operational Risk and Business Continuity Unit. Mr. Ilgar holds several certifications, including Certified Internal Auditor (CIA), Certification in Risk Management Assurance (CRMA), Certified Control Self-Assessment (CCSA) and ISO22301 Business Continuity Management System. He is specialized in internal control, operational risk, reputation risk, business continuity, and risk assessment.

Board of Directors Summary Report Presented to the General Assembly

Welcome to our Bank's Ordinary General Assembly Meeting of 2023.

I would like to greet our partners, their representatives, and our valued guests who have graced this meeting where the reports of the Board of Directors and Auditors, and the profit and loss statements for the fiscal year 2023 will be submitted for your review and approval.

Before reviewing Odeabank's financial results, we would like to share with you recent developments in Türkiye and the world that have played an important role in our operations.

The year 2023 was characterized by geopolitical risks and the fight against global inflation despite the tightening in financial conditions, the follow-up of when and how the FED would take steps in its tight monetary policy, and its possible effects on global markets. Supply chains, which have relatively recovered compared to last year, and how the growth trend would be shaped led to cautious approaches globally. Disparities among countries have been seen in the global fight against inflation, and developed countries, in particular, are observed to attempt to restrain inflation through sharp increases in policy rates. With the tightening of financial conditions accompanying the resilient inflation, the banking sector in developed economies, especially in the USA, faced difficulties. High interest rates and tightening credit conditions in developed economies and increased financial constraints have led to higher borrowing costs for households and countries with high debt burdens.

In the period ahead, geopolitical problems, possible fluctuations in energy and food markets, developments in global supply chains, product and market diversification in the trade of goods and services, and the size and duration of decisions on financial tightening will continue to have an impact on countries' growth performances.

The year 2023 continued with the healing of physical and moral wounds and support for the region, following the news of the earthquake that deeply wounded our country. While the Turkish economy was shaped in the light of agendas such as the earthquake and general elections, the second half of 2023 passed by the conventional policies implemented by the new economic administration and the macroprudential measures taken. The Turkish economy continued its growth process, growing by 5.9% in the third quarter of 2023, despite the global risks and the adverse impacts on the general economy. In this period, the tight monetary policy aimed at fighting inflation and strengthening the national economy as part of the medium-term program was followed by interest rate hikes, which resonated positively, especially in foreign economic sectors. Within the scope of the Turkish Economic Model, whose main objective is price stability and strengthening macroeconomic and financial stability, there have been changes involving the banking sector. These changes include the transition from the KKM to TL deposits and restrictive measures on some loans.

Board of Directors Summary Report Presented to the General Assembly

Despite the global risks seen during the year, as Odeabank, we proved our agile structure once again by complying with our domestic macroprudential measures and our capacity to adapt to banking regulations. By successfully implementing a customer-focused strategy and prioritizing efficiency and risk management more than ever, we continued to perform our operations according to the priorities of our nation.

We improved our technology and applications in digital banking compatible with the developing technology in banking in 2023 as well. While renewing our vision as “to become the leading “phygital” bank of Türkiye, offering the best digital experience integrated with authentic physical services,” we have also determined our mission as “to facilitate banking through authentic products and expertise, and be a responsible member of our community who contributes genuinely to its sustainable development.”

Considering our financial results for 2023, our net loans reached TL 34.5 billion and our deposits reached TL 58.2 billion. While our gross loan-to-deposit ratio equaled 64% Odeabank maintained its robust balance sheet structure that can fund itself. In line with our long-term goals, we continue financial inclusion and diversification. Our reserves and profit before tax were realized as TL 3.5 billion. Our principal capital ratio stands at 10.3% thanks to proper management of our asset structure and strong equity structure, while our capital adequacy ratio still remains above the sector average with 20.8%.

Thanks to its strong capital structure, Odeabank is able to weather any storm and welcomes the upcoming period with confidence.

Fully confident in Türkiye’s future and its great potential, we, at Odeabank, will continue our efforts to create added value.

Mert Öncü
CEO and Board Member

Explanation on the Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

a) 31 December 2023:

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities and Real Persons Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	-	14,960	-	1,176
Balance at end of period	-	-	-	23,583	479	3,856
Interest and commission income	-	-	-	-	35	-

31 December 2022:

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities and Real Persons Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	424	15,486	-	561
Balance at end of period	-	-	-	14,960	-	1,176
Interest and commission income	-	-	-	-	-	-

b.1) Information on related party deposits balances:

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities and Real Persons Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	-	-	6,313	10,856	19,570	8,413
Balance at end of period	-	-	2,531	6,313	24,245	19,570
Interest on deposits	-	-	-	-	3,657	2,201

b.2) Information on forward and option agreements and other similar agreements made with related parties:

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities and Real Persons Included in the 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 beginning of period	-	-	22,440,568	40,470,430	-	-
Balance at end of period	-	-	-	22,440,568	-	-
Total loss/ profit (*)	-	-	24,055	(1,605,975)	-	-

(*) As of 31 December 2023 represents derivative financial assets due to outstanding IRS transactions with the Bank’s parent company, Bank Audi sal and does not have any material impact on the Bank’s performance as such transactions are backed-to-back with third parties almost with similar terms. Daily margining is provided in accordance with the current international derivative contracts (ISDA, CSA).

b.3) Explanation on the benefits granted to the executive management of the Bank:

Gross payment made to the executive management as of 31 December 2023 is TL 116,874 (31 December 2022: TL 61,832).

Information on Outsourced Operations and the Individuals and Organizations Supplying the Outsourced Services

Support Service Provider	Service Description
Asal Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real estate value assessment
Ege Taşınmaz Değerleme ve Danışmanlık A.Ş.	Real estate value assessment
Lodos Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real estate value assessment
Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real estate value assessment
Yatırım Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Arves Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real estate value assessment
Nova Taşınmaz Değerleme ve Danışmanlık A.Ş.	Real estate value assessment
Ulusal Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Kalme Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real estate value assessment
Ekip Taşınmaz Değerleme A.Ş.	Real estate value assessment
İstanbul Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real estate value assessment
Gerçek Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Ekol Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Aden Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Tskb Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Eva Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Akademi Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Atlas Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real estate value assessment
Avrupa Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real estate value assessment
Çizgi Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Denge Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Etik Gayrimenkul Değerleme A.Ş.	Real estate value assessment
Netlab Arge Yazılım Hizmetleri ve Tic. A.Ş.	Magiclick web and mobile banking service
32 Bit Bilgisayar Hizmetleri San. ve Tic. Ltd.	Murex deals integration
32 Bit Bilgisayar Hizmetleri San. ve Tic. Ltd.	TCMB Crawler - automatic FX flow
32 Bit Bilgisayar Hizmetleri San. ve Tic. Ltd.	BBPAPI integrator - BIST with OTASS connection
Comdata Teknoloji ve Müşteri Hizmetleri A.Ş.	Services specified for customer document scanning transactions

Postcom Basım Posta ve İletişim Hizmetleri A.Ş.	Preparing card and account statements for printing and delivering them to the Bank electronically
AGT Kurye Hizmetleri A.Ş.	Sending the required documents to customers for remote account opening, identity confirmation, delivery of signed documents to the bank
Kuryenet Motorlu Kuryecilik ve Dağıtım Hizmetleri A.Ş.	Credit card delivery
Key Yazılım Çözümleri A.Ş.	Expertise Reports evaluation system, mortgage service
Key Yazılım Çözümleri A.Ş.	Real estate management and sales
Iron Mountain Arşivleme Hizmetleri A.Ş.	Archive services
Tepe Savunma ve Güvenlik Sistemleri Sanayi A.Ş.	Physical security services
Active Bilgisayar Hizmetleri ve Tic. Ltd. Şti.	Nova securities software
Bilişim Destek Hizmetleri (BDH) - Netaş	IT infrastructure and service agreement
Bantaş Nakit ve Kıymetli Mal ve Güvenlik Hiz. A.Ş.	Valuable goods transport services
Callact İletişim Hizmetleri Ltd. Şti.	Performing outbound calls for customers in NPL process and with overdue receivables
Safe Point Güvenlik Sistemleri A.Ş.	Camera, alarm and fire detection systems
BI Stratejik Yazılım San. Tic. A.Ş.	QlikView tool technical support
Loomis Güvenlik Hizmetleri A.Ş.	FX Cheque clearing transactions
Plastikkart Akıllı Kart İletişim Sistemleri Sanayi ve Ticaret A.Ş.	Card purchase & sale, personalization and card printing
ODC İş Çözümleri Danışmanlık Tic. A.Ş.	ODC smart sms and e-mail management software
Turkcell Superonline İletişim Hizmetleri A.Ş.	Secondary systems hosting support services
Bantaş Nakit ve Kıymetli Mal ve Güvenlik Hiz. A.Ş.	ATM services
MTM Holografi Güvenlik ve Bilişim Tek. San. Tic. A.Ş.	Cheque printing services
Atos Müşteri Hizmetleri A.Ş.	Outbound call center service
Eastern Networks Çöz. Tic A.Ş.	Swift application sales, maintenance and support services
Intertech Bilgi Teknolojileri A.Ş.	Information Technology infrastructure and banking platform
NCR Bilişim Sistemleri Ltd Şti.	ATM management
Bilin Yazılım ve Bilişim Dan. Ltd. Şti.	Human resources data management application
Karbil Yazılım Bilişim A.Ş. (Paycore)	Credit card and POS operations

Evaluations of the Audit Committee

The Audit Committee is established within the framework of Banking Law No. 5411 (Law) and Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process (Regulation on Internal Systems). Internal Audit Department, Internal Control Department, Risk Management Department, and Regulations and Compliance Department, which are parts of the internal systems, directly report to the Audit Committee.

The Audit Committee, on behalf of the Board of Directors, supervises the efficiency and adequacy of the Bank’s internal systems, and the compliance of these systems with laws, related regulations and internal policies. The Committee also evaluates whether or not the methods, tools and implementing procedures are in place to identify, measure, monitor and control the risks that the Bank is exposed to. Furthermore, it supervises the functioning of accounting and reporting systems and the integrity of the information that is generated, reviews the assessments of the independent audit firm, consults with the independent auditors, carries out the necessary preliminary assessment for the selection of independent audit institutions and rating, valuation and support service institutions by the Board of Directors, and monitors regularly the activities of the institutions selected by the Board of Directors and with which contracts have been signed.

The Audit Committee convened 5 (five) times in 2023 and following its reviews and the relevant evaluations, it concluded that the internal systems of the Bank were efficient, functioning as planned and the internal controls on financial reporting were effective. Internal systems managers attended all of these meetings and the Committee was informed about their activities. When deemed necessary, other relevant unit managers of the Bank also attended the meetings. The Committee informed the Board of Directors about the activities of the internal systems units.

In line with the information provided by the Internal Audit Department, the Committee received information about risk assessments that formed the basis of the internal audit plan prepared, the internal audit plan that was put into effect and revised during the year due to new risk assessments, management requests, Committee directives and other similar reasons, the issues identified through the audits, investigations and consultancy activities carried out by the Internal Audit Department in line with the plan or additional requirements and the current status of the related actions, supervised and directed the work of the Department with the necessary evaluations and approvals, including the organization of the Internal Audit Department, the development of the auditors and other managerial topics, and informed the Board of Directors about these topics.

With the presentations and information conveyed by the Internal Control Department within the year, the Committee was informed about the annual control plan to be implemented, compliance with and progress of the control plan, issues identified and highlighted at controls during the year, the number of Internal Control employees, the number of departing and new personnel, training and development information, projects and infrastructure improvement works carried out in the year to increase the effectiveness and efficiency of the activities of the Unit. Based on the information obtained, the Committee made evaluations, provided guidance on many critical issues such as close monitoring and control of changing legislation, increasing security measures against cyber risks, tracking findings, and business continuity, and informed the Board of Directors.

Through presentations, reports, stress tests, analyses, and information notes made by the Risk Management, the Audit Committee received information on current and potential risks to which the Bank was exposed, evaluated the ICAAP report for 2022 prepared under the coordination of the Risk Management and the validation and audit reports related to the report, reviewed the main indicators and limits of the risk appetite for capital adequacy, liquidity, market, concentration, structural interest rates, and operational risks, and was informed about the projects aimed at increasing the efficiency and automation of risk management. The Committee guided the Bank Management and Internal Systems Units in establishing a risk management framework appropriate to its structure and the diversity and complexity of its activities.

The Regulatory Compliance Department informed the Committee on the Bank’s compliance with increasing regulations and changing audits and their impacts through presentations and reports. It received information on the Combating Financial Crimes and Compliance Unit’s reports, trainings to raise awareness, and actions to strengthen the unit’s efficiency, and provided necessary guidance and assessments. Information was received on the measures taken to mitigate and manage risks regarding compliance risk management.

In 2024, the Audit Committee will ensure the Bank’s management in all matters, including prominent topics such as new technological developments, new obligations arising from laws and regulations, human resource management, information security and climate risk management in Türkiye as well as all over the world. While performing the necessary monitoring and guidance duties, especially the effectiveness and adequacy of the internal systems structure, on behalf of the Board, the Committee will continue to provide the necessary support to increase the human resources and competencies of the internal systems units.

The activities of the units reporting to the Audit Committee are summarized in the following sections.

Internal Systems Units and Their Activities

Internal Audit Department

While undertaking the assurance role, the Internal Audit Department carries out its activities by reporting to the Board of Directors through Audit Committee to ensure that requirements of independence and objectivity needed for the team are fulfilled.

Within this scope, the Department informs the Board of Directors regularly through Audit Committee with the activity reports it submits in quarterly periods. Pursuant to the audit plan prepared by considering the risk assessments performed in 2023, the Internal Audit Department has conducted its activities, communicated the reports issued to the Senior Management and Board of Directors through the Audit Committee; followed up the actions taken for the identified matters throughout the year and reported the results on a regular basis. Within the scope of the foregoing plan, it has carried out branch audits, process audits, head office audits, audits of information technologies and support service companies, and allocated a certain part of the labor to activities such as unplanned examinations and investigations, participation to various projects and conducting consultancy engagements.

The Internal Audit Department utilizes computer-aided audit technologies and creates requirement-oriented special data or sample sets with the analytical queries during audit engagements; further, it conducts fraud-preventive engagements with scenario-based examination methods. Continuous audit activities were maintained with a view to creating a more effective control environment. Besides, launched by the Internal Audit Department, which enables branch audits to be conducted digitally in its entirety, the O'dit app was developed according to the requirements and continued to be used. RSA Archer software that contributes to the monitoring, follow-up, and effective management of governance, risk, and compliance processes has started to be actively used, and it is planned to increase its added value for the Bank and all stakeholders to the highest level.

As the Department took responsibilities for supporting to reach Odeabank's ultimate aims, via contributing to assess and improve the effectiveness of corporate management, risk management and internal control environments with its actions during 2023, it took into account each units' main risk concerns. In this context, it will continue to add value to the Bank in 2024 through an audit plan framework that has been strengthened in the meetings with the senior management and with digital innovations it accomplished and planned to put in practice for all audit activities.

Internal Control and Fraud Prevention

Internal Control is responsible for monitoring and independent evaluation of the financial, operational and other controls and periodically and effectively reporting their results to Senior Management to ensure that all banking activities are performed in line with current policies, procedures, and applicable regulations.

The results obtained following the controls executed by the Internal Control on banking processes and information systems in 2023, as well as the areas of improvement were shared with the relevant units of the Bank and the Senior Management. The new risks that arise out of the changing regulations and workflows both in banking business processes and information systems areas were analyzed and additional controls were performed in this respect. Management Assertion engagements, periodical controls for support system companies and validation studies for Internal Capital Adequacy Assessment Process (ICAAP) were realized.

Archer, the Bank's new Governance, Risk and Compliance (GRC) application, which was launched at the end of last year for the management of risks and controls at the Bank, has started to be used effectively, and the planning, follow-up of the plan, publication of findings and follow-up activities for the controls carried out by the Internal Control Department were carried out through this application. The scope of the data-driven "Continuous Monitoring System" developed by the Internal Control Department's own resources continued to be expanded, increasing the scope, frequency and effectiveness of control activities, especially in the areas of legal reporting, customer transactions and examination of audit trail records.

As part of Fraud Prevention activities, all retail loan, credit card and overdraft account applications, as well as new account opening applications were examined; fraud activities were tracked and concluded; and preventive measures were taken against potential actions by monitoring new fraud trends in the industry. Within the scope of transaction security, credit cards, POS, internet and mobile banking and ATM transactions have been analyzed according to the risk factors identified on a 24/7 basis. In accordance with the Information Systems Regulation, bank employees received training to increase awareness on fraud prevention, and information messages were sent to our customers periodically on fraud methods and issues to be considered. In 2024, it is aimed to increase the automation in security controls applied, especially in personal loan applications through the mobile channel, combating malware and money transfer transactions, thus taking control effectiveness, customer and product security to an even higher level.

Regulations, KVK Compliance, and Combating Financial Crimes and Compliance

Regulations and Compliance consists of the Regulations Unit, KVK Compliance Unit, and Combating Financial Crimes and Compliance Unit.

The Regulations Unit performed the activities of monitoring legislation changes and announcing them across the Bank, coordination between Bank and regulatory and supervisory authorities, answering the questions from the bank personnel and providing legislative support to the execution of the controls regarding the current legislation, supporting and providing consultancy within the scope of Capital Market Legislation for projects related to various products and services of the Bank directed to increase product variety in investment products, customer numbers, and transaction volumes, providing legislative support to all projects managed in line with the Bank's "phygitalization" policy, giving legislative support to the studies to adapt to the changes made in the context of the CBRT regulations introduced in 2022 and 2023, especially on securities establishment, and making contribution through participation in the legislative work by the TBB.

Regarding the function of Compliance with the Protection of Personal Data, activities of reviewing existing internal bank processes in terms of compliance to the KVK Law, interpreting and announcing the changes in regulations to related units, and conducting studies to realize the necessary changes within the bank, consultancy to the Bank's business units regarding new businesses and projects in terms of KVKK, performing compliance activities regarding the Regulation on Sharing of Confidential Information, managing the activities of the Information Sharing Committee established within the scope of this regulation, undertaking its secretariat, completing the inventory studies, and reporting were carried out. In addition, the Unit contributed to the development of the sector by participating in official activities such as meetings and workshops organized by TBB and KVK.

Internal Systems Units and Their Activities

Within this framework, the clarification texts on the Bank’s main processes were updated, and process-based clarification texts were published in accordance to Law. Commercial Electronic Message and KVK express consent processes were restructured. Periodic trainings were continued this year as well, portal and live online trainings were provided, and unit-based special trainings were prepared. Decisions published by the KVK Council were announced regularly. Necessary notifications and reports were made within legal deadlines. The process for requests on deletion of contact information from third parties or customers of the Bank is carried out, and opinions and consultancy are provided for in-Bank questions and continuing projects.

Combating Financial Crimes and Compliance

Within the scope of prevention of laundering proceeds of crime, financing of terrorism and proliferation of weapons of mass destruction, Odeabank has an effective strategy in ensuring to comply with the legal obligations and national and international legislation and regulations, good practice guidelines and standards, as well as to ensure that the contracts it signed are executed accurately and honestly in accordance with and in compliance with the regulations and that compliance risk is managed effectively.

Odeabank formulated its Policies on the Prevention of Laundering Proceeds of Crime, Financing of Terrorism, and Financing of Proliferation of Weapons of Mass Destruction, and other policies and procedures with a risk management-based approach and in compliance with local legal and regulatory requirements issued by the Financial Crimes Investigation Board (MASAK), and in line with the commitments the Bank has made with all its stakeholders, as well as applicable standards issued by international institutions and entities, such as those of the Financial Action Task Force (FATF), Wolfsberg Principles, and BASEL Principles.

For this purpose, primarily focusing on customer approval principles, monitoring, and control activities, the Bank’s compliance policy, which was formulated upon the approval of the Senior Management, is as follows:

- To carry out the necessary studies to ensure compliance of the Bank with the regulation on the prevention of laundering proceeds of crime, financing of terrorism, and financing of proliferation of weapons of mass destruction,
- To ensure communication and coordination between MASAK and the Bank, to prepare an annual training program for the prevention of laundering proceeds of crime and financing of terrorism, and financing of proliferation of weapons of mass destruction, and to monitor its implementation,
- To conduct research and evaluation on suspicious transactions communicated or self-learned, and to notify MASAK of any suspicious transactions,
- To carry out activities for the purpose of creating policies, monitoring and control activities, training and fulfilling notification and reporting obligations in compliance with the directives and guides regarding the Precious Metal Supply Chain,
- To establish policies and/or procedures, monitoring and control activities, training and fulfilling notification and reporting obligations within the scope of FATCA and CRS applications in compliance with local legislation and international obligations.

In 2023, appropriate training programs were determined and implemented for the Bank’s employees in order to effectively implement the Bank’s policies and procedures and regulatory requirements related to the prevention of laundering proceeds of crime, financing of terrorism, and financing of proliferation of weapons of mass destruction in line with the recommendations of international organizations. In addition, improvements, developments and purchases were made in the current processes and software used in accordance with today’s technology in order to manage possible and actual risks and to ensure effective monitoring.

Odea Bank A.Ş. believes that all employees must take part in an efficient combating to prevent the laundering of criminal proceeds, financing of terrorism, and financing of proliferation of weapons of mass destruction, and organizes its operations and services accordingly.

Risk Management

Credit Risk

Credit Risk is the risk that a debtor or counterparty will fail to fulfill the terms of the contract in its simplest definition. Credit Risk is present at every stage of the credit process from its origination. Credit Risk Unit is in charge of implementing internationally recognized methods to define, quantify and measure credit risk. Credit Risk Unit works on limits as per the risk strategy and appetite adhering to the legislation, regularly monitors the appetite and limits approved by the Board, and reports them to the Audit Committee/Risk Committee and the Board.

Moreover, it makes regular analyses, and in case of a discrepancy between the risk profile of the Bank and the risk appetite, which is approved by the Board of Directors, ensures that action plans determined to align the Bank with the defined appetite are prepared. It is under the responsibility of the Credit Risk Unit to calculate the provisions required to be reserved according to BRSA and IFRS9 directives and preparation of the entire infrastructure and ensuring the continuity of the foregoing.

Besides, Credit Risk Unit is responsible for the coordination and preparation of the ICAAP report within the scope of compliance with regulatory capital requirements. This year, in addition to the use of internal economic capital calculation for the first time within the scope of ICAAP, the transition climate risk was also calculated for the first time with an internal approach. The Credit Risk Unit also carries out the activities such as calculation of capital adequacy and modeling of credit risk parameters; such as probability of default (PD), exposure at default (EAD) and loss given default (LGD). Within the scope of the complete renewal of the TFRS9 expected credit loss framework, in 2023, the Credit Risk Unit completed the studies on the development of Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and Significant Increase in Credit Risk (SICR) models, integrated all of these models into the SAS TFRS9 calculation platform, and automated the TFRS9 provision calculations from start to finish.

Market and Asset Liability Risk Unit

Prominent risks within the scope of market and asset-liability risks are market risk, counterparty risk, liquidity risk and interest rate risk in the banking book. Market risk is defined as the risk of losses on financial positions arising from adverse movements in market prices on foreign exchange, interest rate, equity and commodity. Counterparty credit risk is defined as the risk that the counterparty to a transaction could default before the final settlement of the transaction cash flows. Funding liquidity risk refers to the risk of not being able to meet its debts and liabilities without incurring any unexpected loss and defaulting. Structural interest rate risk refers to the possibility of loss in bank capital or revenues due to negative movements in interest rates affecting banking accounts. Market and Asset Liability Risk Unit is actively engaged in managing the market risk resulting from Trading portfolio activities, counterparty credit risk regarding the derivative transactions, structural interest rate risk and liquidity risk within the scope of balance sheet risks whereas establishing relevant policies for managing those risks and executing them. Those risks are measured in line with the national and international regulations as well as Odeabank risk limit policies, and monitored, reported and managed within the framework of the risk limits approved by the Board of Directors.

Internal Systems Units and Their Activities

Market and Asset Liability Risk Unit continuously improves analysis and reporting processes, carries out projects regarding Asset and Liability Risk, Liquidity Risk and Market Risk, and conducts comprehensive studies within the context of ICAAP. The Unit takes an active role together with the Bank's Senior Management in the management of the Treasury Trading portfolio and Asset-Liability Risk in volatile market conditions, primarily the Bank's liquidity and interest risks, pursuant to legal or internal regulations. In addition, it provides detailed data analysis to be used in internal managerial processes, and assumes roles in the development of Treasury and Core Banking systems. Market and Asset-Liability Risk Unit carried out various projects throughout 2023. The detailed and comprehensive ERMAS system integration project according to BRSA Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) regulations and the automation of the reports required by said regulations have been implemented. The integration of Futures transactions on the Treasury Front Office application, the version update in the main banking system where Securities are monitored, and the new segment structure project on the Oracle OFSAA application are some important projects completed in 2023.

Operational Risk and Business Continuity

Operational Risk refers to losses caused by inadequate or failed business processes, people, systems or external events. In 2023, within the scope of Operational Risk engagements, the following tasks have been carried out within the Bank in line with the Basel II and local regulations: monitoring, recording, reporting operational risk incidents, updating the Operational Risk policy and procedures, taking and tracking preventive and remedial actions against risk and operational risk losses. Additionally, activities for the execution of Support Services Risk Management Program, Risk Control Self-Assessment Study, Key Risk Indicators Study, management of various Bank insurances (Bankers Blanket Bond Insurance- BBB, Directors & Officers Insurance- D&O and Employment Practice Liability Insurance- EPLI), scenario analysis studies on operational risks, consolidated follow up of the findings from internal and external audit teams, coordination of New Product and Service Committee, and activities aimed at reputational risk were carried out. During the year, the process of recording operational risk losses was included into Archer, our new Governance, Risk and Compliance (GRC) application, further improving monitoring and reporting capabilities in this area.

Within the scope of Business Continuity Management engagements, studies were carried out to ensure that critical business processes and technical infrastructure are sufficient and ready so that operations will not be interrupted in case of a probable disaster. Accordingly, the back-up system tests, which were planned following the business-impact analyses reviewed in 2023, including the completed back-up system infrastructure improvement works, were successfully completed.

In order to ensure more effective communication in case of a possible crisis, various improvements were made and tests were carried out. Within this scope, infrastructure and device improvements for telephone communication via satellite systems were completed during the year. The establishment of a new communication system (Emergency Communication System - ADIS) to enable effective communication with employees and faster identification of health and safety situations and actions to be taken in case of a natural disaster or crisis, as well as communication tests conducted with the participation of the crisis management team were successfully completed.

Furthermore, trainings and simulations offered ensured that awareness on crisis management was raised. In addition to the online trainings provided to the personnel during the year, a comprehensive crisis simulation on the Istanbul earthquake was conducted with the support of a specialized consulting firm and the participation of the Bank's senior management.

Best Regards,

Oya Aydınlık
Board Member
Chair of the Audit Committee

Dr. Farid Lahoud
Board Member
Audit Committee Member

Mouayed Makhoulf
Board Member
Audit Committee Member

Information on Odeabank’s Financial Status, Profitability and Solvency

The year 2023 concluded as a period dominated by heightened geopolitical risks worldwide, with the impacts of wars and regional tensions affecting the global economy. Furthermore, it marked a transition from the peak of post-pandemic inflationary conditions to a phase of easing. 2023 was marked by efforts to balance growth concerns and inflation, which was tried to be brought under control through tight monetary policies, investors preferred to stay in safe harbors, and the currencies of developing countries were adversely affected in this period. In the upcoming period, geopolitical developments, supply chain continuity, central bank interest rate decisions, and inflation trends are expected to be the key factors influencing global markets.

2023 was a year in which Odeabank adapted both to global and domestic developments and increased its capacity for adaptation and flexibility. In this scope, Odeabank has taken steps to strengthen its profitability and asset quality, while maintaining its digital banking approach and customer-centric approach. In addition, for healthy growth and stable performance, it has increased its technological infrastructure activities, diversified its funding base by reaching a broader audience, and expanded its resources.

With various investment fund options offered to customers, the Bank’s fund volume has increased to TL 27.5 billion, resulting in a significant market share gain. In parallel with the growing customer base, demand deposit volume has been increased, reaching a share of 29.2% in the total customer deposits.

Prioritizing growth while emphasizing asset quality, Odeabank’s total loan portfolio grew by TL 5 billion in 2023 compared to the previous year. Turkish lira-denominated loans increased from TL 18 billion at the end of 2022 to TL 21.8 billion by the end of 2023, while foreign currency-denominated loans rose from TL 14.6 billion to TL 15.6 billion during the same period, including the exchange rate effect. However, the bank’s securities portfolio reached TL 24.2 billion in 2023. As a result, the bank’s total assets increased by TL 14.7 billion to reach TL 83.7 billion at the end of 2023.

In line with the liraization goals in 2023, growth in Turkish lira deposits was prioritized, leading to an increase in the share of TL deposits in total deposits. Deposits continued to be Odeabank’s primary source of funding. Throughout the year, TL deposits decreased by TL 1 billion to TL 30 billion, while foreign currency deposits increased to TL 28 billion, influenced by the exchange rate. Consequently, the gross loan/deposit ratio, which was 66% in 2022, decreased to 64% in 2023. Additionally, Odeabank diversified its funding sources in 2023. Furthermore, the use of derivative products optimized the asset-liability maturity mismatch.

Odeabank, with a portfolio predominantly composed of commercial loans, successfully reduced the ratio of non-performing loans to total loans from 4.6% at the end of 2022 to 4.2% by the end of 2023, continuing the improvement in asset quality observed in recent years. On the other hand, the coverage ratio for Stage 3 loans increased from 49% at the end of 2022 to 63% by the end of 2023, while the coverage ratios for Stage 2 loans rose from 15.9% to 17.1% during the same period. The bank maintained a strong position in terms of capital and liquidity ratios, thanks to the measures taken. The capital adequacy ratio, which was 20.3% in 2022, increased to 20.8% in 2023, surpassing the market average.

In an environment where the banking sector felt pressure on interest margins due to regulatory changes, credit pricing, and returns on inflation-indexed securities had an impact on margins. In 2023, interest income amounted to TL 11 billion, while interest expenses reached TL 8.9 billion. Consequently, net interest income decreased by TL 900 million to TL 2 billion, and pre-provision net income increased from TL 3 billion in 2022 to TL 3.5 billion in 2023.

Odeabank successfully concluded the year 2023 with a dynamic and adaptable structure, coupled with robust financial performance. Our key priorities for 2024 include sustaining this momentum and building an even stronger Odeabank.

Five Year Summary Financial Information

Five-Year Summary of Unconsolidated Financial Information (TL Thousand)	2019	2020	2021	2022	2023
Total Assets	32,667,338	40,035,829	55,466,005	68,996,849	83,710,140
Loans (Net)	17,066,538	19,401,162	25,218,257	30,475,979	34,493,715
Securities	3,504,034	8,338,314	11,476,235	18,280,943	24,191,101
Deposits	22,097,373	25,639,194	38,417,088	49,238,459	58,232,245
Loans Borrowed	1,860,419	1,407,171	1,708,596	1,359,218	1,990,846
Interbank Money Market	178,604	3,545,993	2,224,902	4,000,353	6,247,455
Marketable Securities Issued	760,000	563,046	--	--	--
Subordinated Loans and Borrowing Instruments	1,735,813	2,109,077	3,833,893	5,336,904	8,412,601
Shareholder’s Equity	3,299,581	3,455,830	3,566,950	5,040,951	6,110,552
Net Profit	71,122	134,209	205,688	853,203	1,710,173

Information and Content on Ratings Provided by Rating Agencies

FITCH RATINGS (December 2023)	
Long Term FC IDR	B- / Stable
Short Term FC IDR	B
Long Term TL IDR	B- / Stable
Short Term TL IDR	B
Viability	b-
National Long Term Rating	BBB (tur)
National Long Term Rating Outlook	Stable
Subordinated Notes	CCC
MOODY'S (January 2024)	
Outlook	Positive
Long Term FC Deposit	Caa1
Long Term TL Deposit	Caa1
Short Term FC Deposit	NP
Short Term TL Deposit	NP
Baseline Credit Assessment	caa1
Adjusted Baseline Credit Assessment	caa1
National Scale Rating Long Term	Baa1.tr
National Scale Rating Short Term	TR-2

Statement of Compliance Concerning the 2023 Annual Report of Odea Bank A.Ş

The accompanying 2023 annual report of Odea Bank A.Ş. has been prepared in accordance with the “Regulation on Principles and Standards for the Preparation and Publication of Annual Reports by Banks” published in the Official Gazette dated 1 November 2006 and numbered 26333.

Tamer GHAZALEH Chair of the Board of Directors	Mert ÖNCÜ Member of the Board of Directors and General Manager	Mehmet Gökmen UÇAR Deputy General Manager and Assistant General Manager in charge of Finance, Financial Control and Strategy	Öcal PERÇİN Financial Reporting Director
Oya AYDINLIK Member of Board of Directors and Chair of the Audit Committee	Mouayed MAKHLOUF Member of Board of Directors and Audit Committee Member	Farid LAHOUD Member of Board of Directors and Audit Committee Member	

Independent Auditor’s Report on the Annual Report of the Board of Directors

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

To the General Assembly of Odea Bank Anonim Şirketi

Qualified Opinion

We have audited the annual report of Odea Bank Anonim Şirketi (the “Bank”) for the period between 1 January 2023 and 31 December 2023, since we have audited the complete set 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 unconsolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited unconsolidated financial statements regarding the position of the Bank are consistent, in all material respects, with the audited complete set of unconsolidated financial statements and information obtained during the audit and provides a fair presentation.

Basis for Qualified Opinion

As stated in Note 2.9 of Section Five of the unconsolidated financial statements of the Bank; the unconsolidated financial statements of the Bank as at 31 December 2023 include a general provision of total of TRL 335.000 thousand which TRL 650.000 thousand had been recognized as expense in the prior periods and TRL 315.000 thousand in the current period was reversed; with a deferred tax asset on this general provision amounting to TRL 100.500 thousand which TRL 162.500 thousand was recognized in prior periods and TRL 62.000 thousand was reversed in the current period which does not meet the requirements of BRSA Accounting and 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.

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

We have expressed a qualified opinion on the complete set of unconsolidated financial statements of the Bank for the period between 1 January 2023 and 31 December 2023 dated 13 February 2024.

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 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 unconsolidated financial statements. The annual report shall also clearly indicate 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 Bank 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 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 unconsolidated financial statements regarding the position of the Bank are consistent with the audited 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 unconsolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited unconsolidated financial statements regarding the position of the Bank are consistent with the 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

Erdal Tıkmak, SMMM
Partner
28 February 2024
İstanbul, Türkiye

(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish, See Note I in Section Three)

Odea Bank Anonim Şirketi

Unconsolidated Financial Statements,
Related Disclosures and
Independent Auditors' Report Thereon
as of and for the year-ended
31 December 2023



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

Independent Auditor’s Report

To the General Assembly of Odea Bank Anonim Şirketi

A) Report on the Audit of the Unconsolidated Financial Statements

Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Odea Bank Anonim Şirketi (“the Bank”) which comprise the unconsolidated statement of financial position as at 31 December 2023 and the unconsolidated statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders’ equity, cash flows for the year then ended, and notes, comprising a summary of 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 Odea Bank Anonim Şirketi as at 31 December 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the “Banking Regulation and Supervision Board 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 Banking Regulation and Supervision Agency (“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 2.9. of Section Five, the accompanying unconsolidated financial statements as at 31 December 2023 include a general provision of total of TRL 335.000 thousand which TRL 650.000 thousand had been recognized as expense in the prior periods and TRL 315.000 thousand in the current period was reversed; with a deferred tax asset on this general provision amounting to TRL 100.500 thousand which TRL 162.500 thousand was recognized in prior periods and TRL 62.000 thousand was reversed in the current period which does not meet the requirements of BRSA Accounting and 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.

We conducted our audit in accordance with the “Regulation on Independent Audit of the Banks” (“BRSA Audit Regulation”) published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Independent Standards on Auditing which is a component of the Turkish Auditing Standards (“TSA’s”) published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the POA’s Code of Ethics for Independent Auditors (including Independence Standards) (“Code of Ethics”) together with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 amortized cost

Refer to Section III, No: VII to the unconsolidated financial statements relating to the details of accounting policies and significant judgments of for impairment of loans measured at amortized cost.



Key audit matter

As of 31 December 2023, loans measured at amortized cost comprise 45% 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
- design and implementation of expected credit loss model

The determination of the impairment of loans measured at amortized cost depends on the credit default status, the model based on the change in the credit risk at the first recognition date and the classification of the loans measured at amortized 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 market 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.

The impairment calculation for loans has been identified as a key audit matter, as it has a complex structure and includes significant estimations and assumptions made by the management.

How the matter is addressed in our audit

Our procedures for auditing the expected credit losses on loans include 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 Banks’s business model and methodology and the evaluation of the calculations carried out with the control testing and detail 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 evaluation of their classification.
- For the expected credit loss calculations for individually assessed loans, we evaluated the accuracy of the loss allowances by including prospective cash flow information and collateral values.
- 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 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 evaluated the adequacy of the disclosures in the unconsolidated financial statements 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.

Auditors’ 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 auditors’ 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 Audit Regulation and TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements 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 Audit Regulation and TSAs, we exercise professional judgment and maintain professional skepticism 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 auditors’ 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 auditors’ 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 if any, actions taken to eliminate threats or safeguards applied.



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 auditors’ 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 No. 6102 (“TCC”); 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 2023 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.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Erdal Tıkmak, SMMM

Partner

13 February 2024

Istanbul, Turkey

Esentepe Mahallesi,
Büyükdere Caddesi,
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odeabank

Translated into English from the original Turkish report and financial statements

ODEA BANK A.Ş.
UNCONSOLIDATED FINANCIAL REPORT
AS OF DECEMBER 31, 2023

Address : Esentepe Mahallesi Büyükdere Cad. Levent 199 Apt. No: 199/119
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The unconsolidated financial report as at and for the year-ended 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
- ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITORS’ REPORT

The accompanying unconsolidated financial statements for the year-end and notes to these financial statements are prepared based on the financial records of the Bank and in accordance with the Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations of these, have been subject to independent audit and presented in **thousands of Turkish Lira** unless otherwise stated.

Tamer GHAZALEH	Mert ÖNCÜ	Mehmet Gökmen UÇAR	Öcal PERÇİN
Chair of the Board of Directors	Member of the Board of Directors and General Manager	Deputy General Manager and Assistant General Manager in charge of Finance, Financial Control and Strategy	Financial Reporting Director
Oya AYDINLIK	Mouayed MAKHLOUF	Farid LAHOUD	
Member of Board of Directors and Chair of the Audit Committee	Member of Board of Directors and Audit Committee Member	Member of Board of Directors and Audit Committee Member	

Contact information of the personnel in charge of addressing questions about this financial report:

Name-Surname / Title : Senem Sarohan / Financial Reporting Manager
Telephone Number : +90 (212) 304 86 50
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Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements
For The Year Ended 31 December 2023

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

I. Bank’s Incorporation Date, Beginning Statue, Changes in the Existing Statue

Odea Bank A.Ş. (“the Bank”) was established as a deposit bank with USD 300 Million capital with the permission of BRSA numbered 4432 dated October 27, 2011, which was published in the Official Gazette on October 28, 2011, numbered 28098. The Bank started its operations in the "foreign deposit banks founded in Turkey" group, by taking operating permission from BRSA numbered 4963 on September 28, 2012, which was published in Official Gazette dated October 2, 2012 numbered 28429.

II. Explanations Regarding Bank’s Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Bank

As of 31 December 2023 and 31 December 2022, the shareholders’ structure and their ownerships are summarized as follows:

Name and Surname / Commercial Title	Share Amount	Current Period	Share Amount	Prior Period
		Share Ratios		Share Ratios
Bank Audi sal	2.513.293	76,419%	2.513.293	76,419%
European Bank for Reconstruction and Development	263.394	8,009%	263.394	8,009%
International Finance Corporation	209.252	6,362%	209.252	6,362%
H.H Sheikh Dheyab Binzayed Binsultan Al-Nahyan	131.697	4,004%	131.697	4,004%
IFC FIG Investment Company S.a.r.l	112.674	3,426%	112.674	3,426%
Mr. Mohammad Hassan Zeidan	58.532	1,780%	58.532	1,780%
	3.288.842	100,00%	3.288.842	100,00%

Bank Audi sal

Bank Audi Group is a leading Lebanese based banking group with a universal banking profile. Based on a diversified universal service model, it operates principally in Lebanon in the Middle East, Europe and in Turkey. The Group offers universal financial products and services including Corporate, Commercial, Retail and Private Banking services in addition to capital market activities and factoring.

Bank Audi Group boasts one of the largest branch networks in Lebanon, covering the Greater Beirut area and other strategic regions in Lebanon. The Group has two principal subsidiaries in Europe and one in Turkey.

The Group ranks among the top banks in Lebanon in terms of asset size, shareholders’ equity, customer deposits, loans and net income. Having one of the largest branch networks in Lebanon, the Group has 90 branches as of 31 December 2023.

The Bank Audi Group, established in 1830, has become a private joint stock company (Société Anonyme Libanaise), limited to 99 years in 1962. The Group’s shareholder base has been expanding since 1983, with the first shareholders being the members of the Audi family along with Kuwaiti investors. Today, the Group's shareholder base covers 1.500 shares and/or Global Depository Receipt (GDR) holders representing the shares. The parent bank of the Group, Bank Audi’s shares and its Global Depository Receipt (GDR) are quoted on the Beirut Stock Exchange.

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements
For The Year Ended 31 December 2023

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

III. Explanations Regarding the Chair and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares and Areas of Responsibility in the Bank

Title	Name-Surname	Responsibility	Education
Chair of the Board of Directors	Tamer GHAZALEH(*)	Chair of the Board of Directors	Bachelor’s Degree
Vice Chair of the Board of Directors	Khalil EL DEBS(**)	Vice Chair of the Board of Directors	Master’s Degree
Members of the Board of Directors	Mouayed MAKHLOUF	Member of the Board of Directors and Member of the Audit Committee	Master’s Degree
	Antoine NAJM	Member of the Board of Directors	Bachelor’s Degree
	Ayşe Botan BERKER	Member of the Board of Directors	Ph.D. Degree
	Farid LAHOUD	Member of the Board of Directors and Member of the Audit Committee	Ph.D. Degree
	Chahdan JEBEYLI	Member of the Board of Directors	Master’s Degree
	Oya AYDINLIK	Member of the Board of Directors and Chair of the Audit Committee	Bachelor’s Degree
	Ebru OĞAN KNOTTNERUS	Member of the Board of Directors	Bachelor’s Degree
	Hilmi GÜVENAL	Member of the Board of Directors	Bachelor’s Degree
	Elias ABOU SLEIMAN(***)	Member of the Board of Directors	Master’s Degree
Member of the Board of Directors and General Manager	Mert ÖNCÜ	Member of the Board of Directors and General Manager	Ph.D. Degree
Deputy General Manager	Yalçın AVCI	Commercial Banking	Master’s Degree
	Mehmet Gökmen UÇAR	Finance, Financial Control and Strategy	Bachelor’s Degree
Assistant General Managers (****)	Emir Kadir ALPAY	Treasury, Capital Markets and FI	Master’s Degree
	Sinan Erdem ÖZER	Information Technologies and Operations	Master’s Degree
	Hüseyin GÖNÜL	Risk Management and Internal Control	Bachelor’s Degree
	Cenk DEMİRÖZ	Credit Allocation	Master’s Degree
	Hüseyin Cem TANER	Credit Monitoring and Remedial	Bachelor’s Degree
	Ebru VARDAR	Human Resources	Bachelor’s Degree
	Gürcan KIRMIZI	Retail Banking	Bachelor’s Degree

*The term of Mr. Imad ITANI as chair of the Board of Directors has ended as of August 9, 2023. Mr. Tamer GHAZALEH has been appointed as chair of the Board
** Mr. Khalil EL DEBS has been appointed as vice chair of the Board of Directors as of August 9, 2023
*** Mr Elias ABOU SLEIMAN has been appointed as member of the Board of Directors as of September 15, 2023
**** Private Banking Assistant General Manager Mr. Cem Muratoğlu resigned from his position as of 31.08.2023

Individuals mentioned above do not own any shares of the Bank.

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

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

IV. Information About The Persons and Institutions That Have Qualified Shares

Information about the persons and institutions that have qualified shares as of 31 December 2023:

Name and Surname / Commercial Title	Share Amount	Share Ratios	Paid up Shares	Unpaid Shares
Bank Audi sal	2.513.293	76,419%	2.513.293	-

V. Summary on the Bank's Functions and Areas of Activity

The headquarters of the Bank is located in Istanbul and as of 31 December 2023. The Bank has 41 domestic branches with 1.284 employees. The Bank is organized to operate in all operational aspects of commercial and retail banking under the scope of 4th Article of the Banking Law. The Bank has no subsidiaries in the financial sector (31 December 2022: 48 domestic branches, 1.110 employees).

VI. Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the institutions subject to full consolidation method or proportional consolidation and institutions which are deducted from equity or not included in these three methods

The Bank has no consolidated subsidiaries.

VII. The existing or potential, actual or legal obstacles on the transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities

None.

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

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- I. Balance Sheet (Statement of Financial Position)
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- III. Statement of Profit or Loss
- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows
- VII. Statement of Profit Distribution

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Unconsolidated Balance Sheet (Statement Of Financial Position)
As Of 31 December 2023

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

I. BALANCE SHEET – ASSETS

		Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
	Note Ref (Section Five)	TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		10.357.977	22.686.765	33.044.742	12.841.253	15.671.313	28.512.566
1.1 Cash and cash equivalents		5.724.639	14.985.992	20.710.631	6.064.098	10.222.327	16.286.425
1.1.1 Cash and balances at Central Bank	I-1	4.929.547	9.202.633	14.132.180	1.149.956	6.911.848	8.061.804
1.1.2 Banks	I-3	156	5.788.204	5.788.360	1.126.014	3.314.028	4.440.042
1.1.3 Receivables from Money Markets		799.402	-	799.402	3.792.303	-	3.792.303
1.1.4 Allowance for expected credit losses (-)		4.466	4.845	9.311	4.175	3.549	7.724
1.2 Financial assets at fair value through profit or loss	I-2	1.321.170	70.125	1.391.295	1.566	34.424	35.990
1.2.1 Public debt securities		267	20.290	20.557	1.566	9.196	10.762
1.2.2 Equity instruments		-	49.835	49.835	-	25.228	25.228
1.2.3 Other financial assets		1.320.903	-	1.320.903	-	-	-
1.3 Financial assets at fair value through other comprehensive income	I-4	3.053.600	7.350.976	10.404.576	6.144.836	4.802.398	10.947.234
1.3.1 Public debt securities		2.951.025	7.350.213	10.301.238	5.663.225	4.801.931	10.465.156
1.3.2 Equity instruments		16.458	763	17.221	13.154	467	13.621
1.3.3 Other financial assets		86.117	-	86.117	468.457	-	468.457
1.4 Derivative financial assets	I-2	258.568	279.672	538.240	630.753	612.164	1.242.917
1.4.1 Derivative financial assets at fair value through profit or loss		215.354	279.672	495.026	607.102	612.164	1.219.266
1.4.2 Derivative financial assets at fair value through other comprehensive income	I-11	43.214	-	43.214	23.651	-	23.651
II. FINANCIAL ASSET MEASURED AT AMORTISED COST (Net)		30.907.636	15.910.920	46.818.556	23.138.242	14.600.325	37.738.567
2.1 Loans	I-5	21.829.794	15.614.091	37.443.885	17.975.045	14.565.724	32.540.769
2.2 Receivables from leasing transactions	I-10	-	-	-	-	-	-
2.3 Factoring receivables		-	-	-	-	-	-
2.4 Other financial assets measured at amortized cost	I-6	11.114.964	1.280.266	12.395.230	6.327.808	969.911	7.297.719
2.4.1 Public debt securities		7.237.628	1.280.266	8.517.894	3.309.652	969.911	4.279.563
2.4.2 Other financial assets		3.877.336	-	3.877.336	3.018.156	-	3.018.156
2.5 Allowance for expected credit losses (-)		2.037.122	983.437	3.020.559	1.164.611	935.310	2.099.921
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS" (Net)	I-16	826.297	-	826.297	805.513	-	805.513
3.1 Held for sale		826.297	-	826.297	805.513	-	805.513
3.2 Held from discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		-	-	-	-	-	-
4.1 Investments in associates (Net)	I-7	-	-	-	-	-	-
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-consolidated associates		-	-	-	-	-	-
4.2 Investments in subsidiaries (Net)	I-8	-	-	-	-	-	-
4.2.1 Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2 Non-consolidated non-financial subsidiaries		-	-	-	-	-	-
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	I-9	-	-	-	-	-	-
4.3.1 Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2 Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	I-12	374.748	-	374.748	302.149	-	302.149
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	I-13	538.720	-	538.720	243.171	-	243.171
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		538.720	-	538.720	243.171	-	243.171
VII. INVESTMENT PROPERTIES (Net)	I-14	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		514.524	-	514.524	911	-	911
IX. DEFERRED TAX ASSETS	I-15	861.963	-	861.963	593.629	-	593.629
X. OTHER ASSETS	I-17	668.454	62.136	730.590	791.435	8.908	800.343
TOTAL ASSETS		45.050.319	38.659.821	83.710.140	38.716.303	30.280.546	68.996.849

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Unconsolidated Balance Sheet (Statement Of Financial Position)
As Of 31 December 2023

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

I. BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY

		Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
	Note Ref. (Section Five)	TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	30.012.273	28.219.972	58.232.245	31.005.197	18.233.262	49.238.459
II. LOANS RECEIVED	II-3	1.060.818	930.028	1.990.846	-	1.359.218	1.359.218
III. MONEY MARKET FUNDS	II-4	4.764.815	1.482.640	6.247.455	4.000.353	-	4.000.353
IV. MARKETABLE SECURITIES (Net)	II-5	-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	II-2	20.536	487.900	508.436	265.550	661.839	927.389
7.1 Derivative financial liabilities at fair value through profit or loss		17.554	487.900	505.454	231.556	661.839	893.395
7.2 Derivative financial liabilities at fair value through other comprehensive income	II-8	2.982	-	2.982	33.994	-	33.994
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	II-7	163.278	-	163.278	163.074	-	163.074
X. PROVISIONS	II-9	769.371	73.205	842.576	998.579	242.547	1.241.126
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		135.596	-	135.596	88.678	-	88.678
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		633.775	73.205	706.980	909.901	242.547	1.152.448
XI. CURRENT TAX LIABILITIES	II-10	207.226	-	207.226	325.533	-	325.533
XII. DEFERRED TAX LIABILITIES	II-10	-	-	-	-	-	-
XIII. LIABILITIES RELATED TO ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	II-11	-	-	-	-	-	-
13.1 Held for sale		-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	II-12	-	8.412.601	8.412.601	-	5.336.904	5.336.904
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		-	8.412.601	8.412.601	-	5.336.904	5.336.904
XV. OTHER LIABILITIES	II-6	415.996	578.929	994.925	690.385	673.457	1.363.842
XVI. SHAREHOLDERS' EQUITY		6.157.234	(46.682)	6.110.552	5.249.741	(208.790)	5.040.951
16.1 Paid-in capital	II-13	3.288.842	-	3.288.842	3.288.842	-	3.288.842
16.2 Capital reserves		(2.198)	-	(2.198)	(2.198)	-	(2.198)
16.2.1 Equity share premiums		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		(2.198)	-	(2.198)	(2.198)	-	(2.198)
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		(19.195)	-	(19.195)	(33.553)	-	(33.553)
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		6.264	(46.682)	(40.418)	792.115	(208.790)	583.325
16.5 Profit reserves		1.173.348	-	1.173.348	351.332	-	351.332
16.5.1 Legal reserves	II-13	89.360	-	89.360	46.700	-	46.700
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		1.083.988	-	1.083.988	304.632	-	304.632
16.5.4 Other profit reserves		-	-	-	-	-	-
16.6 Profit or loss		1.710.173	-	1.710.173	853.203	-	853.203
16.6.1 Prior periods profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		1.710.173	-	1.710.173	853.203	-	853.203
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		43.571.547	40.138.593	83.710.140	42.698.412	26.298.437	68.996.849

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Unconsolidated Statement Of Off-Balance Sheet Items As Of 31 December 2023

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

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

		Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
	Note Ref. (Section Five)	TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		45.946.866	106.823.212	152.770.078	56.018.219	123.545.647	179.563.866
I. GUARANTEES	III-1	16.604.621	3.315.097	19.919.718	11.651.588	3.423.006	15.074.594
1.1 Letters of guarantee		9.719.848	988.832	10.708.680	6.876.842	1.197.845	8.074.687
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		9.719.848	988.832	10.708.680	6.876.842	1.197.845	8.074.687
1.2 Bank acceptances		-	-	-	-	-	-
1.2.1 Import letter of acceptance		-	-	-	-	-	-
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		53.023	2.320.301	2.373.324	286.303	2.143.422	2.429.725
1.3.1 Documentary letters of credit		53.023	2.320.301	2.373.324	286.303	2.143.422	2.429.725
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Prefinancing given as guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Purchase guarantees for Securities issued		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		6.831.750	5.964	6.837.714	4.488.443	81.739	4.570.182
1.9 Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-1	20.629.675	933.182	21.562.857	16.124.178	1.808.351	17.932.529
2.1 Irrevocable commitments		2.050.221	933.182	2.983.403	2.413.373	1.808.351	4.221.724
2.1.1 Forward asset purchase and sales commitments		5.461	881.231	886.692	805.888	1.775.395	2.581.283
2.1.2 Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		1.345.848	-	1.345.848	1.021.137	-	1.021.137
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		104.224	-	104.224	77.145	-	77.145
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		589.373	-	589.373	504.112	-	504.112
2.1.10 Commitments for promotions related with credit cards and banking activities		1.504	-	1.504	1.398	-	1.398
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		3.811	51.951	55.762	3.693	32.956	36.649
2.2 Revocable commitments		18.579.454	-	18.579.454	13.710.805	-	13.710.805
2.2.1 Revocable loan granting commitments		18.579.454	-	18.579.454	13.710.805	-	13.710.805
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	III-2	8.712.570	102.574.933	111.287.503	28.242.453	118.314.290	146.556.743
3.1 Derivative financial instruments for hedging purposes		600.000	-	600.000	1.750.000	-	1.750.000
3.1.1 Fair value hedge		600.000	-	600.000	1.750.000	-	1.750.000
3.1.2 Cash flow hedge		-	-	-	-	-	-
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Trading derivatives		8.112.570	102.574.933	110.687.503	26.492.453	118.314.290	144.806.743
3.2.1 Forward foreign currency buy/sell transactions		630.535	7.938.919	8.569.454	294.483	6.336.939	6.631.422
3.2.1.1 Forward foreign currency transactions-buy		630.535	3.705.593	4.336.128	261.179	3.058.356	3.319.535
3.2.1.2 Forward foreign currency transactions-sell		-	4.233.326	4.233.326	33.304	3.278.583	3.311.887
3.2.2 Swap transactions related to foreign currency, and interest rates		5.946.882	55.807.633	61.754.515	4.947.732	85.635.636	90.583.368
3.2.2.1 Foreign currency swaps-buy		-	28.612.846	28.612.846	440.108	19.847.088	20.287.196
3.2.2.2 Foreign currency swaps-sell		2.766.882	26.093.741	28.860.623	2.107.624	18.008.386	20.116.010
3.2.2.3 Interest rate swaps-buy		1.590.000	550.523	2.140.523	1.200.000	23.890.081	25.090.081
3.2.2.4 Interest rate swaps-sell		1.590.000	550.523	2.140.523	1.200.000	23.890.081	25.090.081
3.2.3 Foreign currency, interest rate and securities options		1.168.614	38.476.227	39.644.841	21.250.238	26.341.715	47.591.953
3.2.3.1 Foreign currency options-buy		858.134	13.560.290	14.418.424	14.884.996	9.017.401	23.902.397
3.2.3.2 Foreign currency options-sell		310.480	24.915.937	25.226.417	6.365.242	17.324.314	23.689.556
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		366.539	352.154	718.693	-	-	-
3.2.4.1 Foreign currency futures-buy		151.640	207.177	358.817	-	-	-
3.2.4.2 Foreign currency futures-sell		214.899	144.977	359.876	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		81.252.429	246.087.871	327.340.300	72.235.430	152.178.139	224.413.569
IV. ITEMS HELD IN CUSTODY		7.256.020	34.688.788	41.944.808	8.243.339	15.398.563	23.641.902
4.1 Assets under management		6.884.713	29.021.582	35.906.295	7.004.837	3.729.681	10.734.518
4.2 Investment securities held in custody		-	4.269.806	4.269.806	600	3.368.949	3.369.549
4.3 Checks received for collection		366.802	1.397.400	1.764.202	139.321	1.144.709	1.284.030
4.4 Commercial notes received for collection		3.027	-	3.027	6.300	-	6.300
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		1.478	-	1.478	4.166	-	4.166
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		73.981.448	211.225.600	285.207.048	65.065.245	143.821.008	208.886.253
5.1 Marketable securities		1.967.848	6.209.579	8.177.427	1.875.981	3.351.583	5.227.564
5.2 Guarantee notes		32.908.545	29.116.117	62.024.662	32.218.084	18.877.965	51.096.049
5.3 Commodities		3.193.443	4.354.828	7.548.271	3.048.390	2.718.903	5.767.293
5.4 Warrants		-	-	-	-	-	-
5.5 Properties		25.717.566	117.611.426	143.328.992	18.995.975	79.470.914	98.466.889
5.6 Other pledged items		10.194.046	53.933.650	64.127.696	8.926.815	39.401.643	48.328.458
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		14.961	173.483	188.444	14.961	113.792	128.753
TOTAL OFF - BALANCE SHEET ITEMS (A+B)		127.199.295	352.911.083	480.110.378	128.253.649	275.723.786	403.977.435

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Unconsolidated Statement Of Profit Or Loss For The Period Ended 31 December 2023

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

III. STATEMENT OF PROFIT OR LOSS

		Audited Current Period 1 January- 31 December 2023		Audited Prior Period 1 January- 31 December 2022	
	Note (Section Five)				
INCOME AND EXPENSE ITEMS					
I. INTEREST INCOME	IV-1	10.983.643		7.387.380	
1.1 Interest on loans		5.628.877		3.884.250	
1.2 Interest received from reserve deposits		2.327		15.469	
1.3 Interest received from banks		182.428		66.205	
1.4 Interest received from money market transactions		365.577		16.751	
1.5 Interest received from marketable securities portfolio		4.797.567		3.395.666	
1.5.1 Financial assets at fair value through profit or loss		25.612		49.568	
1.5.2 Financial assets at fair value through other comprehensive income		1.724.020		2.450.526	
1.5.3 Financial assets measured at amortized cost		3.047.935		895.572	
1.6 Finance lease income		-		-	
1.7 Other interest income		6.867		9.039	
II. INTEREST EXPENSE (-)	IV-2	8.950.608		4.447.184	
2.1 Interest on deposits		7.562.799		3.527.054	
2.2 Interest on funds borrowed		314.179		42.153	
2.3 Interest on money market transactions		218.135		318.685	
2.4 Interest on securities issued		664.014		407.555	
2.5 Finance lease interest expenses		51.077		28.652	
2.6 Other interest expenses		140.404		123.085	
III. NET INTEREST INCOME (I - II)		2.033.035		2.940.196	
IV. NET FEES AND COMMISSIONS INCOME		1.050.179		187.514	
4.1 Fees and commissions received		1.151.066		217.219	
4.1.1 Non-cash loans		246.901		94.764	
4.1.2 Other		904.165		122.455	
4.2 Fees and commissions paid (-)		100.887		29.705	
4.2.1 Non-cash loans		-		-	
4.2.2 Other		100.887		29.705	
V. DIVIDEND INCOME	IV-3	-		-	
VI. TRADING PROFIT/LOSS (Net)	IV-4	621.575		40.843	
6.1 Profit/losses from capital market transactions		773.503		446.303	
6.2 Profit/losses from derivative financial transactions		(2.483.947)		123.167	
6.3 Foreign exchange profit/losses		2.332.019		(528.627)	
VII. OTHER OPERATING INCOME	IV-5	2.340.865		1.198.783	
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		6.045.654		4.367.336	
IX. EXPECTED CREDIT LOSSES (-)	IV-6	1.690.138		1.441.713	
X. OTHER PROVISION EXPENSES (-)	IV-6	12.250		495.143	
XI. PERSONNEL EXPENSES (-)		1.312.585		654.428	
XII. OTHER OPERATING EXPENSES (-)	IV-7	1.281.763		678.830	
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		1.748.918		1.097.222	
XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-		-	
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-		-	
XVI. NET MONETARY POSITION GAIN/LOSS		-		-	
PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	IV-9	1.748.918		1.097.222	
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (4)	IV-10	(38.745)		(244.019)	
18.1 Current tax provision		(85.778)		(785.109)	
18.2 Expense effect of deferred tax (+)		(792.143)		(527.941)	
18.3 Income effect of deferred tax (-)		839.176		1.069.031	
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVIII+XVIII)	IV-11	1.710.173		853.203	
XX. INCOME FROM DISCONTINUED OPERATIONS		-		-	
20.1 Income from assets held for sale		-		-	
20.2 Profit from sale of associates, subsidiaries and joint ventures		-		-	
20.3 Other income from discontinued operations		-		-	
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-		-	
21.1 Expenses on assets held for sale		-		-	
21.2 Losses from sale of associates, subsidiaries and joint ventures		-		-	
21.3 Other expenses from discontinued operations		-		-	
PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (4) (XX-XXI)		-		-	
XXII. TAX PROVISION FOR DISCONTINUED OPERATIONS (4)		-		-	
22.1 Current tax provision		-		-	
22.2 Expense effect of deferred tax (+)		-		-	
22.3 Income effect of deferred tax (-)		-		-	
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII+XXIII)		1.710.173		853.203	
XXV. NET PROFIT/LOSSES (XIX+XXIV)	IV-12	1.710.173		853.203	
Profit / Loss per Share (*)		0,520		0,259	

(*) Presented in Full TL.

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Unconsolidated Statement Of Profit Or Loss And Other Comprehensive Income For The Period Ended 31 December 2023

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

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Audited Current Period 1 January- 31 December 2023	Audited Prior Period 1 January- 31 December 2022
I.	CURRENT PERIOD PROFIT / (LOSS)	1.710.173	853.203
II.	OTHER COMPREHENSIVE INCOME	(640.572)	620.798
2.1	Other comprehensive income that will not be reclassified to profit or loss	(16.829)	(29.989)
2.1.1	Gains (losses) on revaluation of property, plant and equipment	-	-
2.1.2	Gains (losses) on revaluation of intangible assets	-	-
2.1.3	Gains (losses) on remeasurements of defined benefit plans	(28.124)	(41.059)
2.1.4	Other Components of other comprehensive income that will not be reclassified to profit or loss	-	-
2.1.5	Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	11.295	11.070
2.2	Other comprehensive income that will be reclassified to profit or loss	(623.743)	650.787
2.2.1	Exchange differences on translation	-	-
2.2.2	Valuation and/or reclassification profit or loss from financial assets at fair value through other comprehensive income	(895.329)	908.058
2.2.3	Income (loss) related with cash flow hedges	61.579	(42.411)
2.2.4	Income (loss) related with hedges of net investments in foreign operations	-	-
2.2.5	Other components of other comprehensive income that will be reclassified to other profit or loss	-	-
2.2.6	Taxes relating to components of other comprehensive income that will be reclassified to profit or loss	210.007	(214.860)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	1.069.601	1.474.001

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

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Unconsolidated Statement Of Changes In Shareholders’ Equity For The Period Ended 31 December 2023

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

							Other Comprehensive Income/Expense Items Not To Be Recycled To Profit and Loss			Other Comprehensive Income/Expense Items To Be Recycled To Profit and Loss						
		Note (Section Five)	Paid-In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	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 Accumulated Amounts of Other Comprehensive Income that will not be Recycled to Profit or Loss) (*)	Translation Differences	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	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) (**)	Profit Reserves	Prior Period Income and Losses	Current Year Income and Losses	Total Shareholders' Equity
	Current Period 31/12/2023															
I.	Balance at the beginning of the period		3.288.842	-	-	(2.198)	-	(42.867)	9.314	-	640.209	(56.884)	351.332	-	853.203	5.040.951
II.	Adjustment in accordance with TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)		3.288.842	-	-	(2.198)	-	(42.867)	9.314	-	640.209	(56.884)	351.332	-	853.203	5.040.951
IV.	Total comprehensive income (loss)		-	-	-	-	-	(16.829)	-	-	(668.835)	45.092	-	-	1.710.173	1.069.601
V.	Capital increase in cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	31.187	-	-	-	822.016	-	(853.203)	-
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves (**)		-	-	-	-	-	-	-	-	-	-	853.203	-	(853.203)	-
11.3	Others		-	-	-	-	-	-	31.187	-	-	-	(31.187)	-	-	-
End Balance (III+IV+.....+X+XI)			3.288.842	-	-	(2.198)	-	(59.696)	40.501	-	(28.626)	(11.792)	1.173.348	-	1.710.173	6.110.552

(*) TL 31.187 presented under extraordinary reserves includes the real estate sales gain benefited from corporate tax exemption and presented under “Others” account.
(**) At the Ordinary General Assembly meeting dated March 27, 2023, TL 42.660, which is 5% of the Bank's net profit for the year 2022, amounting to TL 853.203, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 810.543. It has been decided to set aside TL as Extraordinary Reserves.

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

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Unconsolidated Statement Of Changes In Shareholders’ Equity
For The Period Ended 31 December 2023

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

			Other Comprehensive Income/Expense Items Not To Be Recycled To Profit and Loss					Other Comprehensive Income/Expense Items To Be Recycled To Profit and Loss								
		Note (Section Five)	Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	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 Accumulated Amounts of Other Comprehensive Income that will not be Recycled to Profit or Loss) (*)	Translation Differences	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	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) (**)	Profit Reserves	Prior Period Income and Losses	Current Year Income and Losses	Total Shareholders’ Equity
	Prior Period 31/12/2022															
I.	Balance at the beginning of the period		3.288.842	-	-	(2.198)	-	(12.878)	6.917	-	(43.524)	(23.938)	148.041	-	205.688	3.566.950
II.	Adjustment in accordance with TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)		3.288.842	-	-	(2.198)	-	(12.878)	6.917	-	(43.524)	(23.938)	148.041	-	205.688	3.566.950
IV.	Total comprehensive income (loss)		-	-	-	-	-	(29.989)	-	-	683.733	(32.946)	-	-	853.203	1.474.001
V.	Capital increase in cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	2.397	-	-	-	203.291	-	(205.688)	-
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves (**)		-	-	-	-	-	-	-	-	-	-	205.688	-	(205.688)	-
11.3	Others		-	-	-	-	-	-	2.397	-	-	-	(2.397)	-	-	-
End Balance (III+IV+.....+X+XI)			3.288.842	-	-	(2.198)	-	(42.867)	9.314	-	640.209	(56.884)	351.332	-	853.203	5.040.951

(*) TL 2.397 presented under extraordinary reserves includes the real estate sales gain benefited from corporate tax exemption and presented under “Others” account.
(**) At the Ordinary General Assembly meeting dated March 29, 2022, TL 10.285, which is 5% of the Bank's net profit for the year 2021, TL 205.688, was reserved as 1st Arrangement Legal Reserve in accordance with Article 519 of the Turkish Commercial Code numbered 6102 and the remaining amount of TL 195.403 has been decided to reserve as extraordinary Reserves.

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Unconsolidated Statement Of Cash Flows
For The Year Ended 31 December 2023

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

VI. STATEMENT OF CASH FLOWS

		Footnotes (Section Five)	Audited Current Period 1 January- 31 December 2023	Audited Prior Period 1 January- 31 December 2022
A. CASH FLOWS FROM BANKING OPERATIONS				
1.1	Operating profit / (loss) before changes in operating assets and liabilities		2.747.345	2.712.490
1.1.1	Interest received		9.490.618	6.469.783
1.1.2	Interest paid		(8.115.929)	(4.232.408)
1.1.3	Dividend received		-	-
1.1.4	Fees and commissions received		1.151.066	217.219
1.1.5	Other income/(expense)		1.014.636	616.414
1.1.6	Collections from previously written off loans		353.994	539.338
1.1.7	Payments to personnel and service suppliers		(2.019.163)	(993.435)
1.1.8	Taxes paid		(729.564)	(640.640)
1.1.9	Others	VI-1	1.601.687	736.219
1.2	Changes in operating assets and liabilities		(4.675.267)	479.378
1.2.1	Net (increase) decrease in financial assets held for trading		(1.354.875)	65.541
1.2.2	Net (increase) decrease in due from banks and other financial institutions		(1.294.000)	1.158.557
1.2.3	Net (increase) decrease in loans		3.189.893	(2.198.843)
1.2.4	Net (increase) decrease in other assets	VI-1	228.081	(360.602)
1.2.5	Net increase (decrease) in bank deposits		(4.139)	(352.793)
1.2.6	Net increase (decrease) in other deposits		(2.561.296)	3.662.367
1.2.7	Net (increase) decrease in financial liability at fair value through profit or loss		(4.352.971)	(1.165.146)
1.2.8	Net increase (decrease) in funds borrowed		2.270.335	964.336
1.2.9	Net increase (decrease) in matured payables		-	-
1.2.10	Net increase (decrease) in other liabilities	VI-1	(796.295)	(1.294.039)
I.	Net cash used in from banking operations		(1.927.922)	3.191.868
B. CASH FLOWS FROM INVESTING ACTIVITIES				
II.	Net cash provided from investing activities		1.722.334	(1.241.851)
2.1	Cash paid for purchase of jointly controlled entities, associates and subsidiaries		-	-
2.2	Cash obtained from sale of jointly controlled entities, associates and subsidiaries		-	-
2.3	Fixed assets purchases		(674.194)	(367.479)
2.4	Fixed assets sales		276.627	759.463
2.5	Cash paid for purchase of financial assets available for sale		(1.507.815)	(1.501.269)
2.6	Cash obtained from sale of financial assets available for sale		5.458.980	4.328.590
2.7	Cash paid for purchase of investment securities		(7.355.512)	(6.700.308)
2.8	Cash obtained from sale of investment securities		5.524.248	2.239.152
2.9	Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES				
III.	Net cash flows from financing activities		(111.374)	(49.538)
3.1	Cash obtained from funds borrowed and securities issued		198.247	256.325
3.2	Cash used for repayment of funds borrowed and securities issued		(210.500)	(256.325)
3.3	Issued equity instrument		-	-
3.4	Dividends paid		-	-
3.5	Payments for leases		(99.121)	(49.538)
3.6	Other		-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents		3.436.484	2.245.611
V.	Net increase in cash and cash equivalents		3.119.522	4.146.090
VI.	Cash and cash equivalents at beginning of the period	VI-2	11.115.667	6.969.577
VII.	Cash and cash equivalents at end of the period	VI-2	14.235.189	11.115.667

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Unconsolidated Statement Of Profit Distribution
For The Year Ended 31 December 2023

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

VII. STATEMENT OF PROFIT DISTRIBUTION

	Audited Current Period 31.12.2023 (*)	Audited Prior Period 31.12.2022 (**)
I. DISTRIBUTION OF CURRENT YEAR INCOME/(LOSS)		
1.1 CURRENT YEAR INCOME	1.748.918	1.097.222
1.2 TAXES AND DUTIES PAYABLE (-)	38.745	244.019
1.2.1 Corporate tax (Income tax)	85.778	785.109
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(47.033)	(541.090)
A. NET INCOME FOR THE YEAR (1.1-1.2)	1.710.173	853.203
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	42.660
1.5 OTHER STATUTORY RESERVES (-)	-	31.187
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	1.710.173	779.356
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
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 preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	779.356
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE (***)		
3.1 TO OWNERS OF ORDINARY SHARES	0,520	0,259
3.2 TO OWNERS OF ORDINARY SHARES (%)	52,0%	25,9%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) The decision regarding the 2023 Profit Distribution will be taken at the General Assembly meeting.

(**) At the Ordinary General Assembly meeting dated March 27, 2023, TL 42.660, which is 5% of the Bank's net profit for the year 2022, amounting to TL 853.203, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 810.543. It has been decided to set aside TL as Extraordinary Reserves. 31.187 TL included in the Extraordinary Reserve Fund consists of real estate sales profits benefiting from the Corporate Tax exemption.

(***) Presented in Full TL.

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

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements
For The Year Ended 31 December 2023

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

SECTION THREE
ACCOUNTING PRINCIPLES

I. Basis of Presentation

a. The preparation of the unconsolidated financial statements and related notes and explanations in accordance with the Turkish Financial Reporting Standards and regulation on the Regulation on Accounting Applications for Banks and Safeguarding of Documents

The unconsolidated financial statements have been prepared in accordance with the “Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published in the Official Gazette no.26333 dated 1 November 2006 with regard to Banking Law No. 5411, and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by those, by those, “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”) (all “Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Legislation).

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value. The accompanying unconsolidated financial statements and notes to these financial statements are expressed in thousands of Turkish Lira (TL), unless otherwise stated.

In preparing the unconsolidated financial statements in accordance with “BRSA Accounting and Financial Reporting Legislation”, the Bank management has to make assumptions and estimates about the assets and liabilities in the balance sheet. These estimates and assumptions include fair value calculation of financial instruments and impairment of financial assets are being reviewed regularly and, when necessary, adjustments are made and the effects of these adjustments are reflected to the statement of profit or loss. The assumptions and estimates used are explained in the related notes.

b. Information on accounting policies and changes in financial statements

Accounting policies and valuation principles used in the preparation of the unconsolidated financial statements are determined in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency and in case where a specific regulation is not made by BRSA, TFRS.

Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Banking Regulation and Supervision Agency (BRSA) announced that financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies as of 31 December 2023 would not be subject to the inflation adjustment in accordance with BRSA Board decision on 12 December 2023.

The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements are explained in section three notes II to XXIV.

c. Changes in accounting policies and disclosures

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2023 have no material effect on the financial statements, financial performance and on the Bank’s accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance and on the Bank’s accounting policies.

In addition to the aid provided to the region due to the earthquake disaster that occurred in Kahramanmaraş and surrounding provinces in February, customers affected by the earthquake were offered interest-free deferral of their loan and credit card debts and free transaction/service opportunities. The effects of the earthquake disaster were reviewed and it was evaluated that there was no effect on the financial statements that would affect the going concern.

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

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

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank's main activities comprise retail, commercial and corporate banking, money market and securities market operations.

The Bank uses financial assets intensely by its nature. The Bank's basic strategy regarding the use of financial assets is intended for ensuring the balance between the profits from and risk levels of assets.

The most important funding source of the Bank is the deposits accepted for various time periods and apart from deposits, the most important funding sources are equity, securities issued, money market transactions and borrowings obtained from foreign financial institutions, generally medium and long term. In order to use these sources in high-yield and high-quality financial assets, the Bank follows an effective asset-liability management strategy. The Bank manages interest rate risk, liquidity risk, exchange rate risk and credit risk carried on in and off balance sheet assets and liabilities within the framework of internal and legal limits.

The Bank's asset-liability management is executed by the Asset-Liability Management Committee, within the risk limits determined by the Board of Directors, in order to keep the liquidity risk, interest rate risk, currency risk and credit risk within certain limits depending on the equity adequacy and to maximize profitability.

Translation gains and losses arising from foreign currency transactions are accounted for within the period in which the transaction occurs. Foreign currency denominated assets and liabilities are translated into TL with the prevailing buying rate of exchange of the Bank on reporting date and gains and losses arising from such transactions are recognized in the statement of profit or loss under the account of foreign exchange gains or losses.

III. Explanations on Futures and Options Contracts and Derivative Instruments

The derivative transactions mainly consist of options, foreign currency swaps, interest rate swaps, and foreign currency forward contracts. Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. The changes in their fair values are recorded on balance sheet under "the portion of derivative financial assets measured at fair value through profit and loss" or "the portion of derivative financial liabilities measured at fair value through profit and loss", respectively depending on the fair values being positive or negative. Fair value changes for derivatives are recorded in the account of "income / losses" from derivative transactions under income statement.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to "TFRS – 9 Financial Instruments" in case the related embedded derivative's economic features and risks are not closely related to the host contract, another instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and the hybrid instrument is not carried at fair value through profit or loss. If the underlying contract is closely related to the embedded derivative, the embedded derivative is accounted for in accordance with the standard which the underlying contract is based on without any separation from the contract.

Within the scope of TFRS 13 Fair Value Measurement standard; if there is a significant decrease in the volume or level of activity for that asset or liability in relation to normal market activity for the asset or liability (or similar assets or liabilities); when the transaction or quoted price does not represent fair value; and / or when a price for a similar asset requires significant adjustment to make it comparable to the asset being measured, or when the price is stale, the Bank makes an adjustment to the transactions or quoted prices and reflects this adjustment to the fair value measurement. In this context, the Bank determines the point within the range that is most representative of fair value under current market conditions.

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

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

III. Explanations on Futures and Options Contracts and Derivative Instruments (continued)

Derivative financial instruments held for hedging purpose

The Bank may apply cash flow hedge accounting to mitigate interest rate changes on TL deposit through interest rate swaps.

The Bank utilizes derivative instruments effectively in the process of asset and liability management. TFRS 9 permits to defer application of TFRS 9 hedge accounting and continue to apply hedge accounting in accordance with TAS 39 as a policy choice. Accordingly, the Bank continues to apply hedge accounting in accordance with TAS 39 in this context.

Within the scope of cash flow hedge accounting, effective part of the fair value changes of the hedging instrument are accounted in equity under "Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss" whereas ineffective part is accounted in the income statement.

The Bank hedges its cash flow risk arising from Turkish Lira floating interest rate liabilities by using interest rate swaps. Within the scope of cash flow hedge accounting the fair values being positive or negative and effective portions in the equity under "Other Comprehensive Income Items to be recycled to profit and loss" and ineffective portions in the income statement under "profit / loss from derivative financial transaction".

In the periods in which the cash flows (interest expenses) of the hedged item affects the income statement, the profit/ loss of the hedging instrument is recycled to the income statement from equity.

Effectiveness tests are performed at the beginning of the hedge accounting period and at each reporting period. The effectiveness tests are carried out using the Dollar off-set model and the hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective.

When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized to income statement under trading account income/loss caption over the maturity of the hedged item from that date of the hedge accounting is discontinued. While expiring, sale, discontinuing cash flow hedge accounting or when no longer effective the cumulative gains/losses recognised in shareholders' equity and presented under "accumulated other comprehensive income or expense to be reclassified to profit or loss" are continued to be kept in this account. When the cash flows of hedged item incur, the gain/losses accounted for under shareholders' equity are recognised in income statement considering the original maturity.

IV. Explanations on Interest Income and Expenses

Interest income and expenses are recognized in the statement of income by using the "Effective interest method". Starting from January 1, 2018, Bank has started accruing interest income on non-performing loans.

V. Explanations on Fees and Commission Income and Expenses

Fees and commissions those that are not an integral part of the effective interest rate of the financial instruments measured at amortized cost are accounted for in accordance with "TFRS 15 - Revenue from Customer Contracts". Fees and commission income/expenses are primarily recognized on an accrual basis or "Effective interest method (Internal rate of return)" according to the nature of the fee and commission. Income earned in return for services rendered contractually or due to operations like sale or purchase of assets on behalf of a third party real person or corporate body are recognized when realized.

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Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

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

VI. Explanations on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects.

Basically, financial instruments create the majority of the commercial activities and operations of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date. The settlement date is the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

The Bank categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority.

The methods and assumptions used in the recognition and measurement of financial instruments are mentioned below.

Cash, Banks, and Other Financial Institutions:

Cash and cash equivalents comprise cash on hand, demand placements, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash and are carried at amortized cost. The book values of these assets are at their fair values.

Financial Assets at Fair Value Through Profit and Loss:

"Financial assets at fair value through profit/loss" are financial assets that are either managed by a model other than the ones that are managed with a business model of hold to collect contractual cash flows or with a business model of hold to collect contractual cash flows or to sell financial assets, or being subject to mentioned business models, of which cash flows does not meet the "solely for the payments of principal and interest" criteria.

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 income statement. Transaction costs related to such assets are recorded as expense at the time of occurrence.

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

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

VI. Explanations on Financial Assets (continued)

Financial Assets at Fair Value Through Other Comprehensive Income:

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows which are solely payments of principal and interest are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost 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 income statement. "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 income statement of the period until the receipt of consideration against that asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted for under the "other comprehensive income or expense items to be recycled to profit or loss" under shareholders' equity.

Equity instruments, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition an entity can choose in an irrevocable way to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

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 for in the income statement.

"Fair value through other comprehensive income" and "measured at amortized cost" securities portfolio of the Bank contains Consumer Price Indexed (CPI) bonds. These securities are valued and accounted for using the effective interest method based on the CPI of two months before the reporting date together with the real coupon rates and the reference index at the issuance date, with the index coefficient generated on the inflation rate is estimated by the Bank. The inflation rate estimated by the inflation expectations of Central Bank and the Bank, is updated when necessary during the year. Securities are valued at the end of the year with reference index announced by the Ministry of Treasury and Finance.

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Notes To The Unconsolidated Financial Statements
For The Year Ended 31 December 2023

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

VI. Explanations on Financial Assets (continued)

Loans and Receivables:

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market.

Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method".

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the statement of income.

Foreign exchange gains and losses on the foreign currency indexed loans are presented under foreign exchange gains and losses in the statement of income.

Derecognition of a financial asset:

Before evaluating whether, and to what extent, derecognition is appropriate, the Bank determines whether those criteria should be applied to a part of a financial asset (or a part of a group of similar financial assets) or a financial asset (or a group of similar financial assets) in its entirety. Criteria is applied to a part of financial asset (or a part of a group of similar financial assets) if, and only if, the part being considered for derecognition meets one of the following three conditions: (i) The part comprises only specifically identified cash flows from a financial asset (or a group of similar financial assets) (ii) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a group of similar financial assets) (iii) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

A financial asset (or, a part of a financial asset or a part of group of financial assets, where appropriate) is derecognized when, and only when,

- The contractual rights to the cash flows from the financial asset expire; or
- The contractual rights to the cash flows from the financial asset are transferred; or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in the arrangement without material delay and:
- If the entity transfers substantially all the risks and rewards of ownership of the financial asset or,
- If the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, whether it has retained control of the financial asset.

If the Bank transfers the contractual rights to the cash flows from the financial asset, or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in the arrangement without material delay and if the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the entity shall determine whether it has retained control of the financial asset and it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset. In this case, the entity also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

The Bank has evaluated the non-performing loan portfolio of which contractual rights are transferred to the asset management companies, in the context of above statements and derecognizes the loans that are subject to agreements in which all risks and rewards are transferred to the buyer.

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VII. Explanations on Expected Credit Losses

As of 1 January 2018, a loss allowance for expected credit losses is provided by Bank for all financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, all financial assets which are not measured at fair value through profit or loss, commitments and financial guarantee contracts in accordance with TFRS 9 International Financial Reporting Standard and “Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside” published in the Official Gazette No. 29750 dated 22 June 2016. Equity instruments are not subject to impairment assessment as they are measured at fair value.

The Bank has started its credit calculation method with the expected credit loss models in accordance with IFRS 9 rules as of 1 January 2018. Expected credit losses include a probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that are current conditions and forecasts of future economic conditions and the time value of money.

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

Stage 1:

They are financial assets that do not have a significant increase in credit risk at initial recognition or since initial recognition. Loss allowance for impairment of credit risk for these assets is recorded in the amount of 12-month expected credit loss.

Stage 2:

In the case of a significant increase in credit risk since initial recognition the financial asset is transferred to Stage 2. Loss allowance for impairment of credit risk is determined on the basis of the instrument’s lifetime expected credit losses.

Stage 3 (Default):

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. In the calculation of expected credit losses, probability of default is considered as 100%. In determining the impairment, the Bank considers the following criteria:

- Delinquency in interest and/or principal payments by more than 90 days.
- Having the opinion that collection of principal and /or interest will be past due more than 90 days from its maturity or due date due to reasons such as having problems in the financing operating capital or creating additional liquidity due to unfavourable developments in macroeconomic conditions or in the sectors the debtor operates or, independent from all, due to adverse developments peculiar to the debtor.

The collections made based on provision provided for loans in the current period are deducted from “Expected Credit Losses” account in income statement, and the principal collections made in respect of loans that have been provision set aside in the previous periods or write-off exposures under off-balance sheet are recognized under “Other Operating Income” account.

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VII. Explanations on Expected Credit Losses (continued)

Significant Increase in Credit Risk

The Bank performs qualitative and quantitative assessments for the determination of financial assets that will be classified as Stage 2 due to the significant increase in credit risk.

To make the quantitative assessment, the Bank compares the rating information of the financial asset at the reporting date with the rating information at the date of initial recognition. The Bank compares the rating information of the financial instrument as of the reporting date with the rating information of the financial instrument as of the date of initial recognition, and classifies the financial instrument as Stage 2 if the change in deteriorating direction exceeds certain thresholds on a segment basis.

Within the scope of qualitative assessments, if any of the following criteria occurs; the related financial asset would be considered as Stage 2:

- Watchlist exposures,
- Forborne exposures,
- The other retail exposures which belong to an obligor who has a retail exposure that is classified as non-performing loans.

Measurement of Expected Credit Losses

The Bank calculates expected credit losses with a weighted estimate of the probabilities of credit losses over the expected life of the financial instrument. The parameters that are subject to the expected credit loss calculation are given below.

Exposure at Default (EAD): The EAD represents the incurred amortized cost for cash obligations as of reporting date. It refers to the value calculated through credit conversion factors for non-cash loans and commitments.

Credit Conversion Factor (CCF): As of the reporting date, CCF corresponds to the rate used to convert non-cash loans and commitments to loan equivalents. The Bank uses the conversion rates based on the statistical internal models developed by considering the historical data on the basis of products.

Lost Given Default (LGD): It refers to the economic loss resulting from the loan if the borrower defaults. The Bank uses LGD ratios in its calculations based on the statistical internal models developed by considering the historical data on the basis of segments.

Probability of Default (PD): PD represent the likelihood of default over a specified time period. Based on TFRS 9, the Bank uses two different PDs in order to calculate expected credit losses:

- 12-month PD: as the estimated probability of default occurring within the next 12 months following the reporting date.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

The Bank divides its non-retail portfolio into Corporate, Medium and Small segments and uses 6 different internal rating models in total. In internal rating models that include the Corporate and Medium segments, the customer's financial information includes the results of internal and external behavioural information and the results of qualitative answers. In the internal rating model, which includes the Small segment, it includes the results of the customer's internal and external behavioural information. PD calculations are performed by considering historical data and current conditions. For retail portfolio, the cumulative multiplication of the 12-month averages of the roll rates for each delinquency cluster on the basis of products that are sharing common characteristics is considered as PD.

When expected credit losses are estimated, the Bank considers three scenarios (base, pessimistic and optimistic) to determine PIT PDs. Scenarios are reviewed at least once a year and revised if necessary. Each scenario has its own probability of occurrence. The weighted average of the scenarios results according to their realization probabilities determines the PIT PD on the basis of each segment. ECL calculations are made over these determined PIT PDs.

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VII. Explanations on Expected Credit Losses (continued)

Significant Increase in Credit Risk (continued)

If the loan is classified as Stage 1, the loss amount is considered as the expected loss in the first 12 months. The bank calculates the 12-month expected credit loss based on an expectation of default that is likely to occur in the 12 months following the reporting date. 12-month expected credit losses are calculated by multiplying the estimated default amounts at each cash flow date by the marginal default probabilities and the loss at default rate, and then discounting the effective interest rate of the loan from the relevant date to the present.

If the loan classified under Stage 2, expected credit losses is calculated by considering lifetime. The expected credit loss measurement, including the use of forward-looking macroeconomic scenarios is similar to that described above however the probability of default is estimate lifetime of the financial instrument.

In accordance with IFRS 9, the Bank set aside provision for Stage 3 in the calculation of expected credit losses in accordance with internal policies. The Bank makes this calculation by using default LGD rates that increase according to the time spent in default for companies below a certain threshold value, and by discounting the collection expectations for the financial instrument to its present value with the internal rate of return for the companies above this threshold.

For retail products sharing similar credit risk characteristics, a collective approach is used for ECL measurement. In making this calculation, the Bank takes into consideration the transition rates between the clusters in the thirty-day intervals past due of the financial assets sharing the similar credit risk characteristics as of the end of the month. The probability of loss for related cluster is calculated by multiplying the average of the 12-month transition rates corresponding to each cluster with the average of the 12-month transition rates of afterthought clusters. The outstanding balance per cluster is multiplied by the probability of loss, LGD and weighted average remaining maturity. Finally, expected credit loss is computed by applying the respective impact from the forward looking model which accounts 3 probability weighted scenarios considering the stage and the remaining maturity of the retail product.

The Bank updates TFRS 9 models at least once a year in accordance with its internal policies.

Approaches to Determine Forward Looking Economic Scenario

As mentioned above, by using scenarios linked to macroeconomic factors, the impact of future expectations for the individual portfolio is included in the calculation of expected credit losses. The macroeconomic indicators that make up these forecast models are Gross Domestic Product (GDP) and unemployment for the individual segment, and only GDP rates for the non-individual segments. The macroeconomic forecast model includes more than one scenario, and the weighted averages of the relevant scenarios are reflected in the expected loss calculation for the individual segment and in the PIT PD for non-individual segments.

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VII. Explanations on Expected Credit Losses (continued)

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)

As of 1 January 2018, The Bank applied the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income in accordance with TFRS 9 principles. However, the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

When the related financial asset is de-recognised from the financial statement, the loss allowance for expected credit losses previously reflected to the other comprehensive income is classified under the profit-loss statement.

VIII. Explanations on Offsetting of Financial Instruments

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under 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 depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities.

Funds given against securities purchased under agreements to resell ("reverse repo") are accounted under "Receivables from reverse repurchase agreements" on the balance sheet. The difference between the purchase and determined re-sell price is accrued over the life of repurchase agreements.

The income and expenses from these transactions are reflected to the "Interest Income on Marketable Securities" and "Interest Expense on Money Market Borrowings" accounts in the income statement.

X. Explanations on Assets Held for Sale and Discontinued Operations

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing receivables and are accounted in the unconsolidated financial statements in accordance with the regulations of "Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TFRS 5)".

The Bank, in some portion of the foreclosed assets, provides repurchase right to the debtor.

A discontinued operation is a division of a bank that is either disposed or held for sale.

Results of discontinued operations are included in the income statement separately. As of 31 December 2023 and 31 December 2022 the Bank does not have any discontinued operations.

XI. Explanations on Goodwill and Other Intangible Assets

There is no goodwill regarding the investments in associates and subsidiaries.

Other intangible assets are accounted for at cost less accumulated amortization. Other intangible assets are amortized with straight-line method based on their economic lives. There have been no changes in the amortization calculation method during the current period.

As of the balance sheet date, all software are purchased and there are no completed or continuing software development projects by the Bank.

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XII. Explanations on Tangible Fixed Assets

Tangible fixed assets are accounted for at acquisition cost less accumulated depreciation.

Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. Depreciation method is not changed in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Buildings	2
Safety box	2-13
ATM	10
Furniture, fixtures and others	7-33
Office equipment's	10-25

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Normal maintenance and repair cost of the properties are expensed.

There is no pledge, mortgage, or any other lien on tangible fixed assets.

Branches, service buildings and vehicles subject to operational lease are accounted in accordance with TFRS 16 as of 1 January 2019.

At the commencement date, the Bank measures the right-of-use asset in accordance with TFRS 16. The depreciation requirements in TAS 16 Property, Plant and Equipment is applied in depreciating real assets considered as right-of-use asset. Amortization calculation considers the length of contract as useful lifetime.

The amortization expenses related to operational leases subject to TFRS 16 are recorded in profit/loss table under amortization expenses of tangible asset.

XIII. Explanations on Leasing Transactions

Tangible assets acquired through financial leasing are recognized as assets and the related liabilities as lease payables in assets and liabilities, respectively. Financial costs on leasing agreements are distributed throughout the lease periods at fixed interest rates. Interest expenses and foreign exchange losses related with financial leasing are accounted in income statement. Depreciation for assets acquired through financial leases is calculated consistently with the same principle as for the tangible assets.

As of the balance sheet date, the Bank does not have authorization for any financial leasing transactions as lessor.

a. Disclosures of TFRS 16

Bank- lessee:

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

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XIII. Explanations on Leasing Transactions (continued)

Right of use assets:

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 and

When Bank applying the cost method, the existence of the right to use:

- a) Accumulated depreciation and accumulated impairment losses are deducted and
- b) Measures the restatement of the lease obligation at the restated cost.

TAS 16 Impairment of Assets is applied to determine whether the real estates considered as right-of-use assets are impaired and to account for any impairment loss identified.

The Lease Obligations:

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

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

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

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

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

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XIV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation and discounted to present value if material.

XV. Explanations on Liabilities Regarding Employee Benefits

In accordance with the existing labor law, the Bank is required to make lump-sum termination indemnities to each employee who has completed over one year of service and whose employment is terminated due to retirement or for reasons other than resignation and misconduct.

The Bank has calculated provision for employee severance benefits in the accompanying financial statements in accordance with TAS 19 "Employee Benefits" by using the "Projection Method" based on their past experiences in the issues of completion of personnel service period and severance pay eligibility and discounted the total provision by using the current market yield at the balance sheet date.

The Bank has no retirement fund or foundation that the employees are the member of.

Defined Contribution Plans:

The Bank pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Short-term Employee Benefits:

In accordance with TAS 19 "Turkish Accounting Standard on Employee Benefits"; defined liabilities that arise from unused leave payments are accrued in the related period and are not discounted.

XVI. Explanations on Taxation

Corporate Tax:

While corporate tax which is applied to corporate earnings at the rate of 20% in Turkey, in accordance with the regulation introduced by the Law No. 7316 on the "Procedure for Collection of Public Receivables and the Law Amending Some Laws", has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2021 and as 23% for the corporate earnings for the taxation periods of 2022, in accordance with the regulation introduced by the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law", this rate has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2022 for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. With the 21st article of the Law No. 7456, the phrase 25% above has been changed to 30% and it is applied to the earnings obtained in 2023 and the following taxation periods, starting from the declarations that must be submitted as of October 1, 2023.

In accordance with tax legislation, temporary tax is paid at the rate in force in the relevant period on earnings generated as of quarterly periods, and the amounts paid are deducted from the calculated tax on annual earnings.

Tax returns are required to be filed between the first and the last day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The Bank makes necessary provisions over results of current period operations related with Income Tax and Corporate Tax liabilities.

The balance resulting from netting off prepaid taxes and the corporate tax provision is shown in the current tax asset or liability as being positive or negative, respectively.

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XVI. Explanations on Taxation (continued)

As of 31 December 2022, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting period including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

In accordance with the Tax Procedural Law General Communiqué No. 555 published in the Official Gazette No. 32415 (2nd Repeat) dated 30 December 2023, the financial statements for the 2023 accounting period must be subject to inflation adjustment in accordance with the temporary article 33 of the Law No. 213 as of the end of the 2023 calendar year. In addition, the profit/loss difference arising from the inflation adjustment made by the banks in the 2024 and 2025 accounting periods, including the provisional tax periods, is not taken into account in determining the profit.

Deferred Tax Liability / Asset:

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In accordance with TAS 12 “Turkish Accounting Standard on Income Taxes” the Bank calculates deferred tax asset on carry forward tax losses and all deductible temporary differences, if sufficient taxable profit within five-year period to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences.

The book value of the deferred tax asset is reviewed at the end of each reporting period. The book value of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient financial profit will be available to allow the benefit of part or all of the deferred tax asset to be obtained.

If the deferred tax transactions and other issues are recognized (accounted) in profit and loss, related tax effects are recognized in profit and loss. On the other hand, if the deferred tax transactions and other issues are recognized (accounted) in equity accounts, related tax effects are also recognized (accounted) in equity accounts.

Deferred tax assets and liabilities are reflected in the accompanying financial statements on a net basis.

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet.

In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

XVII. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

The Bank has not issued convertible bonds.

XVIII. Explanations on Issued Share Certificates

Direct transaction costs related to issuance of stock certificates are recognized as discount from equity.

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XIX. Explanations on Avalized Drafts and Acceptances

Avalized draft and acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable commitments in off-balance sheet accounts.

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

XXI. Explanations on Segment Reporting

Reporting according to the operational segment is presented in Note XII of Section Four.

XXII. Explanations on Reclassifications

None.

XXIII. Related Parties

For the purpose of these financial statements, shareholders of the Bank, key management personnel and board members together with their families and companies controlled by/subsidiary with them, associated companies and joint ventures and the Fund providing post-employment benefits are considered and referred to as related parties in accordance with TAS 24 “Related Parties”.

The transactions with related parties are disclosed in detail in Note VII of Section Five.

XXIV. Explanations on Other Disclosures

None.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF
THE BANK

I. Explanations on Equity

As of 31 December 2023, Bank’s total capital has been calculated as TL 10.769.146 and capital adequacy ratio is 20,82%. As of 31 December 2022, Bank’s total capital amounted to TL 9.580.283 and capital adequacy ratio was 20,31%. These ratios are above the minimum ratio required by the legislation.

a. Information about Total Capital:

	Current Period 31 December 2023
COMMON EQUITY TIER 1 CAPITAL	
Paid-up Capital following all debts in terms of claim in liquidation of the Bank	3.288.842
Share issue premiums	-
Reserves (*)	1.173.348
Gains recognized in equity as per TAS	52.374
Profit	1.710.173
Current Period Profit	1.710.173
Prior Period Profit	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-
Common Equity Tier 1 Capital Before Deductions	6.224.737
Deductions from Common Equity Tier 1 Capital	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	2.628
Improvement costs for operating leasing	49.577
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	538.720
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	299.761
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	11.792
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
Total Deductions From Common Equity Tier 1 Capital	902.478
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	-
Total Common Equity Tier 1 Capital	5.322.259

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I. Explanations on Equity (continued)

	Current Period 31 December 2023
ADDITIONAL TIER 1 CAPITAL	
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-
Additional Tier 1 Capital before Deductions	-
Deductions from Additional Tier 1 Capital	
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
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	-
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	-
Transition from the Core Capital to Continue to deduce Components	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 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 which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	5.322.259
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA (**)	5.595.481
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	574.667
Tier II Capital Before Deductions	6.170.148
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	723.261
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation when the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	723.261
Total Tier II Capital	5.446.887
Total Capital (The sum of Tier I Capital and Tier II Capital)	10.769.146
Deductions from Total Capital	
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables 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 (-)	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	-

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I. Explanations on Equity (continued)

	Current Period 31 December 2023
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital)	10.769.146
Total risk weighted amounts	51.717.145
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	10,29
Tier I Capital Adequacy Ratio	10,29
Capital Adequacy Ratio	20,82
BUFFERS	
Total buffer requirement	2,501
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,001
Systemic important bank buffer ratio	
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	
	5,79
Amounts Lower Than Excesses as per Deduction Rules	
Portion of the total of net long positions of 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	-
Portion of the total of 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	-
Amount arising from deferred tax assets based on temporary differences	-
Limits related to provisions considered in Tier II calculation	-
Limits related to provisions considered in Tier II calculation	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	2.146.446
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	574.667
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

- (*)At the Ordinary General Assembly meeting dated March 27, 2023, TL 42.660, which is 5% of the Bank's net profit for the year 2022, amounting to TL 853.203, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 810.543. It has been decided to set aside TL as Extraordinary Reserves.
- (**)The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2023, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management’s discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

As of 31 December 2023, the Bank has calculated the credit risk amount based on the Banking Regulation and Supervision Agency's decision numbered 10188 and dated 28 April 2022, taking into account the Central Bank's foreign exchange buying rates as of 30 December 2022. In addition, negative net valuation differences of securities classified under “Fair Value through Other Comprehensive Income” portfolio and acquired before 21 December 2021 are not taken into account in the calculation of Capital.

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I. Explanations on Equity (continued)

	Prior Period 31 December 2022
COMMON EQUITY TIER 1 CAPITAL	
Paid-up Capital following all debts in terms of claim in liquidation of the Bank	3.288.842
Share issue premiums	-
Reserves (*)	351.332
Gains recognized in equity as per TAS	867.754
Profit	853.203
Current Period Profit	853.203
Prior Period Profit	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	
Common Equity Tier 1 Capital Before Deductions	5.361.131
Deductions from Common Equity Tier 1 Capital	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-
Improvement costs for operating leasing	37.220
Goodwill (net of related tax liability)	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	243.171
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	91.243
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	56.884
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
Total Deductions From Common Equity Tier 1 Capital	428.518
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	-
Total Common Equity Tier 1 Capital	4.932.613

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I. Explanations on Equity (continued)

	Prior Period 31 December 2022
ADDITIONAL TIER I CAPITAL	
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
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	-
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	-
Transition from the Core Capital to Continue to deduce Components	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 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 which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	4.932.613
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA(**)	4.579.876
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	526.610
Tier II Capital Before Deductions	5.106.486
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	458.816
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank(-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	458.816
Total Tier II Capital	4.647.670
Total Capital (The sum of Tier I Capital and Tier II Capital)	9.580.283
Deductions from Total Capital	
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables 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 (-)	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	-

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I. Explanations on Equity (continued)

	Prior Period 31 December 2022
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital)	9.580.283
Total risk weighted amounts	47.163.442
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	10,46
Tier I Capital Adequacy Ratio	10,46
Capital Adequacy Ratio	20,31
BUFFERS	
Total buffer requirement	2,506
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,006
Systemic important bank buffer ratio	-
The ratio of Additional Common Equity Tier 1 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	5,96
Amounts Lower Than Excesses as per Deduction Rules	
Portion of the total of net long positions of 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	-
Portion of the total of 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	-
Amount arising from deferred tax assets based on temporary differences	-
Limits related to provisions considered in Tier II calculation	-
Limits related to provisions considered in Tier II calculation	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.715.654
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	526.610
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

- (*) At the Ordinary General Assembly meeting dated March 29, 2022, TL 10.285, which is 5% of the Bank's net profit for the year 2021, amounting to TL 205.688, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 195.403. It has been decided to set aside TL as Extraordinary Reserves
- (**) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

As of 31 December 2022, the Bank has calculated the credit risk amount based on the Banking Regulation and Supervision Agency's decision numbered 10188 and dated 28 April 2022, taking into account the Central Bank's foreign exchange buying rates as of 30 December 2022. In addition, negative net valuation differences of securities classified under “Fair Value through Other Comprehensive Income” portfolio and acquired before 21 December 2021 are not taken into account in the calculation of Capital.

Information on the reconciliation of Total Capital and Sahreholders’ Equity:

The difference between Total Capital and Shareholders’ Equity in the unconsolidated balance sheet mainly arises from expected credit loss provisions (for stage I and stage II loans) and subordinated loans. In the calculation of Total Capital, up to 1,25% of expected credit loss from stage I and stage II over total credit risk amount is added to Total Capital. Also, subordinated loans’ nominal amount, by reducing 20% each year if the remaining maturity is less than 5 year, is considered as Tier II Capital. In addition; leasehold improvement costs (presented under the Tangible Assets item in the balance sheet) and Intangible Fixed Assets are deducted from Total Capital in the calculation of capital adequacy. Lastly, within the scope of the BRSA's Board Decision dated December 21, 2021, in case the net valuation differences of the securities in the portfolio of "Securities at Fair Value through Other Comprehensive Income" as of December 21, 2021 are negative, these differences are not taken into account in the calculated equity amount.

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I. Explanations on Equity (continued)

Details on Subordinated Liabilities:

Lender	Odea Bank A.Ş
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1655085485/ US67576MAA27
Governing law(s) of the instrument	It is subject to English law additionally certain articles are subject to Turkish law. It has been issued under the “Communiqué on Borrowing Instruments” of the CMB and the “Regulation on Equities of Banks” of the BRSA.
Regulatory treatment	Tier II Capital
Subject to 10% deduction as of 1/1/2015	No
Eligible at stand-alone / consolidated (*)	Stand Alone
Instrument type (types to be specified by each jurisdiction)	Subordinated Loan
Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date) (**)	4,872.220
Per value of instrument (Thousand USD) (***)	275.465
Accounting classification	Liability-Subordinated Loans
Original date of issuance	01/08/2017
Perpetual or dated	10 Years Dated
Original maturity date	-
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount (****)	None.
Subsequent call dates, if applicable	-
Coupons / dividends	-
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	8,606%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	None
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, specify instrument type convertible into	None
If convertible, specify issuer of instrument it converts into	None
Write-down feature	Yes
If write-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (1) its operating license is to be revoked and the Bank is liquidated or (2) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (3) it is probable that the Issuer will become non-viable; then the bonds can be written-down
If write-down, full or partial	Fully or partially
If write-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	In priority of receivables, it comes after the debt instruments which are nonsubordinated loans.
Whether the sub-loan agreement contains all the items stated within the article number 7 and 8 of “Own fund regulation” or not	The instrument is in compliance with article number 8.
Details of above mentioned items within article number 7 and 8 of “Own fund regulation”	The instrument is not in compliant with article numbered 7.

(*) As of most recent reporting date, the bank does not have participation or subsidiary company.

(**) Does not include accrued interests.

(***) On 1 August 2017, the Bank issued Basel III compliant bonds with a maturity of 10 years, amounting to USD 300 million, to be sold to real and legal persons residing abroad. According to the BRSA's letter of 17 July 2017, the bond has been classified as supplementary capital in accordance with the Regulation on Banks' Equity. Pursuant to the approval of the BRSA with the letter dated September 26, 2018, the Bank repurchased US\$ 24.535 thousand subordinated bonds as of December 31, 2023 and made a deduction from the contribution capital amount in the equity calculation. The shares have not been canceled by the Bank, and their re-circulation is at the disposal of the Bank.

(****) On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

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I. Explanations on Equity (continued)

Explanations on Internal Capital Management

"Internal Capital Requirement Assessment Process" and "Risk Strategy" were prepared by the Bank in order to define the internal capital requirement assessment process and were approved by the Board of Directors in August 2012. In this process and strategy, criteria have been determined to ensure the maintenance of the Bank's capital adequacy in accordance with the risk profile and risk appetite. Internal capital requirement assessment methodology is considered as a developing and living process and work plans are created for future periods.

Capital adequacy ratio is calculated monthly by the Risk Management Group, when requested by the Senior Management, information is provided about the capital need in accordance with the strategic plans and studies are carried out on internal capital management. The design and execution of the capital requirement internal evaluation process is carried out by the Risk Management Group. The Risk Management Group informs the Senior Management and the Board of Directors on these matters directly or through the Risk Committee.

II. Explanations on Credit Risk

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and cause to incur a financial loss.

The credit allocation is performed on a debtor and a debtor's group basis within the limits and updated on a defined frequency based on market developments. In the credit allocation process, many financial and non-financial criteria are considered within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

Risks and limits related to treasury activities and customer based commercial activities are monitored daily. Moreover, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

The credit worthiness of the debtors of the loans and other receivables is monitored regularly as prescribed in the Communiqué on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”. Most of the statement of accounts for the loans has been tried to derive from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies when the companies are audited. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

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II. Explanations on Credit Risk (continued)

	Current Period Risk Amount (*)	Average Net Loan Amount After Provisions
Risk Types		
Contingent and Non-Contingent Receivables from central governments or central banks	26.492.926	23.140.290
Contingent and Non-Contingent Receivables from regional or local governments	120.096	119.633
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	1.153.946	640.411
Contingent and Non-Contingent Receivables from International Organizations	-	-
Contingent and Non-Contingent Receivables from banks and brokerage houses	13.099.480	19.443.375
Contingent and Non-Contingent Corporates	36.221.890	36.363.595
Contingent and Non-Contingent Retail Receivables	877.181	843.627
Contingent and Non-Contingent Receivables Secured by Mortgages	9.289.848	8.244.479
Past Due Receivables	175.099	282.838
Receivables defined in high risk category by Regulator	500	12.728
Secured by mortgages	-	-
Securitization positions	-	-
Short-Term Receivables from Banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other Receivables	2.625.905	2.733.336
Total	90.056.871	91.824.312

(*) The figures represent total risk amounts before credit risk mitigation and before credit conversion factor.

	Prior Period Risk Amount (*)	Average Net Loan Amount After Provisions
Risk Types		
Contingent and Non-Contingent Receivables from central governments or central banks	19.882.363	17.717.580
Contingent and Non-Contingent Receivables from regional or local governments	119.207	138.871
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	720.461	1.028.648
Contingent and Non-Contingent Receivables from International Organizations	-	-
Contingent and Non-Contingent Receivables from banks and brokerage houses	14.987.156	12.293.964
Contingent and Non-Contingent Corporates	35.387.979	31.718.233
Contingent and Non-Contingent Retail Receivables	1.488.069	854.411
Contingent and Non-Contingent Receivables Secured by Mortgages	4.982.040	4.559.678
Past Due Receivables	366.932	461.274
Receivables defined in high risk category by Regulator	347	790
Secured by mortgages	-	-
Securitization positions	-	-
Short-Term Receivables from Banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other Receivables	2.924.824	2.363.462
Total	80.859.378	71.136.911

(*) The figures represent total risk amounts before credit risk mitigation and before credit conversion factor.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and acquirements related to forward transactions is normally realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

Indemnified non-cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity.

The proportion of the Bank’s top 100 and 200 cash loan customers’ in total cash loans is 83% and 92% respectively. (31 December 2022: 79% and 90%)

The proportion of the Bank’s top 100 and 200 customers’ non-cash loan balances in total non-cash loans is 53% and 72%. (31 December 2022: 54% and 72%)

The proportion of the Bank’s top 100 and 200 customers’ cash and non-cash loan balances in total balance sheet assets and non-cash loans is 34% and 42% respectively. (31 December 2022: 34% and 42%)

The Bank provided a collective loan loss provision for cash loans (stage 1 and stage 2) amounting to TL 1.954.944 (31 December 2022: TL 1.321.581).

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

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II. Explanations on Credit Risk (continued)

Information on loan types and provisions: (*)

31 December 2023	Commercial	Retail	Total
Standard Loans	26.649.642	213.088	26.862.730
Watchlist	8.459.292	9.819	8.469.111
Significant Increase in Credit Risk	538.707	-	538.707
Non-performing Loans	1.518.078	55.259	1.573.337
Specific Provision (-)	(959.783)	(35.443)	(995.226)
Total	36.205.936	242.723	36.448.659

31 December 2022	Commercial	Retail	Total
Standard Loans	23.513.763	222.608	23.736.371
Watchlist	7.281.665	18.857	7.300.522
Significant Increase in Credit Risk	12.403	-	12.403
Non-performing Loans	1.430.444	61.029	1.491.473
Specific Provision (-)	(703.879)	(39.330)	(743.209)
Total	31.534.396	263.164	31.797.560

(*) According to the internal segmentation of the bank

Information on past due loan and other receivables (*):

31 December 2023	Corporate and Commercial	SME	Consumer Loans	Total
Not past due and 30 days past due	34.248.981	1.222.123	215.501	35.686.605
30-90 days past due	173.642	2.895	7.019	183.556
Other (**)	-	-	387	387
Total	34.422.623	1.225.018	222.907	35.870.548

31 December 2022	Corporate and Commercial	SME	Consumer Loans	Total
Not past due and 30 days past due	28.673.682	1.476.748	226.671	30.377.101
30-90 days past due	3.066	116.398	14.416	133.880
Other (**)	537.937	-	378	538.315
Total	29.214.685	1.593.146	241.465	31.049.296

(*) According to the internal segmentation of the bank

(**) Refers to loans and receivables over 90 days.

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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II. Explanations on Credit Risk (continued)

Significant Risks that are significant on the profile of the regions																	Risk Classifications (*)			
31 December 2023																				
	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non- commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non- Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non- Contingent Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	Total				
Domestic	26.467.921	120.096	-	1.121.476	-	5.864.671	30.472.970	252.318	9.265.971	175.099	500	-	-	-	2.625.905	76.366.927				
European Union Countries	-	-	-	32.470	-	1.131.043	4	13	-	-	-	-	-	-	-	1.163.530				
OECD Countries**	-	-	-	-	-	23.301	-	16	-	-	-	-	-	-	-	23.317				
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
USA, Canada	-	-	-	-	-	3.062.551	-	9	-	-	-	-	-	-	-	3.062.560				
Other Countries	-	-	-	-	-	2.487.946	46.537	83	-	-	-	-	-	-	-	2.534.566				
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Unallocated Assets/ Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total	26.467.921	120.096	-	1.153.946	-	12.569.512	30.519.511	252.439	9.265.971	175.099	500	-	-	-	2.625.905	83.150.900				

31 December 2022																				
	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non- commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non- Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non- Contingent Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	Total				
Domestic	19.882.360	116.945	-	64.767	-	9.186.089	30.501.144	315.294	4.970.362	320.777	347	-	-	-	2.924.824	68.282.909				
European Union Countries	-	-	-	655.694	-	908.216	32.087	15	-	-	-	-	-	-	-	1.596.012				
OECD Countries**	-	-	-	-	-	599.160	-	11	-	-	-	-	-	-	-	599.171				
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
USA, Canada	-	-	-	-	-	2.659.971	-	-	-	-	-	-	-	-	-	2.659.971				
Other Countries	-	-	-	-	-	363.210	43.077	60	-	46.155	-	-	-	-	-	452.502				
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Unallocated Assets/ Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total	19.882.360	116.945	-	720.461	-	13.716.646	30.576.308	315.380	4.970.362	366.932	347	-	-	-	2.924.824	73.590.565				

(*) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks."
(**) EU countries, OECD countries other than USA and Canada
(***) Assets and liabilities that are not distributed according to a consistent principle

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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II. Explanations on Credit Risk (continued)

Sector concentrations for cash loans:															Risk Classifications (*)			
31 December 2023																		
Sectors/Counterparties (**)	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	TL	FC	Total
1	Agriculture	-	-	-	-	-	713.045	60	51	1.091	-	-	-	-	-	571.322	142.925	714.247
1.1	Farming and Raising Livestock	-	-	-	-	-	568.398	58	51	985	-	-	-	-	-	569.492	-	569.492
1.2	Forests TL, Wood and Paper	-	-	-	-	-	-	-	-	106	-	-	-	-	-	106	-	106
1.3	Fishery	-	-	-	-	-	144.647	2	-	-	-	-	-	-	-	1.724	142.925	144.649
2	Manufacturing	-	-	-	-	-	16.560.601	2.675	1.404.458	50.875	1	-	-	-	-	15.507.922	2.510.688	18.018.610
2.1	Mining and Quarry	-	-	-	-	-	174.193	29	23.531	359	-	-	-	-	-	198.019	93	198.112
2.2	Production	-	-	-	-	-	14.152.432	2.641	678.201	47.945	1	-	-	-	-	12.831.136	2.050.084	14.881.220
2.3	Electricity, Gas and Water	-	-	-	-	-	2.233.976	5	702.726	2.571	-	-	-	-	-	2.478.767	460.511	2.939.278
3	Construction	-	-	-	-	-	398.637	266	-	140	-	-	-	-	-	360.618	38.425	399.043
4	Services	87.856	-	-	1.153.946	-	10.944.286	8.021.460	4.692	3.709.894	72.223	-	-	-	-	15.703.197	8.291.160	23.994.357
4.1	Wholesale and Retail Trade	-	-	-	-	-	5.746.330	3.563	63.920	22.576	-	-	-	-	-	5.306.422	529.967	5.836.389
4.2	Hotel, Tourism, Food and Beverage Services	-	-	-	-	-	537.078	114	3.372.654	12.208	-	-	-	-	-	165.024	3.757.030	3.922.054
4.3	Transportation and Communication	-	-	-	-	-	777.546	732	5	1.037	-	-	-	-	-	752.485	26.835	779.320
4.4	Financial Institutions	87.856	-	-	1.153.946	-	10.944.286	471.619	28	54.814	8.103	-	-	-	-	8.978.159	3.742.493	12.720.652
4.5	Real Estate and Renting Services.	-	-	-	-	-	219.578	57	51	326	-	-	-	-	-	93.580	126.432	220.012
4.6	Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7	Education Services	-	-	-	-	-	10.449	30	9.084	6	-	-	-	-	-	19.569	-	19.569
4.8	Health and Social Services	-	-	-	-	-	258.860	168	209.366	27.967	-	-	-	-	-	387.958	108.403	496.361
5	Other	26.380.065	120.096	-	-	-	1.625.226	4.825.768	244.746	4.151.568	50.770	499	-	-	-	2.625.905	26.939.588	13.085.055
Total		26.467.921	120.096	-	1.153.946	-	12.569.512	30.519.511	252.439	9.265.971	175.099	500	-	-	-	2.625.905	59.082.647	24.068.253
(*) The risk classes in the regulation is taken into consideration to measure and assess the capital adequacy of banks.																		
(**) Before credit risk mitigation and after credit conversion rate, refers to the amount of total risk																		

(*) The risk classes in the regulation is taken into consideration to measure and assess the capital adequacy of banks.
(**) Before credit risk mitigation and after credit conversion rate, refers to the amount of total risk

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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II. Explanations on Credit Risk (continued)

Sector concentrations for cash loans:

Risk Classifications (*)

31 December 2022		Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Short-Term Receivables from Banks, Brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	TL	FC	Total	
Sectors/Counterparties (**)																				
1	Agriculture	-	-	-	-	-	-	519.613	178	60	699	-	-	-	-	-	-	468.121	52.429	520.550
1.1	Farming and Raising Livestock	-	-	-	-	-	-	436.384	176	60	641	-	-	-	-	-	-	437.261	-	437.261
1.2	Fores TL, Wood and Paper	-	-	-	-	-	-	48	-	-	58	-	-	-	-	-	-	106	-	106
1.3	Fishery	-	-	-	-	-	-	83.181	2	-	-	-	-	-	-	-	-	30.754	52.429	83.183
2	Manufacturing	-	-	-	-	-	-	14.964.559	3.469	835.602	74.582	-	-	-	-	-	-	11.612.492	4.265.720	15.878.212
2.1	Mining and Quarry	-	-	-	-	-	-	275.046	201	6.527	419	-	-	-	-	-	-	191.534	90.659	282.193
2.2	Production	-	-	-	-	-	-	12.757.358	3.266	294.925	70.987	-	-	-	-	-	-	10.282.199	2.844.337	13.126.536
2.3	Electricity, Gas and Water	-	-	-	-	-	-	1.932.155	2	534.150	3.176	-	-	-	-	-	-	1.138.759	1.330.724	2.469.483
3	Construction	-	-	-	-	-	-	639.018	518	-1	77	-	-	-	-	-	-	632.931	6.681	639.612
4	Services	499.806	-	-	665.712	-	7.447.509	9.382.667	5.695	1.104.937	214.714	6	-	-	-	-	-	12.226.031	7.095.015	19.321.046
4.1	Wholesale and Retail Trade	-	-	-	-	-	-	4.125.607	4.386	68.944	23.288	6	-	-	-	-	-	3.647.773	574.458	4.222.231
4.2	Hotel, Tourism, Food and Beverage Services	-	-	-	-	-	-	2.531.815	135	888.291	162.179	-	-	-	-	-	-	131.754	3.450.666	3.582.420
4.3	Transportation and Communication	-	-	-	-	-	-	622.826	705	7.156	5.191	-	-	-	-	-	-	609.422	26.456	635.878
4.4	Financial Institutions	499.806	-	-	665.712	-	7.447.509	1.302.797	230	54.994	4.398	-	-	-	-	-	-	7.165.592	2.809.854	9.975.446
4.5	Real Estate and Renting Services.	-	-	-	-	-	-	297.625	56	230	172	-	-	-	-	-	-	150.863	147.220	298.083
4.6	Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7	Education Services	-	-	-	-	-	-	20.056	63	11.172	11	-	-	-	-	-	-	31.302	-	31.302
4.8	Health and Social Services	-	-	-	-	-	-	481.941	120	74.150	19.475	-	-	-	-	-	-	489.325	86.361	575.686
5	Other	19.382.554	116.945	-	54.749	-	6.269.137	5.070.451	305.520	3.029.764	76.860	341	-	-	-	-	-	2.924.824	24.760.068	12.471.077
Total		19.882.360	116.945	-	720.461	-	13.716.646	30.576.308	315.380	4.970.362	366.932	347	-	-	-	-	-	2.924.824	49.699.643	23.890.922
																				73.590.665

(*) The risk classes in the regulation is taken into consideration to measure and assess the capital adequacy of banks.
(**) Before credit risk mitigation and after credit conversion rate, refers to the amount of total risk

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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II. Explanations on Credit Risk (continued)

Distribution of time exposures according to Remaining Maturities:

31 December 2023		Time to Maturity						
Risk Types	Demand	1 Month	1–3 Months	3–6 Months	6–12 Months	Over 1 Year	Total	
Due from central governments or central banks	7.083.593	4.178.495	115.742	-	-	15.090.091	26.467.921	
Regional or Local Government Receivables	-	55.844	-	-	9.438	54.814	120.096	
Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	
Receivables on Multilateral Development Banks	2.816	7	-	32.463	-	1.118.660	1.153.946	
Receivables on International Organizations	-	-	-	-	-	-	-	
Receivables on Banks and Brokerage Houses	3.665.137	2.353.186	678.588	1.631.498	1.358.664	2.882.439	12.569.512	
Receivables from Corporates	-	4.265.914	3.536.442	4.304.048	10.092.470	8.320.637	30.519.511	
Retail Receivables	84.328	18.140	2.781	22.800	12.327	112.063	252.439	
Receivables Secured by Mortgages	529.339	566.820	228.577	675.947	487.773	6.777.515	9.265.971	
Past Due Receivables	165.042	9.939	-	118	-	-	175.099	
Receivables defined in high risk category by Regulators	500	-	-	-	-	-	500	
Secured by mortgages	-	-	-	-	-	-	-	
Short-Term Receivables from Banks, brokerage houses and Corporates	-	-	-	-	-	-	-	
Investment similar to collective investment funds	-	-	-	-	-	-	-	
Other Receivables	2.625.905	-	-	-	-	-	2.625.905	
Total	14.156.660	11.448.345	4.562.130	6.666.874	11.960.672	34.356.219	83.150.900	

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

31 December 2022		Time to Maturity						
Risk Types	Demand	1 Month	1–3 Months	3–6 Months	6–12 Months	Over 1 Year	Total	
Due from central governments or central banks	3.059.380	3.661.362	176.177	52.654	-	12.932.787	19.882.360	
Regional or Local Government Receivables	-	-	-	-	-	116.945	116.945	
Receivables on Administrative Units and Non commercial Enterprises	-	-	-	-	-	-	-	
Receivables on Multilateral Development Banks	-	-	10.018	101.713	42.026	566.704	720.461	
Receivables on International Organizations	-	-	-	-	-	-	-	
Receivables on Banks and Brokerage Houses	3.592.132	5.932.511	1.132.812	697.530	595.229	1.766.432	13.716.646	
Receivables from Corporates	1	3.816.466	6.093.603	3.031.022	7.151.961	10.483.255	30.576.308	
Retail Receivables	113.466	25.838	7.896	6.108	14.157	147.915	315.380	
Receivables Secured by Mortgages	447.594	170.618	366.272	331.538	375.706	3.278.634	4.970.362	
Past Due Receivables	304.283	62.317	-	-	332	-	366.932	
Receivables defined in high risk category by Regulators	347	-	-	-	-	-	347	
Secured by mortgages	-	-	-	-	-	-	-	
Short-Term Receivables from Banks, brokerage houses and Corporates	-	-	-	-	-	-	-	
Investment similar to collective investment funds	-	-	-	-	-	-	-	
Other Receivables	2.924.824	-	-	-	-	-	2.924.824	
Total	10.442.027	13.669.112	7.786.778	4.220.565	8.179.411	29.292.672	73.590.565	

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

Risk by Risk Weights Balances:

Risk Weights (*) Current Period													Deductions from the shareholders' equity	
		0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Total	
1	Amount before the credit risk mitigation	28.417.629	-	5.607.698	-	7.192.491	222.750	38.053.978	586.317	3.070.037	-	-	-	83.150.900
2	Amount after the credit risk mitigation	28.752.950	-	5.607.698	5.863	13.697.824	210.734	30.657.374	76.979	3.512.540	-	-	-	82.521.962

(*) Balances with financial collateral are shown as 0% risk weight.

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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II. Explanations on Credit Risk (continued)

Risk by Risk Weights Balances:

Risk Weights (*) Prior Period	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deductions from the shareholders' equity	Total
Amount before the credit													
1 risk mitigation	21.567.594	-	8.829.871	-	4.962.021	322.836	34.981.816	784.523	2.141.904	-	-	-	73.590.565
Amount after the credit													
2 risk mitigation	21.709.764	-	8.829.871	14.092	7.910.907	300.295	31.461.639	206.459	2.172.741	-	-	-	72.605.768

(*) Balances with financial collateral are shown as 0% risk weight.

Important sectors or type of information according to counterparty

31 December 2023	Loans		Provisions
Current Period	Impaired		
	Significant Increase in Credit Risk (Stage 2)	Non-performing Loans (Stage 3)	Allowance for expected credit losses (TFRS 9)
Sectors/Counterparties (*)			
Agricultural	-	6.501	6.133
Farming and raising livestock	-	5.742	5.374
Forestry	-	759	759
Fishing	-	-	-
Manufacturing	2.862.869	465.194	717.551
Mining	-	28.444	8.222
Production	958.794	416.738	321.975
Electricity, Gas, Water	1.904.075	20.012	387.354
Construction	-	432	410
Services	3.769.083	272.043	872.257
Wholesale and retail trade	128.504	137.741	94.432
Hotel, Food, Beverage services	3.518.526	59.156	715.553
Transportation and Telecommunication	92.714	8.362	38.342
Financial Institutions	-	12.688	2.269
Real Estate and Lending Service	837	3.853	3.710
Self employment service	-	-	-
Education Service	19.320	13	3.355
Health and social services	9.182	50.230	14.596
Other(**)	2.375.866	829.167	939.507
Total	9.007.818	1.573.337	2.535.858

(*) Sector classification is based on the type of principal activity of customers.

(**) Includes retail credit cards, retail loans and other loans.

31 December 2022	Loans		Provisions
Prior Period	Impaired		
	Significant Increase in Credit Risk (Stage 2)	Non-performing Loans (Stage 3)	Allowance for expected credit losses (TFRS 9)
Sectors/Counterparties (*)			
Agricultural	-	6.819	6.261
Farming and raising livestock	-	6.062	5.504
Forestry	-	757	757
Fishing	-	-	-
Manufacturing	2.439.978	313.308	748.768
Mining	-	27.987	24.401
Production	985.865	260.943	214.824
Electricity, Gas, Water	1.454.113	24.378	509.543
Construction	-	424	403
Services	2.920.209	335.022	470.690
Wholesale and retail trade	69.734	157.790	86.504
Hotel, Food, Beverage services	2.723.473	84.168	335.290
Transportation and Telecommunication	87.265	16.867	29.409
Financial Institutions	963	13.589	3.099
Real Estate and Lending Service	3.567	3.768	3.722
Self employment service	-	-	-
Education Service	22.930	48	1.248
Health and social services	12.277	58.792	11.418
Other(**)	1.952.738	835.900	679.352
Total	7.312.925	1.491.473	1.905.474

(*) Sector classification is based on the type of principal activity of customers.

(**) Includes retail credit cards, retail loans and other loans.

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II. Explanations on Credit Risk (continued)

Information related to Impairment and Expected Credit Loss Provisions:

Current Period	Opening Balance 1 January 2023	The Amount of Provision in the period	Reversal of Provision	Other	Closing Balance
Specific Provisions	743.209	463.931	210.780	(1.134)	995.226
Collective Provisions	1.321.581	3.169.105	2.535.742	-	1.954.944

Prior Period	Opening Balance 1 January 2022	The Amount of Provision in the period	Reversal of Provision	Other	Closing Balance
Specific Provisions	934.310	224.084	364.551	(50.634)	743.209
Collective Provisions	1.416.555	1.376.673	670.173	(801.474)	1.321.581

Risk included in counter-cyclical capital buffer calculation:

31 December 2023			
Ultimate country of risk	Private sector credit exposures in banking book	Risk Weighted Equivalent trading book	Total
Türkiye	41.208.554	85.600	41.294.154
Albania	11.845	-	11.845
Saudi Arabia	1.740	-	1.740
Switzerland	12	-	12
United Arab Emirates	10	-	10
USA	-	7	7
Slovenia	4	-	4
Austria	4	-	4
Ireland	3	-	3
Germany	3	-	3
Azerbaijan	2	-	2
Other	2	-	2
Total	41.222.179	85.607	41.307.786

Risk included in counter-cyclical capital buffer calculation:

31 December 2022			
Ultimate country of risk	Private sector credit exposures in banking book	Risk Weighted Equivalent trading book	Total
Turkey	35.285.634	177.262	35.462.896
United Arab Emirates	76.775	-	76.775
Albania	32.084	-	32.084
Saudi Arabia	2.003	-	2.003
Switzerland	10	-	10
Azerbaijan	8	-	8
Netherlands	4	-	4
Lebanon	3	-	3
Germany	3	-	3
Austria	3	1	4
USA	2	-	2
Slovenia	-	1	1
Other	2.226.705	12	2.226.717
Total	37.623.234	177.276	37.800.510

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II. Explanations on Credit Risk (continued)

Internal credit rating system

Internal credit rating system is used by the Bank. Prior to March 2022, the rating mainly considers the ratings obtained by processing the financial data of the customers in the MRA - Moody's Risk Analyst program, and as of March 2022, the ratings processed in the ECA-Electronic Credit Application program, which considers the internal and sector behavioural data of the customers as well as the financial data of the customers was started to use.

The risks that are subject to rating models can be allocated as follows.

Rating	Risk	Description
	Grade	
(1) Excellent	1	Judged to be of the highest quality, with minimal credit risk. Superior asset quality and financial capacity; excellent and proven management; market leader.
(2) Strong	2+	Very good credit with very good asset quality, consistently strong liquidity and debt capacity; highly regarded in the industry with strong market share.
	2	
	2-	
(3) Good	3+	Good credit considered upper-medium grade, subject to low credit risk; good asset quality, strong liquidity and debt capacity. Company is above average size and holds a good position in the industry.
	3	
	3-	
(4) Satisfactory	4+	Acceptable credit subject to moderate credit risk, considered medium grade and as such may possess certain higher than average risk characteristics. Company has demonstrated adequate to good performance.
	4	
	4-	
(5) Adequate	5+	Average to low credit subject to moderate credit risk, considered medium grade and as such may possess certain higher risk characteristics. Company has demonstrated adequate performance. The companies that are being followed under monitoring status or Group II (Stage 2) can have a maximum of 5 (+).
	5	
	5-	
(6) Marginal	6+	Below average credit subject to high credit risk. Company is likely a lower tier competitor in its industry. Acceptable but requiring close monitoring and support of strong risk mitigants. A company that can take the lowest note in the normal state is 7.
	6	
	6-	
(7) Vulnerable	7+	Weak credit: Judged to be of poor standing and subject to very high credit risk. Constitutes undue and unwarranted credit risk. Currently in performing status not to the point of justifying a Substandard classification. A company that can take the lowest note in the normal state is 7.
	7	
	7-	
(8) Substandard	8	Substandard (Default): Unacceptable credit with normal repayment in jeopardy. As mentioned in the credit provisions III. Group (Stage 3) loans are monitored with this note.
(9) Doubtful	9	Doubtful (Default): Full repayment questionable. Serious problems to the point where partial loss of principal is likely. As mentioned in the credit provisions IV. Group (Stage 3) loans are monitored with this note.
(10) Loss	10	Loss (Default): Expected loss. Such an asset may have recovery but not to the point of avoiding loss classification. As mentioned in the credit provisions V. Group (Stage 3) loans are monitored with this note.

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II. Explanations on Credit Risk (continued)

Below table shows the portion of the performing cash loans as per BRSA's scale that is equivalent to Bank’s internal rating system:

Debtors financial Position	Degree	31 December 2023	31 December 2022
		Portion in total	Portion in total
Debtor has a solid financial position	1	0%	1%
Debtor has a good financial position	2	25%	13%
Debtor's financial position is at risk within short and medium term	3	46%	42%
Debtor's financial position is at high risk within short term	4	24%	39%
Debtor has been defaulted	5	5%	4%
Debtor has not been rated	6	0%	1%

Collateral Distribution(*)

31 December 2023	Corporate and Commercial	SME	Retail	Total
Deposit	1.186.834	138.672	11.979	1.337.485
Mortgage	25.881.263	2.071.193	76.674	28.029.130
Assignment of claim	27.229.561	1.266.868	-	28.496.429
Cheque	3.576.088	195.132	-	3.771.220
Pledge of vehicle	1.119.043	53.593	84	1.172.720
TOTAL	58.992.789	3.725.458	88.737	62.806.984

31 December 2022	Corporate and Commercial	SME	Retail	Total
Deposit	1.408.133	235.293	7.120	1.650.546
Mortgage	11.035.809	1.623.138	78.516	12.737.463
Assignment of claim	22.700.238	970.193	-	23.670.431
Cheque	2.577.968	162.258	-	2.740.226
Pledge of vehicle	1.287.666	20.203	84	1.307.953
TOPLAM	39.009.814	3.011.085	85.720	42.106.619

(*) Represents the amounts weighted by taking into consideration the credit risks of the customers.

III. Explanations on Currency Risk

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and value at risk is calculated by using the standard method.

The Board of Directors sets limits for the positions and stop losses which are followed up daily and weekly. Any possible changes in the foreign currency transactions in the Bank’s positions are also monitored.

The announced foreign exchange buying rates of the Bank at 31 December 2023 and the previous five working days in full TL are as follows (Bank’s FC evaluation rates):

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III. Explanations on Currency Risk (continued)

	25 December 2023	26 December 2023	27 December 2023	28 December 2023	29 December 2023	31 December 2023
USD	29,1845	29,3220	29,3821	29,4457	29,4788	29,4788
CHF	34,1952	34,2735	34,4848	35,0686	35,0751	35,0751
GBP	37,1628	37,2575	37,4793	37,5200	37,4842	37,4842
100 JPY	0,2054	0,2059	0,2060	0,2085	0,2076	0,2076
EURO	32,1808	32,3073	32,5263	32,6193	32,5617	32,5617

	23 December 2022	26 December 2022	27 December 2022	28 December 2022	29 December 2022	30 December 2022
USD	18,6741	18,6832	18,7121	18,7132	18,7156	18,7005
CHF	20,0454	20,0609	20,1005	20,1993	20,2598	20,2330
GBP	22,4857	22,4985	22,4955	22,6100	22,5466	22,5284
100 JPY	0,1405	0,1406	0,1402	0,1398	0,1404	0,1417
EURO	19,8038	19,8175	19,8818	19,9129	19,9367	19,9434

The simple arithmetic averages of foreign exchange buying rates of the Bank for major currencies the thirty days before 31 December 2023 are as follows:

	Monthly Average Foreign Exchange Rate
USD	29,0830
CHF	33,6378
GBP	36,8300
100 JPY	0,2021
EURO	31,7472

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III. Explanations on Currency Risk (continued)

31 December 2023	EUR	USD	OTHER FC	TOTAL
Assets				
Cash (Cash in Vault, Foreign tax Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	4.586.975	4.558.539	52.274	9.197.788
Banks	926.670	4.409.888	451.646	5.788.204
Financial Assets at Fair Value through Profit and Loss	6.009	64.116	-	70.125
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1.535.208	5.815.768	-	7.350.976
Loans (*)	10.001.026	4.664.328	-	14.665.354
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Financial Assets measured at Amortized Cost	269.874	1.000.196	-	1.270.070
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	7.584	245.918	88.306	341.808
Total Assets (**)	17.333.346	20.758.753	592.226	38.684.325
Liabilities				
Bank Deposits	-	456	-	456
Other Deposits	4.694.821	14.441.039	9.083.656	28.219.516
Money Market Balances	-	1.482.640	-	1.482.640
Funds Provided From Other Financial Institutions (***)	231.455	9.068.883	42.291	9.342.629
Marketable securities issued	-	-	-	-
Miscellaneous payables	149.349	149.211	3.679	302.239
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	56.948	755.688	25.159	837.795
Total Liabilities (**)	5.132.573	25.897.917	9.154.785	40.185.275
Net Balance Sheet Position	12.200.773	(5.139.164)	(8.562.559)	(1.500.950)
Net Off-Balance Sheet Position	(12.136.427)	5.308.684	8.561.225	1.733.482
Derivative Financial Assets	5.110.387	19.978.130	10.350.974	35.439.491
Derivative Financial Liabilities	17.246.814	14.669.446	1.789.749	33.706.009
Non-Cash Loans (****)	798.753	2.477.728	38.616	3.315.097
Prior Period				
Total Assets	13.899.252	16.324.991	427.543	30.651.786
Total Liabilities	4.629.117	17.170.270	3.846.087	25.645.474
Net Balance Sheet Position	9.270.135	(845.279)	(3.418.544)	5.006.312
Net Off-Balance Sheet Position	(11.224.221)	2.125.971	2.478.035	(6.620.215)
Financial Derivative Assets	5.735.331	21.773.555	5.335.768	32.844.654
Financial Derivative Liabilities	16.959.552	19.647.584	2.857.733	39.464.869
Non-Cash Loans (****)	1.033.777	2.377.305	11.924	3.423.006

(*) Foreign currency indexed loans amounting to TL 24.504 are included in the loan portfolio. Expected loss provisions are not considered.

(**) The foreign currency risk calculation is presented in accordance with the “Regulation on Foreign Currency Net General Position / Equity Standard Ratio Calculation and Implementation of Banks’ on Consolidated and Non-Consolidated Basis” as published in the Official Gazette dated 1 November 2006 and numbered 26333 (FCNGP Regulation) and does not include all items in the financial statements.

(***) Subordinated loans are included.

(****) Does not affect net off-balance sheet position.

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III. Explanations on Currency Risk (continued)

Foreign currency sensitivity:

The Bank holds EUR (Euro) and USD (US Dollars) currencies as a result of foreign currency transactions and manages it by using miscellaneous financial instruments.

As of 31 December 2023, the Bank's net foreign exchange exposure as per internal calculation is presented below:

31 December 2023	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	133.129	82.447	(5.320)	210.256

31 December 2022	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	(18.773)	1.424.612	14.922	1.420.761

The internal currency risk calculation includes derivative financial assets / liabilities, securities valuation differences and similar positions which are not included in the FCNGP Regulation of the BRSA and options are taken into account with their delta equivalents for internal currency risk management purposes.

BRSA's decision numbered 32039 dated 10 December 2022, the FCNGP Regulation was changed in a way that converges to the Bank's internal currency risk calculation, and the said amendment entered into force as of 09 January 2023.

The maximum and minimum positions presented in Other FC column of internal foreign exchange exposure calculation are TL 75.649 and TL (73.844) respectively (31 December 2022: TL 12.747 and TL (2.560)).

The table below shows the sensitivity of the Bank to a 10% change in USD and EURO exchange rates. 10% is the sensitivity rate and represents possible change in foreign exchange rates. Positive/Negative number indicates a change in profit or loss and other equity where USD and EUR appreciate 10% against TL.

Change in currency rate in %		Effect on profit or loss (*)		Effect on equity(*)	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
USD	10%	8.245	142.461	8.245	142.461
USD	-10%	(8.245)	(142.461)	(8.245)	(142.461)
EUR	10%	13.313	(1.877)	13.313	(1.877)
EUR	-10%	(13.313)	1.877	(13.313)	1.877

(*) Represents before tax amounts

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IV. Explanations on Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank’s position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

Risk Management Group performs duration, maturity and sensitivity analysis to protect the effect of interest rate volatility and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank. The negative effects of the fluctuations in the market interest rates on the financial position and the cash flows are minimized by revising budgeted targets.

The Bank management follows the market interest rates daily and revises the interest rates of the Bank whenever necessary.

Since the Bank monitors maturity mismatches very closely a significant interest rate risk exposure is not expected.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 December 2023							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	3.781.804	-	-	-	-	10.350.376	14.132.180
Banks (*)	-	-	-	-	-	5.779.049	5.779.049
Financial Assets at Fair Value Through Profit and Loss	49.835	48	63	11.766	8.680	1.320.903	1.391.295
Money Market Placements	-	102.521	696.881	-	-	-	799.402
Financial assets at fair value through other comprehensive income	386.912	1.364.690	3.491.206	3.585.165	1.559.382	17.221	10.404.576
Loans (*)	9.230.304	3.699.316	11.064.421	5.200.079	6.676.429	(1.376.834)	34.493.715
Financial assets measured at amortized cost (*)	947.162	2.938.835	4.524.312	3.077.379	907.542	(70.389)	12.324.841
Other Assets (**)	130.229	98.494	219.309	90.208	-	3.846.842	4.385.082
Total Assets	14.526.246	8.203.904	19.996.192	11.964.597	9.152.033	19.867.168	83.710.140
Liabilities							
Bank Deposits	-	-	-	-	-	2.173	2.173
Customer Deposits	30.063.467	8.185.923	2.948.186	2.901	-	17.029.595	58.230.072
Money Market Borrowings	6.247.455	-	-	-	-	-	6.247.455
Miscellaneous Payables	-	-	-	-	-	433.005	433.005
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	935.552	197.465	--	857.829	-	-	1.990.846
Subordinated Loans(***)	-	-	-	8.412.601	-	-	8.412.601
Other Liabilities (****)	335.741	60.662	93.224	18.809	-	7.885.552	8.393.988
Total Liabilities	37.582.215	8.444.050	3.041.410	9.292.140	--	25.350.325	83.710.140
Balance Sheet Long Position	-	-	16.954.782	2.672.457	9.152.033	-	28.779.272
Balance Sheet Short Position	(23.055.969)	(240.146)	-	-	-	(5.483.157)	(28.779.272)
Off-Balance Sheet Long Position	24.923.602	8.386.644	4.558.446	547.561	-	-	38.416.253
Off-Balance Sheet Short Position	(24.166.130)	(7.543.432)	(5.012.670)	(1.441.874)	-	-	(38.164.106)
Total Position	(22.298.497)	603.066	16.500.558	1.778.144	9.152.033	(5.483.157)	252.147

(*) Expected Credit losses for related items are presented in non-interest bearing column.

(**) Derivative financial assets are classified under other assets and expected loss provisions for other assets are netted off in other assets.

(***) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2023, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management’s discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised

(****) and the coupon interest for the coming periods has been set at 8,606%. Other obligations line; It includes shareholders' equity amounting to 6.110.552 TL, tax liability of 207.226 TL, provisions of 842.576 TL, liabilities from lease transactions of 163.278 TL and other liabilities of 561.920 TL and derivative financial liabilities amounting to 508.436 TL.

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IV. Explanations on Interest Rate Risk (continued)

Prior period information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 December 2022							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.085.624	-	-	-	-	6.976.180	8.061.804
Banks (*)	1.331.775	-	-	-	-	3.100.543	4.432.318
Financial Assets at Fair Value Through Profit and Loss	25.625	88	563	5.882	3.832	-	35.990
Money Market Placements	2.775.233	1.017.070	-	-	-	-	3.792.303
Financial assets at fair value through other comprehensive income	191.174	559.354	2.366.114	6.688.380	1.128.591	13.621	10.947.234
Loans (*)	9.510.512	6.951.945	5.141.931	3.766.959	5.677.949	(573.317)	30.475.979
Financial assets measured at amortized cost (*)	-	301.474	2.274.586	2.030.386	2.691.273	(35.131)	7.262.588
Other Assets (**)	101.266	549.818	53.170	376.489	162.174	2.745.716	3.988.633
Total Assets	15.021.209	9.379.749	9.836.364	12.868.096	9.663.819	12.227.612	68.996.849
Liabilities							
Bank Deposits	-	-	-	-	-	6.313	6.313
Customer Deposits	17.790.166	20.936.917	1.105.237	65.152	-	9.334.674	49.232.146
Money Market Borrowings	4.000.353	-	-	-	-	-	4.000.353
Miscellaneous Payables	-	-	-	-	-	1.107.582	1.107.582
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	692.771	-	-	666.447	-	-	1.359.218
Subordinated Loans(***)	-	-	-	5.336.904	-	-	5.336.904
Other Liabilities (****)	270.205	500.518	72.901	83.765	-	7.026.944	7.954.333
Total Liabilities	22.753.495	21.437.435	1.178.138	6.152.268	-	17.475.513	68.996.849
Balance Sheet Long Position	-	-	8.658.226	6.715.828	9.663.819	-	25.037.873
Balance Sheet Short Position	(7.732.286)	(12.057.686)	-	-	-	(5.247.901)	(25.037.873)
Off-Balance Sheet Long Position	15.846.086	42.327.611	2.609.666	9.690.853	3.740.094	-	74.214.310
Off-Balance Sheet Short Position	(14.728.803)	(39.809.341)	(3.355.012)	(10.709.184)	(3.740.094)	-	(72.342.434)
Total Position	(6.615.003)	(9.539.416)	7.912.880	5.697.497	9.663.819	(5.247.901)	1.871.876

(*) Expected Credit losses for related items are presented in non-interest bearing column.
(**) Derivative financial assets are classified under other assets and expected loss provisions for other assets are netted off in other assets.
(***) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management’s discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.
(****) Other obligations line; It includes shareholders' equity amounting to 5.040.951 TL, tax liability of 325.533 TL, provisions of 1.241.126 TL, liabilities from lease transactions of 163.074 TL and other liabilities of 256.260 TL and derivative financial liabilities amounting to 927.389 TL.

Current period interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
31 December 2023				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	6,06	7,93	-	11,00
Money Market Placements	-	-	-	49,26
Financial Assets at Fair Value Through Other Comprehensive Income	3,97	5,45	-	29,29
Loans	6,67	10,21	-	37,93
Financial Assets Measured at Amortized Cost	5,01	7,53	-	33,25
Liabilities				
Bank Deposits	2,09	3,61	-	42,90
Customer Deposits	1,60	3,01	-	32,58
Money Market Borrowings	-	6,14	-	43,42
Subordinated Loans	-	8,61	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	3,29	4,12	-	43,13

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IV. Explanations on Interest Rate Risk (continued)

Prior Period interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
31 December 2022				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	0,40	-	8,97
Financial Assets at Fair Value Through Profit and Loss	6,58	8,90	-	12,96
Money Market Placements	-	-	-	14,25
Financial Assets at Fair Value Through Other Comprehensive Income	4,22	5,60	-	32,86
Loans	5,32	8,51	-	15,05
Financial Assets Measured at Amortized Cost	4,50	7,53	-	28,35
Liabilities				
Bank Deposits	1,09	4,27	-	-
Customer Deposits	0,91	1,47	-	14,87
Money Market Borrowings	-	-	-	9,16
Subordinated Loans	-	8,61	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	2,98	4,34	-	-

Nature of interest rate risk resulted from banking book:

The interest rate risk for all on-balance sheet and off-balance sheet items, which are interest sensitive, and for banking accounts has been calculated. In calculation of interest rate risk, the bank has no any assumptions for early repayment of loans and demand deposits. Interest rate risk arising from banking accounts is calculated and is reported to BRSA monthly.

Economic value differences resulted from interest rate instabilities calculated according to Regulation on Measurement and Evolution of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method.

Unit of Currency	Applicable Shock (+ / -) base point)*	Profit/ Loss	Profit / Equity Capital – Loss / Equity Capital
TL	500	(392.455)	-3,64%
	-400	363.042	3,37%
EUR	200	(557.908)	-5,18%
	-200	634.269	5,89%
USD	200	152.511	1,42%
	-200	(150.689)	-1,40%
Total (For Positive Shock)		(797.852)	-7,41%
Total (For Negative Shock)		846.622	7,86%

* The intensity and direction of a currency different rows were entered separately for each shock.

The interest rate risk arising from banking book is calculated and reported according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no. 28034 on 23 August 2011. The positive and negative shocks do not show results in the opposite direction in EUR shocks since a floor applies to EUR shocks. The effects of positive and negative shocks result in an opposite direction in internal calculations where aforementioned effects are not included. The impact of interest rate shocks on equity is close to the data described above and within the internal limits.

V. Explanations on Share Certificates Position Risk

The Bank has no outstanding share certificate position.

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VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio

Liquidity risk is a risk that occurs as a result of, not having cash in hand or cash inflow at a level and nature to meet cash outflow as a consequence of imbalance in cash flow in time and completely. Liquidity risk consists of sum of two main risk types; funding liquidity risk and market liquidity risk.

Management of the Bank’s liquidity risk is carried out in scope of responsibilities of Board of Directors, Risk Committee of the Board, Assets and Liabilities Management Committee (ALCO), Risk Management Department and other business units which are members of ALCO.

Board of Directors has the ultimate responsibility concerning the liquidity risk and its management. Board of Directors also has the responsibility to determine liquidity risk appetite as a part of holistic risk appetite, evaluate and approve proposed limits, approve liquidity risk management policy and confirm changes regarding limit and confinement.

Risk Committee evaluates and approves short, medium and long term liquidity risk management strategies. Risk Committee also provides general adaptability of the Bank to principals and management procedures included in the management of the risk. Risk Committee reviews and evaluates liquidity risk reports periodically.

Assets and Liabilities Management Committee (ALCO) establishes short, medium and long term liquidity management strategies and evaluates the liquidity risk profile of the Bank and impacts of recently developed trends on the liquidity of the Bank through periodical meetings. ALCO makes a decision regarding the qualification of liquidity buffer of the Bank in line with risk appetite and liquidity strategy of the Bank. Additionally, ALCO reviews liquidity reports and feedbacks of the Risk Management, considers Treasury’s opinions and action plans and informs Risk Committee and Board of Directors about the possible adverse conditions regarding liquidity and its material impacts.

Risk Management establishes liquidity risk management policy, determines liquidity risk limits and submits these policies and limits to the approval of Board of Directors. It also provides to measure and manage liquidity risk in the framework of risk appetite and limits approved by the Board of Directors. Risk management performs reporting to ALCO, Risk Committee and members of Board of Directors regarding adherence to risk appetite and limit excess. Additionally, risk management is also responsible to form and implement liquidity stress tests and share the results with the related parties.

Liquidity risk analysis and early warning signals are reported to the senior management periodically. Furthermore, all the analysis including regulatory and internal rates with respect to liquidity risk are reported to ALCO and limit and warning levels approved by the Board of Directors are monitored periodically and reported to related parties.

Funding management of the Bank is carried out under the control of the Treasury and with the knowledge of ALCO. The Bank’s funding strategy is intended to ensure sufficient liquidity and diversity of funding sources to meet actual and contingent liabilities through both normal and stress periods. A significant part of Bank’s liquidity needs is met with deposits which represent the main funding source of the Bank. On the other hand, when it is deemed necessary, bond issuance and pre-financing products can be provided in addition to the aforementioned sources.

Almost all the liabilities of the Bank are denominated in TL, USD or EUR and the concentration risk in the funding sources is monitored closely. Concentration analysis related to deposits are performed and factors, which can deteriorate access to funding sources and trigger a sudden withdrawal of funds at a significant level, are analyzed.

Liquidity risk is closely monitored and managed in order to keep it at a level appropriate to risk appetite and liquidity risk management policies, by promoting diversification of funding sources, keeping high quality liquid assets and reduction or termination of activities causing limit excess.

In scope of the Liquidity Stress Test, the Bank monitors stress scenarios arising from internal and external factors and manages its high quality liquid assets, deposits, other balance sheet items generating cash outflows, loans and other cash inflows in that respect. There are designated risk limits for indicators. The compliance with the risk and the determined risk limits is shared with the Senior Management and the relevant business units and necessary actions are taken.

The Bank has established a Liquidity Emergency Action Plan to explain the actions that should be taken in possible liquidity tightness scenarios. In this context, normal market conditions and various stress levels are defined and action plans are created for each situation. In addition to the Emergency Action Plan, Basic Risk Indicators and Liquidity Early Warning Signals are defined within the scope of Liquidity Risk Management Policy and these indicators are regularly monitored.

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (continued)

The liquidity coverage ratios are calculated in accordance with the “Regulation on Liquidity Coverage Ratio Calculation of Banks” published in Official Gazette dated 21 March 2014 and numbered 28948. Liquidity coverage ratios should be at least 80% for foreign currency assets and liabilities and 100% for total assets and liabilities.

Information regarding weekly solo liquidity coverage ratios realized in the fourth quarter of 2023 is as follows:

		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
Current Period- 31 December 2023		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				27.051.725	12.630.345
1	High quality liquid assets	27.051.725	12.630.345	27.051.725	12.630.345
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	46.065.965	18.736.482	4.379.319	1.873.648
3	Stable deposits	4.545.540	-	227.277	-
4	Less stable deposits	41.520.425	18.736.482	4.152.042	1.873.648
5	Unsecured Funding other than Retail and Small Business Customer Deposits	12.249.682	5.452.684	7.560.426	2.879.306
6	Operational deposits	53.085	4	12.380	-
7	Non-Operational Deposits	8.578.586	4.810.841	4.021.369	2.245.547
8	Other Unsecured Funding	3.618.011	641.839	3.526.677	633.759
9	Secured funding	-	-	32.422	-
10	Other Cash Outflows	21.412.849	4.043.759	3.927.136	1.132.714
11	Liquidity needs related to derivatives and market	694.432	806.901	694.432	806.901
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	20.718.417	3.236.858	3.232.704	325.813
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	-	-	-	-
16	TOTAL CASH OUTFLOWS	-	-	15.899.303	5.885.668
CASH INFLOWS					
17	Secured Lending Transactions	4.896	-	-	-
18	Unsecured Lending Transactions	10.178.403	4.485.266	7.559.542	3.914.855
19	Other contractual cash inflows	264.824	1.151.841	264.824	1.151.841
20	TOTAL CASH INFLOWS	10.448.123	5.637.107	7.824.366	5.066.696
				Upper Limit Applied Amounts	
21	TOTAL HQLA			27.051.725	12.630.345
22	TOTAL NET CASH OUTFLOWS			8.079.463	1.544.287
23	Liquidity Coverage Ratio (%)			345,01	838,23

(*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

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VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Information regarding weekly unconsolidated liquidity coverage ratios realized in the fourth quarter of 2022 is as follows:

		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" not implemented Total value (*)	
Prior Period- 31 December 2022		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				19.382.641	9.926.405
1	High quality liquid assets	24.645.733	14.915.831	19.382.641	9.926.405
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	32.386.232	14.803.084	3.092.026	1.480.308
3	Stable deposits	2.931.953	-	146.598	-
4	Less stable deposits	29.454.279	14.803.084	2.945.428	1.480.308
5	Unsecured Funding other than Retail and Small Business Customer Deposits	8.309.866	4.906.604	4.242.177	2.524.264
6	Operational deposits	16.458	3	4.114	1
7	Non-Operational Deposits	7.031.007	4.239.193	2.975.662	1.856.855
8	Other Unsecured Funding	1.262.401	667.408	1.262.401	667.408
9	Secured funding	-	-	-	-
10	Other Cash Outflows	18.580.752	5.741.600	2.461.811	2.624.934
11	Liquidity needs related to derivatives and market	2.415.334	2.091.816	741.097	2.091.816
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	16.165.418	3.649.784	1.720.714	533.118
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	-	-	-	-
16	TOTAL CASH OUTFLOWS	-	-	9.796.014	6.629.506
CASH INFLOWS					
17	Secured Lending Transactions	120.087	-	-	-
18	Unsecured Lending Transactions	8.039.845	4.240.957	6.040.042	3.879.345
19	Other contractual cash inflows	309.739	926.367	309.739	926.366
20	TOTAL CASH INFLOWS	8.469.671	5.167.324	6.349.781	4.805.711
				Upper Limit Applied Amounts	
21	TOTAL HQLA			19.382.641	9.926.405
22	TOTAL NET CASH OUTFLOWS			3.571.293	2.165.335
23	Liquidity Coverage Ratio (%)			581,87	503,41

(*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

Liquidity coverage ratio is calculated by proportioning the high quality liquid assets owned by the bank to the net cash outflows in the one month maturity window. Important balance sheet items that determine the ratio can be listed as required reserves held at the CBRT, securities not subject to repo / collateral, deposits according to counterparty, securities taken as collateral with reverse repo, placements to banks and derivative transactions. Since these items have a high share in liquid assets and net cash outflows in terms of volume, their ratio of consideration is high and they may change over time, their effect on liquidity coverage ratio is higher than other items.

Although derivative transactions create a low amount of net cash flow in terms of total liquidity coverage ratio, fluctuations in foreign currency derivative transaction volumes may affect the foreign currency liquidity coverage ratio.

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VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (continued)

The weeks having the highest and lowest level of liquidity coverage ratios calculated for the last three months and their average values are given below:

	Current Period-31 December 2023		Prior Period-31 December 2022	
	TL+FC	FC	TL+FC	FC
Lowest Week	257,03 10.11.2023	489,63 22.12.2023	357,00 04.11.2022	270,84 04.11.2022
Highest Week	515,87 13.10.2023	994,76 29.09.2023	825,01 16.12.2022	714,55 25.11.2022
Average	345,11	838,23	581,87	503,41

Presentation of assets and liabilities according to their remaining maturities:

31 December 2023	Demand	Up to 1 Month	1-3 Month	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	4.083.632	10.048.548	-	-	-	-	-	14.132.180
Banks	5.788.360	-	-	-	-	-	(9.311)	5.779.049
Financial Assets at Fair Value Through Profit and Loss	1.320.903	49.835	48	63	11.766	8.680	-	1.391.295
Money Market Placements	-	-	102.521	696.881	-	-	-	799.402
Financial Assets at Fair Value Through Other Comprehensive Income	17.221	308.959	482.505	2.886.580	4.921.769	1.787.542	-	10.404.576
Loans	-	6.331.956	3.093.067	10.085.745	9.183.635	7.176.145	(1.376.833)	34.493.715
Financial Assets Measured at Amortized Cost	-	374.703	46.838	2.285.239	3.399.850	6.288.600	(70.389)	12.324.841
Other Assets (**)	-	130.229	98.494	212.451	97.066	-	3.846.842	4.385.082
Total Assets	11.210.116	17.244.230	3.823.473	16.166.959	17.614.086	15.260.967	2.390.309	83.710.140
Liabilities								
Bank Deposits	2.173	-	-	-	-	-	-	2.173
Customer Deposits	17.029.595	30.063.467	8.185.923	2.948.186	2.901	-	-	58.230.072
Money Market Borrowings	-	6.247.455	-	-	-	-	-	6.247.455
Miscellaneous Payables	-	-	-	-	-	-	433.005	433.005
Marketable Securities Issued	-	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	-	1.070.620	197.465	201.059	521.702	-	-	1.990.846
Subordinated Loans (***)	-	-	-	-	8.412.601	-	-	8.412.601
Other Liabilities (****)	-	335.741	60.662	93.224	18.809	-	7.885.552	8.393.988
Total Liabilities	17.031.768	37.717.283	8.444.050	3.242.469	8.956.013	-	8.318.557	83.710.140
Liquidity (Gap)/ Surplus	(5.821.652)	(20.473.053)	(4.620.577)	12.924.490	8.658.073	15.260.967	(5.928.248)	-
Net Off-Balance Sheet Position	-	(7.219.257)	(2.496.661)	(1.173.837)	3.473	-	-	(10.886.282)
Financial Derivative Assets	-	31.359.547	10.334.972	6.326.607	1.820.138	-	-	49.841.264
Financial Derivative Liabilities	-	(38.578.804)	(12.831.633)	(7.500.444)	(1.816.665)	-	-	(60.727.546)
Non-Cash Loans	3.963.898	1.491.176	4.632.203	9.832.441	-	-	-	19.919.718

Prior period								
Total Assets	5.553.150	15.070.154	8.281.429	10.218.627	15.555.214	12.188.731	2.129.544	68.996.849
Total Liabilities	9.340.987	22.753.498	20.977.954	1.307.201	6.329.746	152.936	8.134.527	68.996.849
Liquidity (Gap)/ Surplus	(3.787.837)	(7.683.344)	(12.696.525)	8.911.426	9.225.468	12.035.795	(6.004.983)	-
Net Off-Balance Sheet Position	-	507.362	1.258.575	109.608	(3.669)	-	-	1.871.876
Financial Derivative Assets	-	15.423.170	29.208.708	3.304.075	18.798.169	7.480.188	-	74.214.310
Financial Derivative Liabilities	-	(14.915.808)	(27.950.133)	(3.194.467)	(18.801.838)	(7.480.188)	-	(72.342.434)
Non-Cash Loans	3.026.982	790.825	1.987.079	9.269.708	-	-	-	15.074.594

(*) Assets such as fixed assets, other assets, securities representing shares in the capital, current tax assets and non-performing loans are recorded here.

(**) Other assets line includes assets other than those mentioned above.

(***) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2023, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management’s discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8.606%.

(****) Other obligations line; It includes shareholders' equity amounting to 6.110.552 TL, tax liability of 207.226 TL, provisions of 842.576 TL, liabilities from lease transactions of 163.278 TL and other liabilities of 561.920 TL and derivative financial liabilities amounting to 508.436 TL.

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VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Analysis of financial liabilities by remaining contractual maturities (*):

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
As of December 31, 2023								
Bank Deposits	2.173	-	-	-	-	-	-	2.173
Customer deposits	17.029.595	30.292.945	8.496.066	3.342.433	4.124	-	-	59.165.163
Subordinated Loans	-	-	-	-	10.507.963	-	-	10.507.963
Funds Provided From Other Financial Institution:	-	937.751	1.050.439	-	206.337	-	-	2.194.527
Funds From interbank money market	-	-	-	-	-	-	-	-
Total	17.031.768	31.230.696	9.546.505	3.342.433	10.718.424	-	-	71.869.826

(*) Includes total interest to be paid

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
As of December 31, 2022								
Bank Deposits	6.313	-	-	-	-	-	-	6.313
Customer deposits	9.334.674	17.851.403	21.351.129	1.189.968	92.781	-	-	49.819.955
Subordinated Loans	-	-	-	-	8.548.131	-	-	8.548.131
Funds Provided From Other Financial Institution:	-	693.095	-	-	823.850	-	-	1.516.945
Funds From interbank money market	-	-	-	-	-	-	-	-
Total	9.340.987	18.544.498	21.351.129	1.189.968	9.464.762	-	-	59.891.344

(*) Includes total interest to be paid

Breakdown of derivative instruments due to their remaining contractual maturities:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2023						
Gross settled						
Foreign exchange forward contracts	2.284.908	2.096.860	3.848.774	338.912	-	8.569.454
Currency swaps	43.206.489	10.218.560	4.048.420	-	-	57.473.469
Interest rate swap agreement	-	480.000	1.100.000	3.301.046	-	4.881.046
Foreign currency sell and buy options	24.443.801	10.371.185	4.829.855	-	-	39.644.841
Futures Transactions	-	666.219	52.474	-	-	718.693
Interest rate sell and buy options	-	-	-	-	-	-
Total	69.935.198	23.832.824	13.879.523	3.639.958	-	111.287.503

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2022						
Gross settled						
Foreign exchange forward contracts	2.139.861	948.127	2.706.470	836.964	-	6.631.422
Currency swaps	21.028.313	16.904.742	107.048	2.363.103	-	40.403.206
Interest rate swap agreement	400.000	200.000	1.969.846	34.399.940	14.960.376	51.930.162
Foreign currency sell and buy options	6.770.805	39.105.970	1.715.178	-	-	47.591.953
Futures Transactions	-	-	-	-	-	-
Interest rate sell and buy options	-	-	-	-	-	-
Total	30.338.979	57.158.839	6.498.542	37.600.007	14.960.376	146.556.743

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VII. Explanations on Leverage Ratio

Information on subjects that causes difference in leverage ratio between current and prior periods:

“Regulation on the Measurement and Evaluation of Banks Leverage Levels” regulates the procedures and principles regarding to ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 4,88% (31 December 2022: 5,92%). According to Regulations, minimum leverage ratio is 3%.

Disclosure of Leverage ratio template:

	Current Period 31 December 2023(*)	Prior Period 31 December 2022 (*)
Balance sheet transactions		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	81.877.335	66.188.535
2 (Assets deducted from Core capital)	(896.629)	(270.516)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	80.980.706	65.918.019
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	718.609	722.275
5 Potential credit risk amount of derivative financial assets and credit derivatives	-	-
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	718.609	722.275
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	-	-
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	42.242.410	30.771.272
11 (Correction amount due to multiplication with credit conversion rates)	(13.667.485)	(10.566.789)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	28.574.925	20.204.483
Capital and total risk		
13 Core Capital	5.378.947	5.132.427
14 Total risk amount(sum of lines 3, 6, 9 and 12)	110.274.240	86.844.777
Leverage ratio		
15 Leverage ratio	4,88	5,92

(*) The arithmetic average of the last 3 months in the related periods.

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VIII. Explanations on Presentation of Financial Assets and Liabilities at Fair Value

The presentation of the Bank's financial assets and liabilities with their fair values is as follows;

	31 December 2023		31 December 2022	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets	66.831.453	61.566.919	59.018.067	59.487.768
Money Market Placements	799.402	799.402	3.792.303	3.792.303
Banks	5.788.360	5.788.360	4.440.042	4.440.042
Financial assets at fair value through other comprehensive income	10.404.576	10.404.576	10.947.234	10.947.234
Financial assets measured at amortized cost	12.395.230	10.745.922	7.297.719	7.700.006
Loans	37.443.885	33.828.659	32.540.769	32.608.183
Financial Liabilities	75.878.072	74.936.199	61.298.776	60.439.393
Bank Deposits	2.173	2.173	6.313	6.313
Other Deposits	58.230.072	58.244.426	49.232.146	49.249.533
Funds Borrowed From Other Financial Institutions	8.238.301	8.222.178	5.359.571	5.458.828
Subordinated Loans	8.412.601	7.472.497	5.336.904	4.360.877
Issued Bonds	-	-	-	-
Miscellaneous Payables	994.925	994.925	1.363.842	1.363.842

The following methods and assumptions were used to estimate the fair value of the financial instruments:

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

a) Quoted market prices (non-adjusted) (1st level)

b) Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)

c) Data not based on observable data regarding assets or liabilities (3rd level)

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles is given in the table below:

December 31, 2023	Level 1	Level 2	Level 3(*)	Total
Financial Assets	11.728.815	588.075	17.221	12.334.111
Financial Assets at Fair Value through Profit and Loss	1.341.460	49.835	-	1.391.295
Financial Assets at Fair Value through Other Comprehensive Income	10.387.355	-	17.221	10.404.576
Derivative Financial Assets at Fair Value through Profit and Loss	-	538.240	-	538.240
Derivative Financial Assets at Fair Value through Other Compreherensive Income	-	-	-	-
Financial Liabilities	-	508.436	-	508.436
Derivative Financial Liabilities at Fair Value Through Profit and Loss	-	508.436	-	508.436
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	-	-	-
December 31, 2022	Level 1	Level 2	Level 3	Total
Financial Assets	10.944.375	1.268.145	13.621	12.226.141
Financial Liabilities	-	927.389	-	927.389

(*) The Bank has 3rd level financial assets amounting to TL 17.221 (31 December 2022: TL 13.621). The exchange increase in current period is amounting to TL 296.

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IX. Explanations Related to Transactions Carried Out on Behalf on Customers, Items Held in Trust

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions.

X. Explanations on Risk Management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 30 June 2016. According to Communiqué these notes have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented as of 31 December 2023:

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

a. Overview of RWA

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period 31 December 2023	Prior Period 31 December 2022	Current Period 31 December 2023
1	Credit risk (excluding counterparty credit risk) (CCR)	45.683.373	41.755.738	3.654.670
2	Standardised approach (SA)	45.683.373	41.755.738	3.654.670
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	289.972	373.053	23.198
5	Standardised approach for counterparty credit risk (SA-CCR)	289.972	373.053	23.198
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	2.193.300	2.629.038	175.464
17	Standardised approach (SA)	2.193.300	2.629.038	175.464
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	3.550.500	2.405.613	284.040
20	Basic Indicator Approach	3.550.500	2.405.613	284.040
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	51.717.145	47.163.442	4.137.372

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X. Explanations on Risk Management (continued)

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

Current Period	Revalued amount in accordance with TAS as reported in published financial statements	Subject to credit risk	Subject to counter party credit risk	Securitization positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and balances with Central Bank	14.132.180	14.132.180	-	-	-	-
Financial assets at fair value through profit and loss	1.391.295	-	-	-	37.989	-
Banks	5.788.360	5.788.360	374.041	-	-	-
Money market placements	799.402	799.402	-	-	-	-
Expected credit losses (-)	9.311	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	10.404.576	10.404.576	-	-	-	-
Derivative financial assets	538.240	-	667.661	-	209.340	-
Financial assets measured at amortised cost	12.395.230	12.395.230	-	-	-	-
Expected credit losses (-)	3.020.559	990.347	-	-	-	-
Loans	37.443.885	37.443.885	-	-	-	-
Lease receivables	-	-	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-
Associates (net)	-	-	-	-	-	-
Tangible assets (net)	374.748	325.170	-	-	-	49.577
Intangible assets (net)	538.720	-	-	-	-	538.720
Investment property (net)	-	-	-	-	-	-
Tax asset	1.376.487	863.985	-	-	-	299.761
Property and equipment held for sale and related to discontinued operations (net)	826.297	826.297	-	-	-	-
Other assets	730.590	743.446	-	-	-	-
Total assets	83.710.140	82.732.184	1.041.702	-	247.329	888.058
Liabilities						
Deposit	58.232.245	-	-	-	-	-
Derivative financial liabilities at fair value through profit or loss	505.454	-	-	-	223.794	-
Loans received	1.990.846	-	-	-	-	-
Money market funds	6.247.455	-	-	-	-	-
Securities Issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables	163.278	-	-	-	-	-
Derivative financial liabilities at fair value through other comprehensive income	2.982	-	-	-	-	-
Provisions	842.576	-	-	-	-	-
Tax liability	207.226	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	8.412.601	-	-	-	-	-
Other liabilities	994.925	-	-	-	-	-
Shareholders’ equity	6.110.552	-	-	-	-	-
Total liabilities	83.710.140	-	-	-	223.794	-

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X. Explanations on Risk Management (continued)

b. Differences and matching between asset and liabilities’ carrying values in financial statements and risk amounts in capital adequacy calculation (continued)

Prior Period	Revalued amount in accordance with TAS as reported in published financial statements	Subject to credit risk	Subject to counter party credit risk	Securitization positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and balances with Central Bank	8.061.804	8.061.804	-	-	-	-
Financial assets at fair value through profit and loss	35.990	-	-	-	35.990	-
Banks	4.440.042	4.003.613	76.301	-	-	-
Money market placements	3.792.303	3.692.221	-	-	-	-
Expected credit losses (-)	7.724	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	10.947.234	10.947.234	-	-	-	-
Derivative financial assets	1.242.917	-	736.935	-	587.531	-
Financial assets measured at amortised cost	7.297.719	7.297.719	-	-	-	-
Expected credit losses (-)	2.099.921	741.014	-	-	-	-
Loans	32.540.769	32.540.769	-	-	-	-
Lease receivables	-	-	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-
Associates (net)	-	-	-	-	-	-
Tangible assets (net)	302.149	302.149	-	-	-	37.220
Intangible assets (net)	243.171	243.171	-	-	-	243.171
Investment property (net)	-	-	-	-	-	-
Tax asset	594.540	594.540	-	-	-	91.243
Property and equipment held for sale and related to discontinued operations (net)	805.513	805.513	-	-	-	-
Other assets	800.343	806.463	-	-	-	-
Total assets	68.996.849	68.554.182	813.236	-	623.521	371.634
Liabilities						
Deposit	49.238.459	-	-	-	-	-
Derivative financial liabilities at fair value through profit or loss	893.395	-	-	-	267.534	-
Loans received	1.359.218	-	-	-	-	-
Money market funds	4.000.353	-	-	-	-	-
Securities Issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables	163.074	-	-	-	-	-
Derivative financial liabilities at fair value through other comprehensive income	33.994	-	-	-	-	-
Provisions	1.241.126	-	-	-	-	-
Tax liability	325.533	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	5.336.904	-	-	-	-	-
Other liabilities	1.363.842	-	-	-	-	-
Shareholders’ equity	5.040.951	-	-	-	-	-
Total liabilities	68.996.849	-	-	-	267.534	-

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X. Explanations on Risk Management (continued)

b. Differences and matching between asset and liabilities’ carrying values in financial statements and risk amounts in capital adequacy calculation (continued)

Current Period	Total	Subject to credit risk	Securitization positions	Subject to counterparty credit risk	Subject to market risk (*)
Assets carrying value in accordance with TAS	82.822.082	82.732.184	-	1.041.702	247.329
Liabilities carrying value in accordance with TAS under scope of regulatory consolidation	-	-	-	-	223.794
Total net amount under scope of regulatory consolidation	82.822.082	82.732.184	-	1.041.702	23.535
Off-balance sheet amount	22.856.315	22.856.315	-	-	34.303.171
Differences due to risk mitigation		(776.716)	-	-	-
Differences due to different netting rules		-	-	-	-
Differences due to consideration of provisions		-	-	-	-
Differences due to the applications of the Bank		-	-	-	-
Exposure amounts	105.678.397	104.811.783	-	1.041.702	34.326.706

Prior Period	Total	Subject to credit risk	Securitization positions	Subject to counterparty credit risk	Subject to market risk (*)
Assets carrying value in accordance with TAS	68.625.215	68.554.182	-	813.236	623.521
Liabilities carrying value in accordance with TAS under scope of regulatory consolidation	-	-	-	-	267.534
Total net amount under scope of regulatory consolidation	68.625.215	68.554.182	-	813.236	355.987
Off-balance sheet amount	19.006.659	19.006.659	-	-	31.258.627
Differences due to risk mitigation	-	(1.135.123)	-	-	-
Differences due to different netting rules	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to the applications of the Bank	-	-	-	-	-
Exposure amounts	87.631.874	86.425.718	-	813.236	31.614.614

c. Credit risk explanation

1. General qualitative information about credit risk:

Credit Risk Management Department operates under Internal Systems pillar directly subject to Board of Directors as it is mentioned in scope of “Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process”. Reports, prepared in a wider perspective, are reported to Board of Directors and senior management through the Risk Committee as well as reports having given minimum standards in scope of aforementioned regulation. Risk Report include customer, group, collateral and sector concentrations, stress tests, risk profile, overdue receivables and specific provision development, close monitoring development and capital adequacy analysis as general scope and main content. Within the scope of the budget determined within the scope of the Bank's business model and targets, the Bank's risk appetite and its limits are determined together with its main partner.

The Bank determines risk limits including all risks and covering all activities of the Bank and those limits are approved by Board of Directors. Limits of the Bank are determined in a way to reflect risk appetite, which is planned to be undertaken, and expectations in economy with our main partner. Credit policies are established in compliance with risk limits accordingly. Those limits are periodically monitored by Risk Management and Board of Directors is informed in scope of respective outputs.

Credit allocation processes are established in line with risk appetite and limits determined in scope of credit policies. In this scope, rating and decision support systems are used in evaluation of credits in order to reflect related risks. Access levels are determined by Board of Directors.

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X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

Credit Risk is the possibility of loss to which the current or future return or capital of the bank shall be exposed since the debtor cannot fulfil its liability in due time through violating requirements of related contract. The Bank approaches risk management as a cycle. Credit allocation units, form the first level of line of defence for credit risk in scope of allocation decision. Board of Directors holds the control over credit process in scope of authorization levels. Credit Risk Management Department of the Bank carries out its operations under Internal Systems organization which is directly subject to Board of Directors as it is mentioned in scope of “Communique on Internal Systems and Internal Capital Adequacy Assessment Process of Banks”. Risk Management executes measurement, monitoring and reporting activities of credit risk through using statistical methods and forms line of defence at second level. Internal Control and Supervisory Board Directorate forms line of defence at third level in this process.

Board of Directors is responsible for determination of taking risks and appetite level. Board of Directors manages risks through Risk Committee. Committee is responsible for determination of risk policies, measurement and monitoring of risks. Reports, which are issued in a wider perspective in addition to reports whose minimum standards are determined in scope of “Communique on Internal Systems and Internal Capital Adequacy Assessment Process of Banks”, are reported to Board of Directors and senior management through the Risk Committee. The aforementioned reports include customer, group, collateral and sector concentrations; stress tests, risk profile, follow-up and special provision development, close monitoring development and analysis of capital adequacy.

2.Credit quality of assets:

Gross carrying values of (according to TAS)				
31 December 2023	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values
1 Loans	1.573.337	35.870.548	2.950.170	34.493.715
2 Debt Securities	-	22.782.585	70.389	22.712.196
3 Off-balance sheet exposures	67.048	41.415.527	30.191	41.452.384
4 Total	1.640.385	100.068.660	3.050.750	98.658.295

Gross carrying values of (according to TAS)				
31 December 2022	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values
1 Loans	1.491.473	31.049.296	2.064.790	30.475.979
2 Debt Securities	-	18.231.332	35.131	18.196.201
3 Off-balance sheet exposures	79.247	32.927.876	281.122	32.726.001
4 Total	1.570.720	82.208.504	2.381.043	81.398.181

3. Changes in stock of defaulted loans and debt securities:

		31.12.2023
1	Defaulted loans and debt securities at end of the previous reporting period	1.491.473
2	Loans and debt securities that have defaulted since the last reporting period	401.980
3	Returned to non-defaulted status	-
4	Amounts written off	(1.134)
5	Other changes (*)	(318.982)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	1.573.337

		31.12.2022
1	Defaulted loans and debt securities at end of the previous reporting period	1.989.128
2	Loans and debt securities that have defaulted since the last reporting period	8.075
3	Returned to non-defaulted status	-
4	Amounts written off	(50.634)
5	Other changes (*)	(455.096)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	1.491.473

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X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

4. Additional disclosure related to the credit quality of assets:

a. Breakdown of receivables by geographical area, sector and outstanding maturity:

Breakdown by geographical area:

	31.12.2023	31.12.2022
Domestic	35.848.452	30.925.631
European Union Countries	-	10
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	22.096	123.655
Total	35.870.548	31.049.296

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

Breakdown by sector (*):

	31.12.2023	31.12.2022
Agricultural	1.002.171	954.861
Farming and raising live stock	769.787	858.512
Forestry	-	-
Fishing	232.384	96.349
Manufacturing	10.298.012	9.361.867
Mining	21.698	142.633
Production	6.957.640	6.102.820
Electricity, Gas, Water	3.318.674	3.116.414
Construction	8.530.297	6.678.412
Services	15.571.024	12.389.745
Wholesale and Retail Trade	3.442.165	2.728.552
Hotel, Food, Beverage Services	6.235.217	4.732.371
Transportation and Telecommunication	1.227.379	1.167.631
Financial Institutions	2.868.749	2.405.733
Real Estate and Lending Service	105	31.512
Self Employment Service	-	-
Education Service	520.189	101.332
Health and Social Services	1.277.220	1.222.614
Other	469.044	1.664.411
Total	35.870.548	31.049.296

(*) Breakdown of sector classified according to type of principal activity of costumers.

Breakdown by outstanding maturity:

			3-12 Months	5 Years and Over	Total
31 December 2023	Up to 1 Month	1-3 Months			
Loans	6.331.956	3.093.067	10.085.745	9.183.635	35.870.548
31 December 2022	Up to 1 Month	1-3 Months	3-12 Months	5 Years and Over	Total
Loans	5.014.539	6.076.637	5.524.195	6.454.076	31.049.296

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X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

Breakdown by sector (*):

b) Amounts of provision allocated receivables based on geographical area and sector and amounts deducted from the assets with the related provisions:

Breakdown by geographical area:

31 December 2023	Non-performing Loans	Provisions
Domestic	1.573.337	995.226
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	-	-
Total	1.573.337	995.226

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

31 December 2022	Non-performing Loans	Provisions
Domestic	1.491.473	743.209
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	-	-
Total	1.491.473	743.209

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

Breakdown by sector (*):

31 December 2023	Non-performing Loans	Provisions
Agricultural	7.240	6.709
Farming and raising live stock	7.240	6.709
Forestry	-	-
Fishing	-	-
Manufacturing	469.799	241.152
Mining	30.630	7.204
Production	417.058	212.704
Electricity, Gas, Water	22.111	21.244
Construction	585.926	403.353
Services	367.041	267.244
Wholesale and Retail Trade	98.908	80.693
Hotel, Food, Beverage Services	63.262	51.987
Transportation and Telecommunication	8.665	8.200
Financial Institutions	18.876	6.397
Real Estate and Lending Service	163	95
Self Employment Service	-	-
Education Service	105.823	103.669
Health and Social Services	71.344	16.203
Other	143.331	76.768
Total	1.573.337	995.226

(*) Classified according to type of principal activity of costumers.

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X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

Breakdown by sector (*):

31 December 2022	Non-performing Loans	Provisions
Agricultural	8.288	7.549
Farming and raising live stock	8.288	7.549
Forestry	-	-
Fishing	-	-
Manufacturing	398.332	207.060
Mining	30.194	26.070
Production	270.159	88.642
Electricity, Gas, Water	97.979	92.348
Construction	495.673	196.699
Services	463.263	270.225
Wholesale and Retail Trade	126.796	76.010
Hotel, Food, Beverage Services	97.009	58.421
Transportation and Telecommunication	18.418	9.310
Financial Institutions	19.745	7.310
Real Estate and Lending Service	128	75
Self Employment Service	-	-
Education Service	120.800	104.484
Health and Social Services	80.367	14.615
Other	125.917	61.676
Total	1.491.473	743.209

(*) Classified according to type of principal activity of costumers.

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X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

5. Expected Credit Loss

a. Expected Credit Loss for Cash and Cash Equivalents

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2023)	7.724	-	-	7.724
Additions	17.485	-	-	17.485
Disposals (-)	(15.898)	-	-	(15.898)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Balance at the end of the period	9.311	-	-	9.311

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2022)	2.797	-	-	2.797
Additions	19.068	-	-	19.068
Disposals (-)	(14.141)	-	-	(14.141)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Balance at the end of the period	7.724	-	-	7.724

b. Expected Credit Loss for Financial Assets Measured at Fair Value through Other Comprehensive Income

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2023)	35.131	-	-	35.131
Additions	131.505	-	-	131.505
Disposals (-)	(96.247)	-	-	(96.247)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Balance at the end of the period	70.389	-	-	70.389

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2022)	6.156	-	-	6.156
Additions	47.035	-	-	47.035
Disposals (-)	(18.060)	-	-	(18.060)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Balance at the end of the period	35.131	-	-	35.131

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X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

5. Expected Credit Loss

c. Expected Credit Loss for Loans

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2023)	159.316	1.162.265	743.209	2.064.790
Additions	1.097.792	2.071.313	386.738	3.555.843
Disposals (-)	(912.419)	(1.546.130)	(210.780)	(2.669.329)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(1.134)	(1.134)
Transfers to Stage 1	104.145	(104.145)	-	-
Transfers to Stage 2	(34.522)	34.522	-	-
Transfers to Stage 3	-	(77.193)	77.193	-
Balance at the end of the period	414.312	1.540.632	995.226	2.950.170

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2022)	119.320	1.297.235	934.310	2.350.865
Additions	119.531	1.254.272	223.733	1.597.536
Disposals (-)	(212.789)	(1.255.637)	(364.551)	(1.832.977)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(50.634)	(50.634)
Transfers to Stage 1	133.585	(133.585)	-	-
Transfers to Stage 2	(325)	3.195	(2.870)	-
Transfers to Stage 3	(6)	(3.215)	3.221	-
Balance at the end of the period	159.316	1.162.265	743.209	2.064.790

d. Expected Credit Loss for Non-cash Loans

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2023)	77.126	195.019	8.977	281.122
Additions	93.555	226.083	1.145	320.783
Disposals (-)	(152.184)	(412.172)	(7.358)	(571.714)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfers to Stage 1	10.212	(10.212)	-	-
Transfers to Stage 2	(5.425)	5.425	-	-
Transfers to Stage 3	-	(59)	59	-
Balance at the end of the period	23.284	4.084	2.823	30.191

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2022)	36.329	13.137	9.257	58.723
Additions	105.308	186.040	109	291.457
Disposals (-)	(63.611)	(5.058)	(389)	(69.058)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfers to Stage 1	77	(77)	-	-
Transfers to Stage 2	(977)	977	-	-
Transfers to Stage 3	-	-	-	-
Balance at the end of the period	77.126	195.019	8.977	281.122

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X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

6. Credit risk mitigation techniques – overview:

The Bank considers appropriate collaterals mentioned in “Regulation on Measurement and Evaluation of Bank’s Capital Adequacy” published on Official Gazette numbered 29511 for the calculation of capital adequacy. Since mortgages determine a receivable class, collateral used in credit risk reduction consists of cash collaterals with blockage.

All expertise reports, get done by the Bank, are assigned to valuation institutions, which are authorized by Banking Regulation and Supervision Agency and also having CMB license. Expertise requests, received from branches for valuation reports issued for the purpose of collateral, are evaluated by Expertise and Mortgage Department and forwarded to contracted valuation institutions through expertise system of the Bank. Valuation institutions submits expertise report through using expertise system of the bank following the completion of expertise activity. The report, submitted by expertise institution, is reviewed by Expertise and Mortgage Department and delivered to branches via aforementioned system. If there exists elements, which are considered as risks, in collateralization, those elements are included in valuation report.

Mortgage transaction is performed by law firms following the collateralization decision. Mortgage request is submitted from branch to our mortgage department via mortgage system of the bank. Mortgage department forwards the request to contracted law firms after controlling the request in question. Authenticated deeds and mortgage receipt certificates are delivered to branches via aforementioned system following the finalisation of mortgage transaction.

If the mortgage is in release phase, release request, submitted by the branch, is delivered to directorate of land registry with release letter which is obtained on mortgage release system following getting approval of required approvers.

An audit report is issued on an annual basis in scope of communique on risk mitigation techniques for received collaterals.

		Exposures not covered with cash collateral	Exposures secured by cash collateral	Exposures secured by cash collateral, of which: secured amount(**)	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans (*)	31.073.194	3.420.521	522.628	-	-	-	-
2	Debt securities	22.712.196	-	-	-	-	-	-
3	Total	53.785.390	3.420.521	522.628	-	-	-	-
4	Of which defaulted	1.573.265	72	67	-	-	-	-

(*) Shows loans that are covered with cash collateral

(**) Shows risk adjusted cash collaterals in line with related BRSA’s credit risk mitigation regulation with the maturity profile of the loan.

7. Qualitative disclosures related to rating grades used by the Banks for the calculation of credit risk with standard approach:

The Bank uses external rating grades provided by Fitch Ratings for the calculation of credit risk with standard method. In this scope, risk weights in Receivables from Central Administrations or Central Banks class of the Bank are determined through taking ratings provided by Fitch Ratings and guidance given by BRSA for the aforementioned CRA into account.

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X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

8. Standard approach – credit risk exposure and credit risk mitigation (CRM) effects

Current Period - 31.12.2023		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Assets classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	26.442.920	50.006	26.778.243	25.001	-	0%
2	Exposures to regional governments or local authorities	120.096	-	120.096	-	60.048	50%
3	Exposures to public sector entities	-	-	-	-	-	0%
4	Exposures to multilateral development banks	1.121.476	32.470	1.121.476	32.470	-	0%
5	Exposures to international organisations	-	-	-	-	-	0%
6	Exposures to institutions	10.734.762	2.364.718	10.734.762	1.834.749	4.620.691	37%
7	Exposures to corporates	18.153.993	18.067.897	17.313.359	12.262.585	32.647.874	110%
8	Retail exposures	205.123	672.058	187.851	43.962	186.645	81%
9	Exposures secured by residential property	5.863	-	5.863	-	2.052	35%
10	Exposures secured by commercial real estate	9.177.957	106.028	9.177.957	82.151	6.449.911	70%
11	Past-due loans	175.099	-	175.032	-	167.880	96%
12	Higher-risk categories by the Agency Board	500	-	500	-	740	148%
13	Exposures in the form of covered bonds	-	-	-	-	-	0%
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16	Other assets	2.625.902	3	2.625.902	3	1.792.635	68%
17	Investments in equities	-	-	-	-	-	0%
18	Total	68.763.691	21.293.180	68.241.041	14.280.921	45.928.476	56%

Prior Period - 31.12.2022		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Assets classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	19.882.359	4	20.024.529	1	-	0%
2	Exposures to regional governments or local authorities	114.683	4.524	114.683	2.262	58.473	50%
3	Exposures to public sector entities	-	-	-	-	-	0%
4	Exposures to multilateral development banks	711.354	9.107	711.354	9.107	-	0%
5	Exposures to international organisations	-	-	-	-	-	0%
6	Exposures to institutions	12.031.341	2.955.815	12.031.341	1.685.305	4.267.880	31%
7	Exposures to corporates	21.179.104	14.208.875	20.347.564	9.111.320	31.600.788	107%
8	Retail exposures	218.504	1.269.565	212.747	93.176	233.043	76%
9	Exposures secured by residential property	14.092	-	14.092	-	4.932	35%
10	Exposures secured by commercial real estate	4.809.991	157.957	4.809.974	146.279	3.512.612	71%
11	Past-due loans	366.932	-	366.862	-	430.103	117%
12	Higher-risk categories by the Agency Board	347	-	347	-	509	147%
13	Exposures in the form of covered bonds	-	-	-	-	-	0%
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16	Other assets	2.924.824	-	2.924.825	-	1.960.050	67%
17	Investments in equities	-	-	-	-	-	0%
18	Total	62.253.531	18.605.847	61.558.318	11.047.450	42.068.390	56%

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X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

9. Standard approach – exposures by asset classes and risk weights

Current Period - 31.12.2023										Total credit risk exposure amount (***)
Asset classes/ Risk weight(*)	0%	10%	20%	50%(*)	75%	100%	150%	200%	Other (35% - 50%(**))	
Exposures to central governments or central banks	26.803.244	-	-	-	-	-	-	-	-	26.803.244
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	120.096	120.096
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	1.153.946	-	-	-	-	-	-	-	-	1.153.946
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-
Exposures to institutions	-	-	5.560.812	-	-	8.359	-	-	7.000.340	12.569.511
Exposures to corporates	-	-	-	-	-	26.502.121	3.786	3.070.037	-	29.575.944
Retail exposures	-	-	-	-	210.734	6.049	15.030	-	-	231.813
Exposures secured by residential property	-	-	-	-	-	-	-	-	5.863	5.863
Exposures secured by commercial real estate	-	-	-	6.505.400	-	2.312.205	-	442.503	-	9.260.108
Past-due loans	-	-	-	-	-	45.381	57.673	-	71.978	175.032
Higher-risk categories by the Agency Board	-	-	-	-	-	-	490	-	10	500
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-
Other assets	795.760	-	46.886	-	-	1.783.259	-	-	-	2.625.905
Total	28.752.950	-	5.607.698	6.505.400	210.734	30.657.374	76.979	3.512.540	7.198.287	82.521.962

(*) Collateralized with the Real Estate Mortgage

(**) Except that Collateralized with the Real Estate Mortgage

(***) After Credit Conversion Rate and after credit risk mitigation

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X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

Prior Period - 31.12.2022									Other	Total
Asset classes/ Risk weight(*)	0%	10%	20%	50%(*)	75%	100%	150%	200%	(35% - 50%(**))	credit risk exposure amount (***)
Exposures to central governments or central banks	20.024.530	-	-	-	-	-	-	-	-	20.024.530
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	116.945	116.945
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	720.461	-	-	-	-	-	-	-	-	720.461
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-
Exposures to institutions	-	-	8.829.871	-	-	104.518	6.259	-	4.775.998	13.716.646
Exposures to corporates	-	-	-	-	-	27.316.980	-	2.141.904	-	29.458.884
Retail exposures	-	-	-	-	300.295	1.240	4.388	-	-	305.923
Exposures secured by residential property	-	-	-	-	-	-	-	-	14.092	14.092
Exposures secured by commercial real estate	-	-	-	2.948.957	-	1.976.459	-	30.837	-	4.956.253
Past-due loans	-	-	-	-	-	102.383	195.480	-	68.999	366.862
Higher-risk categories by the Agency Board	-	-	-	-	-	7	332	-	8	347
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-
Other assets	964.773	-	-	-	-	1.960.052	-	-	-	2.924.825
Total	21.709.764	-	8.829.871	2.948.957	300.295	31.461.639	206.459	2.172.741	4.976.042	72.605.768

(*) Collateralized with the Real Estate Mortgage

(**) Except that Collateralized with the Real Estate Mortgage

(***) After Credit Conversion Rate and after credit risk mitigation

d. Counterparty Credit risk (CCR) explanations:

1. Qualitative disclosure related to counterparty credit risk:

Counterparty credit risk (CCR) states default risk of counterparty, which is a party to a transaction imposing an obligation to both parties, going into default before the final payment included in cash flow of the transaction in question. The Bank monitors Counterparty Credit Risk in the framework of Counterparty Credit Risk and Exchange Risk Management Policy which is approved by Board of Directors. Counterparty Credit Risk and Exchange Risk Management Policy includes rules, limits and actions in case of non-compliance related to transactions in counterparty credit risk and exchange risk.

The Bank internally applies different action rules for each of the action groups determined for measurement of counterparty credit risk. Action groups are divided into Individual Business Line, Non-Individual Business Line (except for Stock Exchange and Banks) and Banks and Stock Exchanges.

Potential and current risk exposures of transactions are calculated/determined in order to determine CCR. Internal netting application is taken into account while calculating risk exposures.

Daily collateral management is performed in accordance with provisions of agreements related to transactions of counterparty credit risk and exchange risk with stock exchanges and banks having ISDA-CSA agreement.

Internal limits related to counterparty credit risk and exchange risk are evaluated by Credits Department with respect to requests from related departments and submitted to the approval of Director of Credits Department, General Manager, Credit Committee or Board of Directors according to magnitude of exposures.

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X. Explanations on Risk Management (continued)

d. Counterparty Credit risk (CCR) explanations (continued)

The Bank legally calculates counterparty credit risk and exchange risk in accordance with the rules and explanations mentioned in “Regulation on Measurement and Evaluation of Bank’s Capital Adequacy”. Counterparty credit risk and exchange risk, calculated legally, is subject to limit of capital adequacy ratio.

2. Analysis of counterparty credit risk (CCR) exposure by approach

	Revaluation Cost	Potential credit risk exposure	EBPRT(*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
Current Year – 31.12.2023						
1 Standart Approach-CCR	95.585	203.361	-	1,40	298.946	166.955
2 Internal Model Approach	-	-	-	-	-	-
3 Simplified Standardised Approach for Credit Risk Mitigation	-	-	-	-	-	-
4 Comprehensive Method for Credit Risk Mitigation	-	-	-	-	374.041	78.148
Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions	-	-	-	-	374.041	78.148
6 Total	-	-	-	-	-	245.103
(*) Effective expected positive risk amount						

	Revaluation Cost	Potential credit risk exposure	EBPRT(*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
Prior Year – 31.12.2022						
1 Standart Approach-CCR	163.653	251.112	-	1,40	414.765	289.158
2 Internal Model Approach	-	-	-	-	-	-
3 Simplified Standardised Approach for Credit Risk Mitigation	-	-	-	-	-	-
4 Comprehensive Method for Credit Risk Mitigation	-	-	-	-	76.301	23.494
Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions	-	-	-	-	76.301	23.494
6 Total	-	-	-	-	-	312.652
(*) Effective expected positive risk amount						

3. Credit valuation adjustment (CVA) capital charge

	Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
Current Year – 31.12.2023		
Total portfolio value with comprehensive approach CVA capital adequacy		
1 (i) Value at risk component (3*multiplier included)	-	-
2 (ii) Stressed Value at Risk (3*multiplier included)	-	-
3 Total portfolio value with simplified approach CVA capital adequacy	415.968	18.451
4 Total amount of CVA capital adequacy	415.968	18.451

	Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
Prior Year – 31.12.2022		
Total portfolio value with comprehensive approach CVA capital adequacy		
1 (i) Value at risk component (3*multiplier included)	-	-
2 (ii) Stressed Value at Risk (3*multiplier included)	-	-
3 Total portfolio value with simplified approach CVA capital adequacy	572.404	60.401
4 Total amount of CVA capital adequacy	572.404	60.401

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X. Explanations on Risk Management (continued)

d. Counterparty Credit risk (CCR) explanations (continued)

4. Standard approach – CCR exposures by regulatory portfolio and risk weights

Current Period Risk Weights	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk(*)
Risk Classes									
Central governments and central banks receivables	87.926	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	552.914	33.189	-	-	-	-	127.177
Corporate receivables	-	-	-	-	-	116.091	-	-	116.091
Retail receivables	-	-	-	-	2.447	-	-	-	1.835
Other assets(**)	-	-	-	-	-	-	-	-	-
Total	87.926	-	552.914	33.189	2.447	116.091	-	-	245.103

(*) Total credit risk; After applying counterparty credit risk measurement techniques that are related to the amount of capital adequacy calculation.

(**) Other assets: "Central to the counterparty risk" table includes amounts that are not included in the reported counterparty credit risk.

Prior Period Risk Weights	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk(*)
Risk Classes									
Central governments and central banks receivables	199.681	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	54.166	200.870	-	-	-	-	111.268
Corporate receivables	-	-	-	-	-	179.989	6.259	-	189.378
Retail receivables	-	-	-	-	16.008	-	-	-	12.006
Other assets(**)	-	-	-	-	-	-	-	-	-
Total	199.681	-	54.166	200.870	16.008	179.989	6.259	-	312.652

(*) Total credit risk; After applying counterparty credit risk measurement techniques that are related to the amount of capital adequacy calculation.

(**) Other assets: "Central to the counterparty risk" table includes amounts that are not included in the reported counterparty credit risk.

5. Composition of collateral for CCR exposure: Due to absence of derivative collateral considered in the calculation of capital adequacy, related table was not given.

6. Credit derivatives exposures: None.

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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X. Explanations on Risk Management (continued)

d. Counterparty Credit risk (CCR) explanations (continued)

7. Risk exposure to CCP:

		Post CRM risk exposure	RWA
1	Exposure to Qualified Central Counterparties (QCCPs) (total)		26.418
2	Exposures for trades at WCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Repo-reverse repo transactions, credit securities transactions and securities or commodities lending or	1.320.900	26.418
6	(iv) Netting sets where cross-product has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Paid guarantee fund amount	-	-
10	Unpaid guarantee fund commitment	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

e. Explanations Related to Securitization Positions: None.

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

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X. Explanations on Risk Management (continued)

f. Explanations on Market Risk

Market risk is the possibility of depreciation of on- and off-balance sheet positions due to fluctuations in market risk factors. Fluctuations in market risk factors; it refers to changes in interest rates, exchange rates, stock prices, commodity prices and volatility. Currency risk and interest rate risks are considered as the two most important components of market risk, and when deemed necessary, derivative financial transactions are carried out in order to protect against financial risks.

The Bank manages the market risk in line with the Market Risk Management Policy, which includes the rules, limits and actions to be taken in case of non-compliance regarding the management of the trading portfolio. Which products of the Bank will be included in the trading portfolio are determined by the Board of Directors-approved Trading Portfolio Strategy. Risk principles, policies and risk limits regarding the management of market risk are approved by the Board of Directors, reviewed regularly, and implemented by the Bank's senior management and related units.

The Bank monitors the regulatory and internal limits determined within the scope of measuring the market risk of the Trading portfolio and approved by the Board of Directors. Under the internal limits, there are foreign currency position, interest rate and volatility limits in various breakdowns, and compliance with risks and limits is monitored and reported daily by the Risk Management Unit.

The regulatory capital requirement arising from the Market Risk is calculated and reported using the standard method in line with the principles of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks on the Calculation of the Exposure Subject to Market Risk.

The responsibilities of the Board of Directors, General Manager, Asset-Liability Committee (ALCO), Treasury Markets Unit, Finance, Financial Control and Strategy Unit and Risk Management Unit regarding the management of Market Risk have been determined and detailed in the Market Risk Management Policy.

For the measurement and reporting of Market Risk, the Treasury Front Office system and a Market Risk software are used.

Standardised approach

	31 December 2023	31 December 2022
	RWA	RWA
Outright products		
1 Interest rate risk (general and specific)	369.573	498.294
2 Equity risk (general and specific)	-	50.450
3 Foreign exchange risk	602.625	1.058.765
4 Commodity risk	1.110.677	494.929
Options	-	-
5 Simplified approach	-	-
6 Delta-plus method	110.425	526.600
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	2.193.300	2.629.038

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X. Explanations on Risk Management (continued)

g. Explanations on Operational Risk

Basic indicator approach:

The annual gross income is composed of net interest income and net non-interest income after deducting realised gains/losses from the sale of securities classified as financial assets at fair value through other comprehensive income (previously, available for sale) and financial assets measured at amortized cost (previously, held-to-maturity), extraordinary income and income derived from insurance claims at year-end.

The value at operational risk is calculated according to the basic indicator approach of “Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks” published in the Official Gazette No. 28337 dated June 28, 2012.

	2 PY Amount	1 PY Amount	CY Amount	Total / Total number of years for which gross income is positive	Rate (%)	Total
Gross income	1.203.049	1.300.940	3.176.816	1.893.602	15	284.040
The amount subject to operational risk (Total*12,5)						3.550.500

XI. Explanations on Hedge Accounting

The Bank, utilize derivative instruments effectively in the process of asset and liability management. In this context, the Bank applies TAS 39 standard for hedge accounting.

As of December 31, 2023, The Bank applies cash flow hedge accounting using interest swap transactions to hedge its TL customer deposits partially amounting to TL 300.000 with short term cyclical basis (31 December 2022: 875.000).

Within the scope of hedge accounting, “Part of derivative financial assets at fair value through other comprehensive income” TL 43.214 (31 December 2022: TL 23.651), “Part of derivative financial liabilities at fair value through other comprehensive income” TL 2.982 (31 December 2022: TL 33.994) in the balance sheet accounts, as the effective part of the fair value change, in the “Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss” under shareholders' equity, after tax of TL 11.792 (31 December 2022: TL 56.884), the ineffective part is derivatives in the income statement. are recognized in the profit/loss item from financial transactions.

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XII. Explanations on Segment Reporting

Organized to operate in all operational aspects of banking under the scope of 4th Article of the Banking Law, the Bank is providing diversified financial solutions focused on capital financing, foreign trade, project finance, non-cash products, cash management and internet banking services to commercial customers. Retail Banking, formed under three major divisions, namely, Retail Loans, Bank and Credit Cards and Wealth Management, serves to the financial needs of customers through branches, internet and mobile channels. Treasury and Capital Markets department is managing TL and FCY liquidity in healthy and sustainable manner, performing profit oriented trading activities in the market within the limits given by the Board. In addition, Treasury sales unit delivers pricing services of government bills and bonds, Eurobonds and derivatives to the Bank customers.

Current Period (1 January-31 December 2023)	Commercial Banking	Retail Banking	Other and Unallocated	Bank’s Total
Operating Income	3.992.373	924.598	1.128.685	6.045.656
Profit Before Tax	1.858.162	(61.746)	(47.498)	1.748.918
Tax Provision	-	-	(38.745)	(38.745)
Net Profit	1.858.162	(61.746)	(86.243)	1.710.173
Total Asset	35.477.017	330.640	47.902.483	83.710.140
Segment Assets	35.477.017	330.640	47.902.483	83.710.140
Total Liability	18.115.262	39.002.138	26.592.740	83.710.140
Segment Liability	18.115.262	39.002.138	20.482.188	77.599.588
Equity	-	-	6.110.552	6.110.552

Prior Period (1 January-31 December 2022)	Commercial Banking	Retail Banking	Other and Unallocated	Bank’s Total
Operating Income	1.910.909	589.280	1.867.147	4.367.336
Profit Before Tax	355.665	156.201	585.356	1.097.222
Tax Provision	-	-	(244.019)	(244.019)
Net Profit	355.665	156.201	341.337	853.203
Total Asset	31.347.308	328.184	37.321.357	68.996.849
Segment Assets	31.347.308	328.184	37.321.357	68.996.849
Total Liability	12.547.125	36.211.307	20.238.417	68.996.849
Segment Liability	12.547.125	36.211.307	15.197.466	63.955.898
Equity	-	-	5.040.951	5.040.951

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XIII. Information on international risk ratings

FITCH RATINGS (December 2023)

Long Term FC IDR	B- / (Stable)
Short Term FC IDR	B
Long Term TL IDR	B- / (Stable)
Short Term TL IDR	B
Viability	b-
National Long Term Rating	BBB(tur)
National Long Term Rating Outlook	Stable
Subordinated Notes	CCC

MOODY’S RATINGS (January 2024)

Outlook	Positive
Long Term FC Deposit	Caa1
Long Term TL Deposit	Caa1
Short Term FC Deposit	NP
Short Term TL Deposit	NP
Baseline Credit Assessment - BCA	caa1
Adjusted BCA	caa1
National Scale Rating (NSR) Long Term Deposit	Baa1.tr
National Scale Rating (NSR) Short Term	TR-2

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SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

1. a) Information on Cash and Balances with the Central Bank of Turkey:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	80.249	1.140.704	53.167	464.767
Balances with the Central Bank of Turkey	4.849.298	8.061.929	1.096.789	6.447.081
Other	-	-	-	-
Total	4.929.547	9.202.633	1.149.956	6.911.848

b) Information related to the account of the Central Bank of Turkey:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Unrestricted Demand Deposit	4.038.938	2.605.546	796.789	1.902.162
Unrestricted Time Deposit	-	-	300.000	-
Restricted Time Deposit	810.360	5.456.383	-	4.544.919
Total	4.849.298	8.061.929	1.096.789	6.447.081

c) Explanations related to reserve deposits:

In accordance with the “Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and gold. According to the Communiqué on Required Reserves published in the Official Gazette dated July 1, 2021 and numbered 31528, the facility for maintain Turkish lira reserve requirements in foreign currency was terminated as of October 1, 2021. According to the Communiqué on Required Reserves published in the Official Gazette dated 31 December 2022 and numbered 32060, the facility for maintain Turkish lira reserve requirements in standard gold and scrap gold has been abolished as of June 23, 2023.

The required reserve rates for TL liabilities vary between 0% and 8% for TL deposits and other liabilities according to their maturities as of 31 December 2023 (31 December 2022: 3% and 8% for all TL liabilities) and between 10% and 30% for accounts provided with exchange rate/price protection support by the Central Bank (December 31, 2022: None). In foreign currency, it is between 5% and 30% depending on the maturity structure (31 December 2022: between 5% and 26%) as of 31 December 2023.

In accordance with the CBT instruction dated 31 August 2022 and numbered 1579, the commission practice according to the share of Turkish Lira deposits in total deposits has been changed effective from 29 September 2023. Accordingly, different commission rates based on share of Turkish Lira deposits in total deposits, transition and renewal is applied.

As of 27 October 2023, an additional reserve requirement ratio of 4 percent has to be maintained in Turkish lira at all maturities for deposits denominated in foreign currency (foreign bank deposits and precious metal accounts). Additional reserve requirement rates have been excluded from the reserve requirement commission application by the decision of the CBRT.

Within the scope of the “Communiqué on the Establishment of Securities in Turkish Lira for Foreign Currency Liabilities” numbered 2022/20; foreign currency liabilities, by the transition from foreign currency protected deposits to TL, the assets (credit growth, differentiation according to interest rate) are subject to purchase securities. As of 29 December 2023, with the transition from foreign currency protected deposits to TL, purchasing security through differentiation according to the interest rate on assets has ended.

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1. Explanations and Disclosures Related to the Assets (continued)

2. Information on financial assets at fair value through profit and loss (net):

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (31 December 2022: None).

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2022: None).

b) Positive differences related to derivative financial assets held-for-trading:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Forward Transactions	9.243	68.282	11.084	72.798
Swap Transactions	198.839	173.439	464.764	522.180
Futures Transactions	-	-	-	-
Options	7.272	37.951	131.254	17.186
Other	-	-	-	-
Total	215.354	279.672	607.102	612.164

3. Information on banks:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Banks				
Domestic	156	437.163	1.126.014	88.046
Foreign	-	5.351.041	-	3.225.982
Branches and head office abroad	-	-	-	-
Total	156	5.788.204	1.126.014	3.314.028

Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
European Union Countries	910.326	485.583	-	9.573
USA and Canada	4.170.821	1.880.801	-	-
OECD Countries	69.584	234.345	198.157	169.650
Other	2.153	1.285	-	444.745
Total	5.152.884	2.602.014	198.157	623.968

4. Information on financial assets at fair value through other comprehensive income:

a.1) Information on financial assets given as collateral or blocked:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	1.097.976	5.356.208	2.276.735	3.641.365
Other	-	-	-	-
Total	1.097.976	5.356.208	2.276.735	3.641.365

a.2) Information on financial assets subject to repurchase agreements:

As of 31 December 2023, financial assets at fair value through other comprehensive income subject to repurchase agreements: TL 3.277.507 (31 December 2022: TL 2.871.230).

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I. Explanations and Disclosures Related to the Assets (continued)

4. Information on financial assets at fair value through other comprehensive income: (continued)

b) Information on financial assets at fair value through other comprehensive income portfolio:

	31 December 2023	31 December 2022
Debt securities	10.543.290	11.198.464
Quoted on a stock exchange	10.543.290	11.198.464
Not quoted	-	-
Share certificates	17.221	13.621
Quoted on a stock exchange	-	-
Not quoted	17.221	13.621
Value Increase/Impairment Losses (-)	155.935	264.851
Total	10.404.576	10.947.234

5. Information on loans:

a) Information on all types of loans or advances given to shareholders and employees of the Bank:

	31 December 2023		31 December 2022	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	-	23.583	-	14.960
Loans granted to employees	16.217	-	6.238	-
Total	16.217	23.583	6.238	14.960

b) Information on the first and second group loans including restructured or rescheduled loans:

31 December 2023	Loans under close monitoring (*)			
	Loans under restructuring			
	Standard loans	Not under the scope of restructuring	Modifications on agreement conditions	Refinancing
Cash Loans				
Non-specialized loans	26.862.730	1.249.784	-	7.758.034
Loans given to enterprises	499.692	-	-	5.761.591
Export loans	8.212.379	474.945	-	-
Import loans	-	-	-	-
Loans given to financial sector	2.868.749	-	-	-
Consumer loans	85.137	4.801	-	3.047
Credit cards	178.287	2.014	-	318
Other	15.018.486	768.024	-	1.993.078
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	26.862.730	1.249.784	-	7.758.034

(*) In accordance with TFRS 9 and the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside the loans subject to significant increase in the credit risk of the borrower are included in the above table amounting to TL 538.707.

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans (continued)

31 December 2022	Loans under close monitoring (*)			
	Loans under restructuring			
	Standard loans	Not under the scope of restructuring	Modifications on agreement conditions	Refinancing
Cash Loans				
Non-specialized loans	23.736.371	230.485	-	7.082.440
Loans given to enterprises	976.188	-	-	6.692.455
Export loans	6.304.183	17.058	-	-
Import loans	-	-	-	-
Loans given to financial sector	2.405.733	-	-	-
Consumer loans	110.167	9.636	-	7.053
Credit cards	125.764	1.307	-	688
Other	13.814.336	202.484	-	382.244
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	23.736.371	230.485	-	7.082.440

(*) In accordance with TFRS 9 and the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside the loans subject to significant increase in the credit risk of the borrower are included in the above table amounting to TL 12.403.

	31 December 2023	31 December 2022
First and Second Stage Expected Loss Provisions (*)	Standard Loans	Loans Under Close Monitoring
12-Month provisions for possible losses	414.312	-
Significant increase in credit risk	-	1.162.265
Total	414.312	1.162.265

(*) The expected loss provision amounting to TL 70.389 related to other financial assets measured at amortized cost is not included.

b.1) Information on Maturity analysis of cash loans

31 December 2023	Loans Under Close Monitoring	
	Standard Loans	Loans under restructuring
Cash Loans		
Short-term Loans	11.786.846	491.645
Medium and Long Term Loans	15.075.884	758.139
Total	26.862.730	1.249.784

c) Information on loan types and provisions: (*)

31 December 2023	Commercial	Retail	Total
Standard Loans	26.649.642	213.088	26.862.730
Watchlist	8.459.292	9.819	8.469.111
Significant Increase in Credit Risk	538.707	-	538.707
Non-performing Loans	1.518.078	55.259	1.573.337
Specific Provision (-)	(959.783)	(35.443)	(995.226)
Total	36.205.936	242.723	36.448.659

(*) According to the internal segmentation of the bank.

31 December 2022	Commercial	Retail	Total
Standard Loans	23.513.763	222.608	23.736.371
Watchlist	7.281.665	18.857	7.300.522
Significant Increase in Credit Risk	12.403	-	12.403
Non-performing Loans	1.430.444	61.029	1.491.473
Specific Provision (-)	(703.879)	(39.330)	(743.209)
Total	31.534.396	263.164	31.797.560

(*) According to the internal segmentation of the bank.

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans (continued)

d) Information on consumer loans and credit cards given to customers and bank’s personnel:

31 December 2023	Short Term	Medium and Long Term	Total
Consumer Loans – TL	11.654	60.460	72.114
Housing Loans	-	49.413	49.413
Car Loans	-	-	-
General Purpose Loans	11.654	11.047	22.701
Other	-	-	-
Consumer Loans - Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards - TL	129.024	234	129.258
With Installments	14.777	234	15.011
Without Installments	114.247	-	114.247
Individual Credit Cards-FC	598	-	598
With Installments	-	-	-
Without Installments	598	-	598
Personnel Loans - TL	2.978	7.796	10.774
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	2.978	7.796	10.774
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans - FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards - TL	5.412	26	5.438
With Installments	995	26	1.021
Without Installments	4.417	-	4.417
Personnel Credit Cards - FC	5	-	5
With Installments	-	-	-
Without Installments	5	-	5
Overdraft Accounts – TL (Real Persons)	10.097	-	10.097
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	159.768	68.516	228.284

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans (continued)

d) Information on consumer loans and credit cards given to customers and bank’s personnel: (continued)

31 December 2022	Short Term	Medium and Long Term	Total
Consumer Loans – TL	4.379	110.470	114.849
Housing Loans	-	88.573	88.573
Car Loans	-	16	16
General Purpose Loans	4.379	21.881	26.260
Other	-	-	-
Consumer Loans - Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards - TL	108.078	548	108.626
With Installments	15.118	548	15.666
Without Installments	92.960	-	92.960
Individual Credit Cards-FC	601	-	601
With Installments	-	-	-
Without Installments	601	-	601
Personnel Loans - TL	310	2.734	3.044
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	310	2.734	3.044
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans - FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards - TL	3.192	2	3.194
With Installments	538	2	540
Without Installments	2.654	-	2.654
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	7.540	-	7.540
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	124.100	113.754	237.854

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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

I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans (continued)

e) Information on commercial loans with installments and corporate credit cards:

31 December 2023	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	1.313.345	4.374.654	5.687.999
Business Loans	-	269	269
Car Loans	-	29.355	29.355
General Purpose Loans	1.313.345	4.345.027	5.658.372
Other	-	3	3
Commercial loans with installment facility-Indexed to FC	-	-	-
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Commercial loans with installment facility -FC	730.282	11.904.259	12.634.541
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	730.282	11.904.259	12.634.541
Other	-	-	-
Corporate Credit Cards-TL	45.293	-	45.293
With Installments	189	-	189
Without Installments	45.104	-	45.104
Corporate Credit Cards-FC	27	-	27
With Installments	-	-	-
Without Installments	27	-	27
Overdraft Accounts-TL (Legal Entities)	19.739	-	19.739
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	2.108.686	16.278.913	18.387.599

f) Distribution of credits by users:

	31 December 2023	31 December 2022
Public	120.049	113.542
Private	35.750.499	30.935.754
Total	35.870.548	31.049.296

g) Distribution of domestic and foreign loans:

	31 December 2023	31 December 2022
Domestic loans	35.848.452	30.925.631
Foreign loans	22.096	123.665
Total	35.870.548	31.049.296

h) Loans granted to subsidiaries and associates: None. (31 December 2022: None)

i) Expected credit losses provided against loans (Stage 3):

	31 December 2023	31 December 2022
Expected credit losses		
Loans with limited collectability	331.177	47.604
Loans with doubtful collectability	6.003	8.430
Uncollectible loans	658.046	687.175
Total	995.226	743.209

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans (continued)

j) Information on non-performing loans (Net):

j.1) Information on loans and other receivables which are restructured or rescheduled within non-performing portfolio:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Current Period			
(Gross amounts before provisions)	75	21	108.847
Restructured loans and other receivables	75	21	108.847
Prior Period			
(Gross amounts before provisions)	-	-	143.532
Restructured loans and other receivables	-	-	143.532

j.2) The movement of total non-performing loans:

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
31 December 2022 balance	94.933	12.198	1.384.342
Additions (+)	401.980	263	34.746
Transfers from other categories of non-performing loans (+)	1.917	2.045	3.346
Transfers to other categories of non-performing loans (-)	2.042	3.346	1.917
Collections (-)	7.931	4.854	341.209
Write-offs (-)	-	-	1.134
Sold	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other (-)	-	-	-
31 December 2023 balance	488.857	6.306	1.078.174
Specific provision (-)	331.177	6.003	658.046
Net Balances on Balance Sheet	157.680	303	420.128

j.3) Information on foreign currency non-performing loans and other receivables:

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Current Period			
Period end balance	243.144	-	439.211
Provision (-)	128.379	-	228.850
Net Balances on Balance Sheet	114.765	-	210.361
Prior Period			
Period end balance	-	-	516.687
Provision (-)	-	-	221.601
Net Balances on Balance Sheet	-	-	295.086

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans (continued)

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 December 2023 (Net)	157.680	303	420.128
Loans to Real Persons and Legal Entities (Gross)	488.857	6.306	1.078.174
Specific provision (-)	331.177	6.003	658.046
Loans to Real Persons and Legal Entities (Net)	157.680	303	420.128
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
31 December 2022 (Net)	47.329	3.768	697.167
Loans to Real Persons and Legal Entities (Gross)	94.933	12.198	1.384.342
Specific provision (-)	47.604	8.430	687.175
Loans to Real Persons and Legal Entities (Net)	47.329	3.768	697.167
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

j.5) Information on interest accruals, rediscounts and valuation differences calculated for non-performing loans and their provisions:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net)			
Interest Accruals, Rediscounts and Valuation Differences	4.915	3.746	507.420
Special Provision Amount (-)	4.915	3.746	507.420
Prior Period (Net)			
Interest Accruals, Rediscounts and Valuation Differences	542	3.884	579.041
Special Provision Amount (-)	542	3.884	579.041

k) Main principles of liquidation policies of non-performing loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 29750 dated June 22, 2016; legal action is carried on considering debtor, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 31 December 2023, the net amount after provisions of the non-performing loans and receivables is TL 420.128 (31 December 2022: TL 697.167).

l) Explanations on write-off policy:

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on November 27, 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as “Uncollectible loans” if it cannot reasonably be expected to be recovered. Loans and receivables considered as non-collectable are written-off pursuant to approval of Board of Directors (BoD) and other related departments. As of 31 December 2023, The Bank has written-off TL 1.134 of non-performing loan portfolio which has 100% provision (31 December 2022: TL 50.634)

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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6. Information on financial assets measured at amortized cost:

- a) Information on financial assets given as collateral or blocked: As of 31 December 2023, financial assets measured at amortized cost given as collateral is amounting to TL 2.734.423 (31 December 2022: TL 2.228.841).
- b) Investments and legal liabilities subject to repurchase agreements: As of 31 December 2023, financial assets measured at amortized cost subject to repurchase agreements is amounting to TL 4.621.067 (31 December 2022: TL 1.063.566).
- c) The Bank has TL 12.395.230 financial assets measured at amortized cost as of 31 December 2023 (31 December 2022: TL 7.297.719).
- d.1) Government securities measured at amortised cost:

	31 December 2023	31 December 2022
Government Bonds	8.517.894	4.279.563
Treasury Bills	-	-
Other Government Securities	3.877.336	3.018.156
Total	12.395.230	7.297.719

	31 December 2023	31 December 2022
Debt securities	12.395.230	7.297.719
Quoted on a stock exchange	12.395.230	7.297.719
Not quoted	-	-
Value Increase/Impairment Losses (-)	-	-
Total	12.395.230	7.297.719

d.2) Movement on financial assets measured at amortized cost:

	31 December 2023	31 December 2022
Beginning Balance	7.297.719	1.335.040
Foreign Currency Differences on Monetary Assets (*)	3.266.247	1.501.523
Purchases During Year	7.355.512	6.700.308
Disposals Through Sales and Redemptions	(5.524.248)	(2.239.152)
Impairment Provision (-)	-	-
Total	12.395.230	7.297.719

(*) Represents exchange differences and accrual interest.

7. Information on associates (Net):

The Bank has no associates in the current period (31 December 2022: None).

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period (31 December 2022: None).

9. Information on jointly controlled entities (Net):

The Bank has no jointly controlled entities in the current period (31 December 2022: None).

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period (31 December 2022: None).

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

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

I. Explanations and Disclosures Related to the Assets (continued)

11. Information on derivative financial assets for hedging purposes:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	43.214	-	23.651	-
Net Investment Hedge	-	-	-	-
Total	43.214	-	23.651	-

12. Information on tangible assets (Net):

	Closing Balance December 31, 2022	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2023
Cost:						
Land and buildings	9.174	-	-	-	-	9.174
Leased tangible assets	272.616	188.154	104.675	-	-	356.095
Vehicles	-	-	-	-	-	-
Other	373.653	88.818	13.807	-	-	448.664
Total Cost	655.443	276.972	118.482	-	-	813.933

	Closing Balance December 31, 2022	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2023
Accumulated Depreciation:						
Land and buildings	1.864	183	-	-	-	2.047
Leased tangible assets	103.783	99.121	59.587	-	-	143.317
Vehicles	-	-	-	-	-	-
Other	247.647	55.498	9.324	-	-	293.821
Total Accumulated Depreciation	353.294	154.802	68.911	-	-	439.185

Net Book Value	302.149	122.170	49.571	-	-	374.748
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a) Disclosure for impairment losses or releases individually material for financial statements:

a.1) Conditions for allocating/releasing any impairment: None. (31 December 2022: None)

a.2) Amount of impairment losses provided or released in financial statements during current period: None (31 December 2022: None).

b) Disclosure on conditions and amounts of allocating / releasing any impairment as per asset class, which are not individually but on an aggregated basis material to financial statements: None (31 December 2022: None).

c) Restriction on tangible assets, capitalized expenditures and purchase commitments: None (31 December 2022: None).

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

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

I. Explanations and Disclosures Related to the Assets (continued)

13. Information on intangible assets:

	Closing Balance December 31, 2022	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2023
Cost:						
Software cost	377.941	397.222	-	-	-	775.163
Other intangible assets	-	-	-	-	-	-
Total Cost	377.941	397.222	-	-	-	775.163

	Closing Balance December 31, 2022	Period Charge	Disposals	Other	Change in estimate	Ending Balance December 31, 2023
Accumulated Depreciation:						
Software cost	134.770	101.673	-	-	-	236.443
Other intangible assets	-	-	-	-	-	-
Total Accumulated Depreciation	134.770	101.673	-	-	-	236.443

Net Book Value	243.171	295.549	-	-	-	538.720
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14. Investment Property (Net):

None (31 December 2022: None).

15. Explanations on deferred tax assets:

a) As of 31 December 2023, the Bank has deferred tax asset amounting to TL 861.963 arising from deductible temporary differences (31 December 2022: TL 593.629).

	Current Period		Prior Period	
Timing differences constituting the basis for deferred tax	Basis	Deferred tax asset/(liability)	Basis	Deferred tax asset/(liability)
Difference between net book value and tax value of financial assets	39.706	7.941	72.752	15.868
Provisions	3.166.084	949.825	3.131.195	782.799
Valuation differences	2.322.996	696.899	1.778.776	444.694
Deferred commissions	102.812	30.844	69.306	17.326
Deferred Tax Asset	5.631.598	1.685.509	5.052.029	1.260.687
Valuation differences	2.638.129	791.439	2.566.846	641.710
Provisions	71.580	21.474	72.950	18.237
Other	27.178	10.633	28.453	7.111
Deferred Tax Liability (-)	2.736.887	823.546	2.668.249	667.058
Total deferred tax assets, net		861.963		593.629

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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

I. Explanations and Disclosures Related to the Assets (continued)

15. Explanations on deferred tax assets:

- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None (31 December 2022: None).

Net deferred tax asset / (debt)	Current Period (1 January-31 December 2023)	Prior Period (1 January-31December 2022)
As of January 1	593.629	256.329
Deferred tax income/(expense) in profit or loss table	47.033	541.090
Deferred tax income / (expense) under equity	221.301	(203.790)
Ending balance	861.963	593.629

- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None (31 December 2022: None).

16. Information on assets held for sale and discontinued operations:

As of 31 December 2023, the Bank has assets held for sale and discontinued operations amounting to TL 826.297 (31 December 2022: TL 805.513).

The Bank, in some portion of the foreclosed assets, provides repurchase right to the debtor.

As of 31 December 2023, the right of repurchase value of assets of the Bank is TL 61.537 (31 December 2022: TL 97.524).

17. Information on other assets

- a) Other assets do not exceed 10% of the balance sheet total (excluding off balance sheet commitments).
- b) Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None (31 December 2022: None).

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

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Notes To The Unconsolidated Financial Statements
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II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a) 31 December 2023

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	992.239	-	1.605.086	8.214.746	8.010.652	1.466.550	264.652	-	20.553.925
Foreign currency deposits	7.586.118	-	3.522.719	10.387.951	653.287	144.401	30.173	-	22.324.649
Residents in Turkey	7.243.570	-	3.448.775	10.317.903	643.212	144.401	19.595	-	21.817.456
Residents abroad	342.548	-	73.944	70.048	10.075	-	10.578	-	507.193
Public sector deposits	24.421	-	-	-	-	-	-	-	24.421
Commercial deposits	2.701.502	-	974.190	1.237.842	2.760.302	1.473.562	176.075	-	9.323.473
Other institutions deposits	12.534	-	9.012	8.133	79.058	-	-	-	108.737
Precious metals deposits	5.712.781	-	-	179.742	2.344	-	-	-	5.894.867
Interbank deposits	2.173	-	-	-	-	-	-	-	2.173
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	2.172	-	-	-	-	-	-	-	2.172
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	17.031.768	-	6.111.007	20.028.414	11.505.643	3.084.513	470.900	-	58.232.245

Currency-protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against exchange rate changes in foreign currency, has started to be offered to bank customers. As of 31 December 2023, the total amount of deposits includes TL 9.462.207 (31 December 2022: TL 19.488.010) deposits within this scope.

31 December 2022

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	304.293	-	1.789.231	5.039.345	15.406.785	224.947	395.038	-	23.159.639
Foreign currency deposits	3.705.737	-	3.972.765	6.003.203	889.186	139.624	55.565	-	14.766.080
Residents in Turkey	3.469.244	-	3.934.676	5.678.050	809.573	104.588	48.874	-	14.045.005
Residents abroad	236.493	-	38.089	325.153	79.613	35.036	6.691	-	721.075
Public sector deposits	18.209	-	-	-	-	-	-	-	18.209
Commercial deposits	1.878.658	-	638.080	1.211.028	2.843.492	801.842	355.887	-	7.728.987
Other institutions deposits	1.027	-	3.417	11.044	81.131	-	53	-	96.672
Precious metals deposits	3.426.750	-	-	33.242	2.567	-	-	-	3.462.559
Interbank deposits	6.313	-	-	-	-	-	-	-	6.313
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	6.313	-	-	-	-	-	-	-	6.313
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	9.340.987	-	6.403.493	12.297.862	19.223.161	1.166.413	806.543	-	49.238.459

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

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II. Explanations and Disclosures Related to the Liabilities (continued)

1. Information on maturity structure of deposits (continued):

b.1) Information on saving deposits under the guarantee of saving deposits insurance (*):

Information on saving deposits and exceeding the limit of insurance saving deposits:

Saving deposits	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Saving deposits	8.690.902	3.844.503	11.863.023	19.315.136
Foreign currency saving deposits	3.644.603	2.289.261	16.240.669	12.310.592
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	12.335.505	6.133.764	28.103.692	31.625.728

(*) In accordance with the “Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund” published in the Official Gazette dated 27 August 2022 and numbered 31936, corporations other than credit institutions and financial institutions, are included within the scope of deposit insurance scheme. In this context, commercial deposits covered by the insurance amounts to TL 396.559 and the said amount is not included in the above footnote.

b.2) Deposit amounts not under the guarantee of saving deposit:

Deposits of real persons not under the guarantee of saving deposit insurance:

	31 December 2023	31 December 2022
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chair, members of the Board of Directors and assistant general managers and their close families	24.245	19.570
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities at fair value through profit or loss:

Negative differences table related to derivative financial liabilities at fair value through profit or loss:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Forward Transactions	1.039	8.194	473	60.951
Swap Transactions	8.079	294.353	200.254	580.296
Futures Transactions	-	-	-	-
Options	8.436	185.353	30.829	20.592
Other	-	-	-	-
Total	17.554	487.900	231.556	661.839

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

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II. Explanations and Disclosures Related to the Liabilities (continued)

3. Information on borrowings:

a) Information on banks and other financial institutions:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
From Domestic Banks and Institutions	1.060.818	-	-	-
From Foreign Banks, Institutions and Funds	-	930.028	-	1.359.218
Total	1.060.818	930.028	-	1.359.218

b) Maturity analysis of borrowings:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Short-term	1.060.818	72.198	-	692.771
Medium and long-term	-	857.830	-	666.447
Total	1.060.818	930.028	-	1.359.218

4. Information on funds provided from repurchase agreement transactions:

Funds Provided Under Repurchase Agreements:

31 December 2023		31 December 2022	
Funds Provided Under Repurchase Agreements	6.247.455		4.000.353
Total	6.247.455		4.000.353

5. Marketable Securities Issued (Net):

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds	-	-	-	-
Total	-	-	-	-

6. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:

None (31 December 2022: None).

7. Explanations on lease obligations (Net):

	31 December 2023		31 December 2022	
	Gross	Net	Gross	Net
Less Than 1 Year	54.444	33.613	20.063	14.664
Between 1-4 Years	108.287	80.381	142.236	105.547
More Than 4 Years	105.274	49.284	93.161	42.863
Total	268.005	163.278	255.460	163.074

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II. Explanations and Disclosures Related to the Liabilities (continued)

8. Information on derivative financial liabilities at fair value through other comprehensive income:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	2.982	-	33.994	-
Net Investment Hedge	-	-	-	-
Total	2.982	-	33.994	-

As of 31 December 2023, the Bank has no derivative financial liabilities subject to cash flow hedge accounting (31 December 2022: None).

9. Information on provisions:

a) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: None (31 December 2022: None).

b) Information on employee termination benefits and unused vacation accrual:

b.1) Information on employee termination benefits and unused vacation accrual:

	31 December 2023	31 December 2022
Employee termination benefit provision	106.012	73.353
Unused vacation provision	29.584	15.325
Total of provision for employee benefits	135.596	88.678

The Bank reserved for employee severance indemnities using actuarial method in compliance with the Turkish Accounting Standard 19 (TAS 19) “Employee Benefits” for all its employees who is retired or whose employment is terminated, called up for military service or died.

b.2) Movements in the employee termination benefit provision during the year:

	31 December 2023	31 December 2022
Balance at the beginning of period	73.353	26.355
Service Cost	2.270	6.471
Interest expense	18.832	7.924
Actuarial gain/loss	28.124	41.060
Payments during the period (*)	(16.567)	(8.457)
Balance at the end of period	106.012	73.353

(*) Recognized in other comprehensive income.

	31 December 2023	31 December 2022
Discount rate in real terms	3,00%	2,00%
Interest rate	23,60%	12,10%
Estimated salary/ Employee termination benefit increase rate	46,57%	49,63%

c) Information on other provisions:

c.1) Provisions for possible losses: TL 335.000 (31 December 2022: TL 650.000).

c.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions: Other provisions consist of litigation provision amounting to TL 105.349 (31 December 2022: TL 79.429), provision for credit cards promotion and banking services amounting to TL 131 (31 December 2022: TL 2) and other provisions amounting to TL 236.310 (31 December 2022: TL 141.895).

c.3) Expected loss provisions for non-cash loans: TL 27.367 (31 December 2022: TL 272.145 provision).

c.4) Information on provisions for non-cash loans that are non-funded and non-transformed into cash: TL 2.823 (31 December 2022: TL 8.977 provision).

d) Liabilities on pension rights: None.

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II. Explanations and Disclosures Related to the Liabilities (continued)

d.1) Liabilities for pension funds established in accordance with “Social Security Institution”: None (31 December 2022: None).

d.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None (31 December 2022: None).

10. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Information on corporate tax: As of 31 December 2023, the provision of corporate income tax: None (31 December 2022: 215.807).

a.2) Explanations on taxes payable:

	31 December 2023	31 December 2022
Withholding tax on deposits	81.610	42.369
BITT	28.148	18.190
Payroll Tax	23.326	12.810
Value Added Tax Payable	18.738	9.534
Property Tax	2.628	1.682
Foreign Exchange Tax	1.517	1.645
Stamp Tax	964	530
Corporate Taxes Payable	-	215.807
Other	1.097	1.724
Total	158.028	304.291

a.3) Information on premiums:

	31 December 2023	31 December 2022
Social Security Premiums-Employee	20.212	8.990
Social Security Premiums-Employer	25.089	10.381
Unemployment Insurance-Employer	2.598	1.247
Unemployment Insurance-Employee	1.299	624
Bank Social Aid Pension Fund Premium-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Other	-	-
Total	49.198	21.242

b) Explanations on deferred tax liabilities, if any: None.

11. Information on liabilities regarding assets held for sale and discounted operations: None (31 December 2022: None).

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

II. Explanations and Disclosures Related to the Liabilities (continued)

12. Information on subordinated loans:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Debt instruments to be included in core capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	8.412.601	-	5.336.904
Subordinated loans	-	8.412.601	-	5.336.904
Subordinated debt	-	8.412.601	-	5.336.904
Total	-	8.412.601	-	5.336.904

(*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2023, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

13. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

As of 31 December 2023, the Bank's paid in capital consists of TL 3.288.842.000 shares which nominal value is TL 1(full TL).

TL	31 December 2023	31 December 2022
Common stock (*)	3.288.842	3.288.842
Preferred stock	-	-
Total	3.288.842	3.288.842

(*) Nominal Capital

b) The registered capital system is not applied in the bank.

c) Information on share capital increases from revaluation funds in the current period: None.

d) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.

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

The Bank takes timely action to strengthen its equity in accordance with previous indicators of the Bank's income, profitability and liquidity and taking into consideration and evaluations made within the frame of those indicators and changes in accounting policies.

f) Information on preferred shares: None.

g) Information on preferred shares: None.

h) Information on marketable securities value increase fund:

	31 December 2023		31 December 2022	
	TP	YP	TP	YP
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	18.056	(46.682)	849.000	(208.791)
Foreign Exchange Difference	-	-	-	-
Total	18.056	(46.682)	849.000	(208.791)

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

II. Explanations and Disclosures Related to the Liabilities (continued)

13. Information on Shareholders' Equity (continued):

i) Information on legal reserves:

	31 December 2023	31 December 2022
Primary Legal Reserves	89.360	46.700
Secondary Legal Reserve	-	-
Other Legal Reserves Per Special Legislation	-	-
Total	89.360	46.700

At the Ordinary General Assembly meeting dated March 27, 2023, TL 42.660, which is 5% of the Bank's net profit for the year 2022 amounting to TL 853.203, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining TL 810.543 has been decided to set aside as Extraordinary Reserves

j) Earnings per share:

	31 December 2023	31 December 2022
Bank's profit	1.710.173	853.203
Weighted Average Number of Issued Ordinary Shares (Thousand)	3.288.842	3.288.842
Earnings Per Share (Full TL)	0,520	0,259

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("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.

k) Main principles of liquidation policies of non-performing loans and receivables:

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 31 December 2023, the net amount after provisions of the non-performing loans and receivables in the fifth group (in Stage 3) is TL 420.128 (31 December 2022: TL 697.167).

14. Information on minority shares:

None.

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III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	31 December 2023	31 December 2022
Forward asset purchase and sales commitments	886.692	2.581.283
Loan granting commitments	1.345.848	1.021.137
Commitments for checks	104.224	77.145
Credit card limit commitments	589.373	504.112
Other irrevocable commitments (*)	57.266	38.047
Total	2.983.403	4.221.724
(*) Other irrevocable commitments includes promotion practices commitment regarding credit cards and banking services.		

b) Possible losses and commitments related to off-balance sheet items including items listed below:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans including guarantees, acceptances, financial guarantees and other letters of credits:

	31 December 2023	31 December 2022
Letters of guarantee	10.708.680	8.074.687
Letters of credit	2.373.324	2.429.725
Bank acceptance loans	-	-
Other guarantees	6.837.714	4.570.182
Total	19.919.718	15.074.594

b.2) Guarantees, suretyships, and similar transactions:

	31 December 2023	31 December 2022
Definite letter of guarantees	8.104.663	5.561.017
Temporary letter of guarantees	75.857	233.355
Other letter of guarantees	2.528.160	2.280.315
Total	10.708.680	8.074.687

c.1) Total amount of non-cash loans:

	31 December 2023	31 December 2022
Non-cash loans given to cover cash loans	1.927.711	1.810.672
With maturity of 1 year or less than 1 year	1.617.583	1.318.979
With maturity of more than 1 year	310.128	491.693
Other non-cash loans	17.992.007	13.263.922
Total	19.919.718	15.074.594

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III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments

(continued)

1. Information on off-balance sheet liabilities (continued):

c.2) Information on sectoral risk breakdown of non-cash loans and irrevocable loan commitments (excluding forward asset sales and purchase commitments):

December 31, 2023 (*)				
	TL	(%)	FC	(%)
Agricultural	482.073	2,90	2.064	0,06
Farming and raising livestock	478.990	2,88	-	0,00
Forestry	-	0,00	-	0,00
Fishery	3.083	0,02	2.064	0,06
Manufacturing	7.976.118	48,04	1.602.303	48,33
Mining	54.504	0,33	295	0,01
Production	7.621.359	45,90	1.528.311	46,10
Electric, gas and water	300.255	1,81	73.697	2,22
Construction	966.346	5,82	42.110	1,27
Services	7.149.522	43,06	1.550.107	46,76
Wholesale and retail trade	3.937.780	23,71	668.431	20,16
Hotel, food and beverage services	35.995	0,22	153	0,00
Transportation and telecommunication	816.180	4,92	79.291	2,39
Financial institutions	1.909.580	11,50	682.440	20,59
Real estate and renting services	229.056	1,38	109.082	3,29
Self-employment services	107.624	0,65	-	0,00
Education services	100	0,00	-	0,00
Health and social services	113.207	0,68	10.710	0,32
Other	30.562	0,18	118.513	3,57
Total	16.604.621	100,00	3.315.097	100,00

(*) Classified according to type of principal activity of costumers.

December 31, 2022 (*)				
	TL	(%)	FC	(%)
Agricultural	312.628	2,68	1.122	0,03
Farming and raising livestock	305.833	2,62	-	0,00
Forestry	-	0,00	-	0,00
Fishery	6.795	0,06	1.122	0,03
Manufacturing	5.618.678	48,22	1.826.510	53,36
Mining	65.472	0,56	187	0,01
Production	5.185.497	44,50	1.751.782	51,18
Electric, gas and water	367.709	3,16	74.541	2,18
Construction	670.691	5,76	195.184	5,70
Services	4.923.664	42,26	1.368.983	39,99
Wholesale and retail trade	2.387.286	20,49	623.194	18,21
Hotel, food and beverage services	13.270	0,11	94	0,00
Transportation and telecommunication	397.917	3,42	67.155	1,96
Financial institutions	1.718.378	14,75	607.451	17,75
Real estate and renting services	162.770	1,40	64.654	1,89
Self-employment services	128.135	1,10	-	0,00
Education services	100	0,00	-	0,00
Health and social services	115.808	0,99	6.435	0,19
Other	125.927	1,08	31.207	0,91
Total	11.651.588	100,00	3.423.006	100,00

(*) Classified according to type of principal activity of costumers.

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III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments
(continued)

1. Information on off-balance sheet liabilities (continued):

c.3) Information on I st and II nd group non-cash loans:

31.12.2023	I st Group		II nd Group	
Non-cash loans	TL	FC	TL	FC
Letters of guarantee	9.455.681	972.786	249.164	16.046
Bank acceptances	-	-	-	-
Letters of credit	53.023	2.320.301	-	-
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Factoring Commitments	-	-	-	-
Other commitments and contingencies	6.816.750	5.964	15.000	-
Total	16.325.454	3.299.051	264.164	16.046
31.12.2022	I st Group		II nd Group	
Non-cash loans	TL	FC	TL	FC
Letters of guarantee	6.810.055	804.538	66.787	393.307
Bank acceptances	-	-	-	-
Letters of credit	286.303	2.143.422	-	-
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Factoring Commitments	-	-	-	-
Other commitments and contingencies	4.488.443	81.739	-	-
Total	11.584.801	3.029.699	66.787	393.307

2. Information related to derivative financial instruments:

Derivative transactions according to purposes				
	Trading	Hedging	Trading	Hedging
	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
Types of trading transactions				
Foreign currency related derivative transactions (I):	106.406.457	-	94.626.581	-
Forward transactions	8.569.454	-	6.631.422	-
Swap transactions	57.473.469	-	40.403.206	-
Futures transactions	718.693	-	-	-
Option transactions	39.644.841	-	47.591.953	-
Interest related derivative transactions (II) :	4.281.046	-	50.180.162	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	4.281.046	-	50.180.162	-
Interest option transactions	-	-	-	-
Futures interest transactions	-	-	-	-
Other derivative transactions for trade (III)	-	-	-	-
A. Total trading derivative transactions (I+II+III)	110.687.503	-	144.806.743	-
Types of hedging transactions				
Fair value hedges	-	-	-	-
Cash flow hedges	-	600.000	-	1.750.000
Net investment hedges	-	-	-	-
B. Total hedging related derivatives	-	600.000	-	1.750.000
Total Derivative Transactions (A+B)	110.687.503	600.000	144.806.743	1.750.000

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III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments
(continued)

1. Information related to derivative financial instruments (continued):

Forward foreign currency, swap and option transactions include mainly proprietary transactions as well as customer deals, which are entered into for hedging of foreign exchange and interest rate risk purposes regardless of them being subject to hedge accounting and measured at fair value in line with Turkish accounting Standards. Both legs of every derivative transaction are aggregated in the table.

2. Information related to credit derivatives and risk exposures:

None.

3. Explanations on contingent liabilities and assets:

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of jointly controlled entity (joint venture) in its own contingent liabilities: None.
- a.3) The Bank’s contingent liabilities resulting from liabilities of other venturers in jointly controlled entities (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
- b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: None.
- b.2) A provision is made for contingent liabilities, if realization is probable and the amount can reliably be determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: None.

4. Explanations on the activities carried out on behalf and account of other persons:

The Bank is engaged in trading and custody of securities on behalf of real and legal persons. The details of the securities taken into custody are presented in the off-balance sheet accounts.

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IV. Explanations and Disclosures Related to the Statement of Profit or Loss

1. a) Information on interest on loans:

Interest on loans	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Short term loans	2.710.020	164.859	1.608.671	87.792
Medium and long term loans	1.378.625	1.123.034	1.145.478	894.708
Interest collected from non-performing loans	252.339	-	147.601	-
Total	4.340.984	1.287.893	2.901.750	982.500

b) Information on interest received from banks:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
From The Central Bank of Republic of Turkey	5.085	-	731	-
From domestic banks	52.991	-	15.964	95
From foreign banks	-	124.352	-	49.415
From branches and offices abroad	-	-	-	-
Total	58.076	124.352	16.695	49.510

c) Interest received from marketable securities portfolio:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss (Net)	23.664	1.949	48.636	932
Financial assets at fair value through other comprehensive income	1.370.637	353.382	2.204.012	246.515
Financial Assets Measured at Amortized Cost	2.960.861	87.074	819.385	76.186
Total	4.355.162	442.405	3.072.033	323.633

2. a) Information on interest on funds borrowed:

Interest on funds borrowed	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Banks	261.033	47.977	-	40.167
The Central Bank of Turkey	-	-	-	-
Domestic banks	261.033	113	-	187
Foreign banks	-	47.864	-	39.980
Branches and offices abroad	-	-	-	-
Other institutions	3.554	1.615	1.986	-
Total	264.587	49.592	1.986	40.167

b) Information on interest expense to associates and subsidiaries: None.

c) Information on interest expense to marketable securities issued: As of 31 December 2023, the Bank has interest expense to marketable securities issued, including Tier II sub-loan issued amounting to TL 664.014 (31 December 2022: TL 407.555).

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IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)

d) Distribution of interest expense on deposits based on maturity of deposits:

31 December 2023								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TL								
Bank deposits	-	3.933	-	-	-	-	-	3.933
Saving deposits	1.150	419.610	2.193.095	3.262.921	139.964	73.323	-	6.090.063
Public sector deposits	-	14	-	-	-	-	-	14
Commercial deposits	44	67.683	305.991	646.180	89.619	40.897	-	1.150.414
Other deposits	-	1.002	8.609	37.416	-	-	-	47.027
7 days call accounts	-	-	-	-	-	-	-	-
Total	1.194	492.242	2.507.695	3.946.517	229.583	114.220	-	7.291.451

Foreign Currency

Foreign currency deposits	144	27.827	165.684	66.596	2.175	1.627	-	264.053
Bank deposits	-	7.023	-	-	-	-	-	7.023
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	272	-	272

Total	144	34.850	165.684	66.596	2.175	1.899	-	271.348
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Grand Total	1.338	527.092	2.673.379	4.013.113	231.758	116.119	-	7.562.799
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31 December 2022								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TL								
Bank deposits	-	10.408	-	-	-	-	-	10.408
Saving deposits	219	329.726	725.667	760.527	40.859	406.214	-	2.263.212
Public sector deposits	-	1	-	-	-	-	-	1
Commercial deposits	17	97.891	241.334	113.966	192.415	39.538	-	685.161
Other deposits	-	1.728	16.624	8.706	5.372	30.159	-	62.589
7 days call accounts	-	-	-	-	-	-	-	-
Total	236	439.754	983.625	883.199	238.646	475.911	-	3.021.371

Foreign Currency

Foreign currency deposits	391	57.787	380.828	43.604	5.283	1.296	-	489.189
Bank deposits	-	16.149	-	-	-	-	-	16.149
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1	326	18	-	-	-	345

Total	391	73.937	381.154	43.622	5,283	1.296	-	505.683
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Grand Total	627	513.691	1.364.779	926.821	243.929	477.207	-	3.527.054
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3. Information on Dividend Income: None (31 December 2022: None).

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

(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:

	31 December 2023	31 December 2022
Income	227.081.314	165.489.793
Gains on capital market operations	775.428	454.885
Gains on derivative financial instruments	6.183.974	7.429.829
Foreign exchange gains	220.121.912	157.605.079
Losses (-)	226.459.739	165.448.950
Losses on capital market operations	1.925	8.582
Losses on derivative financial instruments	8.667.921	7.306.662
Foreign exchange losses	217.789.893	158.133.706
Net Amount	621.575	40.843

5. Information on other operating income:

For the period ended 31 December 2023, other operating income includes reversals from previous years' expenses and other operating income.

	31 December 2023	31 December 2022
Income from Reversal of Prior Years' General and Specific Provisions	1.537.998	954.147
Income from Reversal of Prior Years' Other Provisions	562.758	81.594
Other Income	240.109	163.042
Total	2.340.865	1.198.783

6. Provision for impairment of loans and other receivables:

a) Expected credit loss provisions:

	31 December 2023	31 December 2022
Expected Credit Loss Provisions	1.690.138	1.441.713
12-Month Expected Credit Losses (Stage 1)	398.692	221.087
Significant Increase In Credit Risk (Stage 2)	802.909	1.040.332
Credit-Impaired (Stage 3)	488.537	180.294
Impairment Provisions For Financial Assets	-	-
Financial Assets At Fair Value Through Profit Or Loss	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-
Impairment Provisions Related To Investments In Associates, Subsidiaries And Jointly Controlled Partnerships (Joint Ventures)	-	-
Investments in associates	-	-
Subsidiaries	-	-
Jointly controlled partnerships (joint ventures)	-	-
Other	-	-
Total	1.690.138	1.441.713

b) Other Provisions:

As of 31 December 2023, other provision expenses are TL 12.250 (31 December 2022: TL 495.143).

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

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

IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)

7. Information on other operating expenses:

	31 December 2023	31 December 2022
Employee termination benefit provision	4.995	5.939
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Amortization expenses of fixed assets	154.802	82.378
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	101.673	46.733
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Amortization expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	1.020.118	543.465
Leasing expenses related to TFRS 16 exemptions (*)	6.159	4.611
Maintenance expenses	26.393	13.274
Advertisement expenses	152.101	63.262
Other expenses (**)	835.465	462.318
Loss on sales of assets	175	315
Other	-	-
Total	1.281.763	678.830

(*) Includes all operating lease expenses within the scope of the exemption.

(**) Other operating expenses majorly consist of IT expenses, premiums for saving deposit insurance fund, auditing and consultancy services, credit card related expenses, support services, taxes, duties and charges and other expenses.

8. Fees for Services Received from Independent Auditor / Independent Audit Firm

The fee (excluding VAT) information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below.

	31 December 2023 (*)	31 December 2022 (*)
Audit Fee	4.300	2.308
Tax Advisory Fee	-	-
Other Advisory Fees	-	-
Total	4.300	2.308

(*) Services received from KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi are presented.

9. Information on profit/(loss) from continued and discontinued operations before taxes:

As of 31 December 2023, the Bank's profit before tax from continued operations is TL 1.748.918 (31 December 2022: 1.097.222).

10. Information on tax provision for continued and discontinued operations:

As of 31 December 2023, The Bank has deferred tax income amounting to TL 47.033 and TL 85.778 current tax expense amounting (31 December 2022: TL 541.090 deferred tax income and TL 785.109 current tax provision).

11. Information on net profit/(loss) from continued and discontinued operations:

As of 31 December 2023, the Bank's net profit from continued operations is TL 1.710.173 (31 December 2022: TL 853.203).

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

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

IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)

12. The explanations on net income / loss for the period:

- a) If the disclosure of usual banking transactions, income and expenditure items' composition is necessary to understand the annual performance of the Bank, the composition and amount of these items: None.
- b) The effect of a change in the estimation made as painting on the financial statement items on the profit / loss, if it affects the following periods, the effect including those periods: None.

13. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below: The other item under the "Fees and Commissions Received" in the income statement mainly consists of banking service income and credit card transactions.

V. Explanations and notes related to consolidated statement of changes in shareholders' equity

1. Information on dividends :

At the Ordinary General Assembly meeting dated March 27, 2023, TL 42.660, which is 5% of the Bank's net profit for the year 2022 amounting to TL 853.203, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining TL 810.543 has been decided to set aside as Extraordinary Reserves. 31.187 TL included in the Extraordinary Reserve Fund consists of real estate sales profits benefiting from the Corporate Tax exemption.

2. Explanations on share certificates position risk from banking book:

The Bank, as explained in Section Three III and Section Four XI, applies cash flow hedge accounting and as of 31 December 2023, there is TL 11.792 after tax in the hedging funds (effective part) account in equity (31 December 2022: TL 56.884).

3. Changes on after revaluation of financial assets at fair value through other comprehensive income: None (31 December 2022: None).

4. Reconciliation of currency rate differences at the beginning and end of the period: None (31 December 2022: None).

5. Effects of previous adjustments on the opening balance sheet: None (31 December 2022: None).

6. Explanations on issuance of share certificates None (31 December 2022: None).

VI. Explanations and Disclosures on Statement of Cash Flows

1. The effects of the other items stated in the statement of cash flows and the changes in foreign currency exchange rates on cash and cash equivalents:

"Others" line amounting to TL 1.601.687 also includes the effect of change in foreign exchange rate on cash and cash equivalents.

"Net increase/decrease in other liabilities" line amounting to TL (796.295) in "Changes in bank operations assets and liabilities" consists of changes in miscellaneous payables, other liabilities and tax liability.

"Net increase/decrease in other assets" line amounting to TL 228.081 consists of changes in temporary accounts.

Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements For The Year Ended 31 December 2023

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

VI. Explanations and Disclosures on Statement of Cash Flows (continued)

2. Cash and cash equivalents at beginning and end of periods:

Beginning of the period	Current Period	Prior Period
Cash	3.516.884	4.679.039
Cash in TL/foreign currency	517.934	1.138.673
Central Bank of Republic of Turkey	2.998.950	3.540.366
Cash equivalents	7.598.783	2.290.538
Receivables from banks and other financial institutions	3.814.879	2.290.538
Receivables from money market placements	3.783.904	-
Total cash and cash equivalents	11.115.667	6.969.577

End of the period	Current Period	Prior Period
Cash	7.865.436	3.516.884
Cash in TL/foreign currency	1.220.952	517.934
Central Bank of Republic of Turkey	6.644.484	2.998.950
Cash equivalents	6.369.753	7.598.783
Receivables from banks and other financial institutions	5.590.203	3.814.879
Receivables from money market placements	779.550	3.783.904
Total cash and cash equivalents	14.235.189	11.115.667

VII. Explanations on the Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

a) 31 December 2023:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	-	14.960	-	1.176
Balance at end of period	-	-	-	23.583	479	3.856
Interest and commission income	-	-	-	-	35	-

31 December 2022:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	424	15.486	-	561
Balance at end of period	-	-	-	14.960	-	1.176
Interest and commission income	-	-	-	-	-	-

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements
For The Year Ended 31 December 2023

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

VII. Explanations on the Risk Group of the Bank (continued)

b.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	-	-	6.313	10.856	19.570	8.413
Balance at end of period	-	-	2.531	6.313	24.245	19.570
Interest on deposits	-	-	-	-	3.657	2.201

b.2) Information on forward and option agreements and other similar agreements made with related parties:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the 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 beginning of period	-	-	22.440.568	40.470.430	-	-
Balance at end of period	-	-	-	22.440.568	-	-
Total loss/ profit (*)	-	-	24.055	(1.605.975)	-	-

(*) As of 31 December 2023 represents derivative financial assets due to outstanding IRS transactions with the Bank’s parent company, Bank Audi sal and does not have any material impact on the Bank’s performance as such transactions are backed-to-back with third parties almost with similar terms. Daily margining is provided in accordance with the current international derivative contracts (ISDA, CSA).

b.3) Explanation on the benefits granted to the executive management of the Bank:

Gross payment made to the executive management as of 31 December 2023 is TL 116.874 (31 December 2022: TL 61.832).

VIII. Domestic, Foreign and Off-Shore Branches or Equity Investments, and Foreign Representative Offices of Bank

	Number of Branches	Number Of Employees				
Domestic Branches	41	1.284				
			Country			
Foreign Representative Offices	-	-	-			
				Total Assets	Legal Capital	
Foreign Branches	-	-	-	-	-	
Off-shore Banking Branches	-	-	-	-	-	

Convenience translation of unconsolidated financial statements and independent auditor’s report originally issued in Turkish, See Note I. of Section three

ODEA BANK ANONİM ŞİRKETİ

Notes To The Unconsolidated Financial Statements
For The Year Ended 31 December 2023

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

IX. Explanations and Disclosures Related To Subsequent Events

BRSA has determined within the board decision dated 11 January 2024 and numbered 10825 that transition date of “TAS 29 Hyperinflationary Financial Reporting in Hyperinflationary Economies” for banks, leasing companies, factoring companies, financing companies, savings financing companies and asset management companies is 1 January 2025.

The Bank has completed the establishment and registration procedures of its non-financial subsidiary investment, Odea Teknoloji Hizmetleri A.Ş., whose shares are fully owned by the Bank and has a capital of 10 million TL, on January 31, 2024.

SECTION SIX
OTHER EXPLANATIONS

I. Other explanations on the Bank’s operations

None.

SECTION SEVEN
EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

I. Explanations on Independent Auditors’ Report


Brief Information on Odea Bank A.Ş:


The unconsolidated financial statements for the period ended 31 December 2023 have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member of KPMG International Cooperative). The auditor’s report dated 13 February 2024 is presented preceding the unconsolidated financial statements.


II. Explanations and Notes Prepared By Independent Auditor


None.

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