

(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 Interim Financial Statements
As at and For the Nine-Month Period Ended
30 September 2020**

With Independent Auditors' Review Report Thereon

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

10 November 2020

This report includes "Auditors' Review Report" comprising 2 pages and; "Unconsolidated Financial Statements and Related Disclosures and Footnotes" comprising 78 pages.

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

REVIEW REPORT ON INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of Odea Bank Anonim Şirketi;

Introduction

We have reviewed the accompanying unconsolidated statement of financial position of Odea Bank A.Ş. (the "Bank") as at 30 September 2020 and the related unconsolidated statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity, cash flows for the nine month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The Bank Management is responsible for the preparation and fair presentation of these unconsolidated interim financial information in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by the aforementioned legislations. Our responsibility is to express a conclusion on these unconsolidated interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information does not present fairly the financial position of Odea Bank A.Ş. as at 30 September 2020 and of the results of its operations and its cash flows for the nine-month period then ended in all aspects in accordance with the BRSA Accounting and Reporting Legislation.

Report on Other Legal and Regulatory Requirements

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

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

Funda Aslanoğlu, SMMM
Partner
10 November 2020
Istanbul, Turkey

Translated into English from the original Turkish report and financial statements

**ODEA BANK A.Ş.
UNCONSOLIDATED FINANCIAL REPORT
AS OF SEPTEMBER 30, 2020**

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The unconsolidated financial report as at and for the nine-month 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
- LIMITED REVIEW REPORT
- INTERIM ACTIVITY REPORT

The accompanying unconsolidated financial statements for the nine-month period 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 limited review and presented in **thousands of Turkish Lira** unless otherwise stated.

Samir HANNA	Mert ÖNCÜ	Mehmet Gökmen UÇAR	Öcal PERÇİN
Chairman of the Board of Directors	Member of the Board of Directors and General Manager	Assistant General Manager in charge of Finance, Financial Control and Strategy	Financial Reporting Director
Imad ITANI	Bülent ADANIR		
Vice Chairman of the Board of Directors and Chairman of the Audit Committee	Member of Board of Directors and Audit Committee Member		

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

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

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ODEA BANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2020
(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 30 September 2020 and 31 December 2019, the shareholders' structure and their ownerships are summarized as follows:

Name and Surname / Commercial Title	Current Period		Prior Period	
	Share Amount	Share Ratios %	Share Amount	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 (Group), which is ranked among the largest banking groups in the Middle East and North Africa region (MENA), operates in 11 different countries serving its customers a wide range of products and services, including commercial and corporate banking, retail banking, online brokerage, private banking and investment banking.

In addition to its long-term presence in Lebanon, Switzerland and France; the Group operates in Jordan, Egypt, Saudi Arabia, Qatar, United Arab Emirates, Turkey and Iraq, has an asset management company in Monaco. The Group has subsidiaries across the region: two in Lebanon, four in the MENA region outside Lebanon, two in Europe and one main subsidiary 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 206 branches as of 30 September 2020.

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 are listed on the Beirut Stock Exchange, while its Global Depository Receipt (GDR) are quoted both on the Beirut Stock Exchange and at the London Stock Exchange.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

<u>Title</u>	<u>Name-Surname</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors	Samir HANNA	Chairman	High School
Vice Chairman of the Board of Directors	Imad ITANI	Vice Chairman of the Board of Directors and Chairman of the Audit Committee	Ph.D. Degree
Members of the Board of Directors	Marwan GHANDOUR	Member of the Board of Directors	Ph.D. Degree
	Khalil El DEBS	Member of the Board of Directors	Master's Degree
	Philippe Elias Farid EL-KHOURY	Member of the Board of Directors	Master's Degree
	Bülent ADANIR	Member of the Board of Directors and Member of the Audit Committee	Master's Degree
	Dragica PILIPOVIC-CHAFFEY	Member of the Board of Directors	Master's Degree
	Tamer GHAZALEH	Member of the Board of Directors	Bachelor's Degree
	Mouayed MAKHLOUF	Member of the Board of Directors	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
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
Assistant General Managers	Cem MURATOĞLU	Retail Banking	Master's Degree
	Emir Kadir ALPAY	Treasury and Capital Markets	Master's Degree
	Mehmet Gökmen UÇAR	Finance, Financial Control and Strategy	Bachelor's Degree
	Sinan Erdem ÖZER	Technology and Operations	Master's Degree
	Hüseyin GÖNÜL	Internal Systems	Bachelor's Degree
	Cenk DEMİRÖZ	Credit Allocation	Master's Degree

(*) With the decision of the Extraordinary General Assembly dated 7 October 2020, Ayşe Botan Berker was appointed as a Member of the Board of Directors as of 12 October 2020.

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2020
(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 30 September 2020:

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 30 September 2020. The Bank has 48 domestic branches with 1.113 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 2019: 48 domestic branches, 1.091 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 review report originally issued in Turkish, See Note I of Section Three

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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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

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 SEPTEMBER 2020

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

I. BALANCE SHEET – ASSETS

	Note Ref (Section Five)	Reviewed Current Period 30 September 2020			Audited Prior Period 31 December 2019		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		5.736.411	10.608.267	16.344.678	4.030.375	6.746.197	10.776.572
1.1 Cash and cash equivalents		267.480	6.615.214	6.882.694	2.801.724	5.433.950	8.235.674
1.1.1 Cash and balances at Central Bank	I-1	162.353	5.241.665	5.404.018	190.797	3.426.917	3.617.714
1.1.2 Banks	I-3	105.184	1.375.201	1.480.385	550.424	2.008.987	2.559.411
1.1.3 Receivables from Money Markets		-	-	-	2.060.644	-	2.060.644
1.1.4 Allowance for expected credit losses (-)		57	1.652	1.709	141	1.954	2.095
1.2 Financial assets at fair value through profit or loss	I-2	43.616	1.434	45.050	1.463	2.631	4.094
1.2.1 Public debt securities		672	1.434	2.106	1.463	2.631	4.094
1.2.2 Equity instruments		-	-	-	-	-	-
1.2.3 Other financial assets		42.944	-	42.944	-	-	-
1.3 Financial assets at fair value through other comprehensive income	I-4	4.590.605	2.381.598	6.972.203	519.598	627.713	1.147.311
1.3.1 Public debt securities		3.174.521	1.897.064	5.071.585	454.788	620.108	1.074.896
1.3.2 Equity instruments		4.897	10.568	15.465	4.897	7.605	12.502
1.3.3 Other financial assets		1.411.187	473.966	1.885.153	59.913	-	59.913
1.4 Derivative financial assets	I-2	834.710	1.610.021	2.444.731	707.590	681.903	1.389.493
1.4.1 Derivative financial assets at fair value through profit or loss		834.710	1.610.021	2.444.731	707.590	681.903	1.389.493
1.4.2 Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
II. FINANCIAL ASSET MEASURED AT AMORTISED COST (Net)		9.747.501	10.495.477	20.242.978	8.727.759	10.691.408	19.419.167
2.1 Loans	I-5	10.782.738	10.241.729	21.024.467	9.890.346	9.417.865	19.308.211
2.2 Receivables from leasing transactions	I-10	-	-	-	-	-	-
2.3 Factoring receivables		-	-	-	-	-	-
2.4 Other financial assets measured at amortized cost	I-6	273.849	889.489	1.163.338	631.544	1.721.085	2.352.629
2.4.1 Public debt securities		191.907	889.489	1.081.396	464.877	894.811	1.359.688
2.4.2 Other financial assets		81.942	-	81.942	166.667	826.274	992.941
2.5 Allowance for expected credit losses (-)		1.309.086	635.741	1.944.827	1.794.131	447.542	2.241.673
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS" (Net)	I-16	707.806	-	707.806	590.474	-	590.474
3.1 Held for sale		707.806	-	707.806	590.474	-	590.474
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	194.229	-	194.229	212.317	-	212.317
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	I-13	79.608	-	79.608	74.813	-	74.813
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		79.608	-	79.608	74.813	-	74.813
VII. INVESTMENT PROPERTIES (Net)	I-14	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		29.823	-	29.823	21.454	-	21.454
IX. DEFERRED TAX ASSETS	I-15	236.334	-	236.334	245.840	-	245.840
X. OTHER ASSETS	I-17	634.759	1.781.692	2.416.451	493.682	833.019	1.326.701
TOTAL ASSETS		17.366.471	22.885.436	40.251.907	14.396.714	18.270.624	32.667.338

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

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 SEPTEMBER 2020

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

I. BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY

	Note Ref. (Section Five)	Reviewed Current Period 30 September 2020			Audited Prior Period 31 December 2019		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	6.962.123	18.252.710	25.214.833	8.109.852	13.987.521	22.097.373
II. LOANS RECEIVED	II-3	3.126	1.461.749	1.464.875	16.497	1.843.922	1.860.419
III. MONEY MARKET FUNDS	II-4	2.233.985	766.602	3.000.587	9.013	169.591	178.604
IV. MARKETABLE SECURITIES (Net)	II-5	1.822.143	-	1.822.143	760.000	-	760.000
4.1 Bills		1.751.103	-	1.751.103	760.000	-	760.000
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		71.040	-	71.040	-	-	-
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	654.983	1.591.894	2.246.877	568.129	692.781	1.260.910
7.1 Derivative financial liabilities at fair value through profit or loss		654.983	1.591.894	2.246.877	568.129	692.781	1.260.910
7.2 Derivative financial liabilities at fair value through other comprehensive income	II-8	-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	II-7	156.020	519	156.539	165.095	2.084	167.179
X. PROVISIONS	II-9	98.844	39.788	138.632	108.822	18.609	127.431
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		17.988	-	17.988	14.571	-	14.571
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		80.856	39.788	120.644	94.251	18.609	112.860
XI. CURRENT TAX LIABILITIES	II-10	40.555	-	40.555	42.265	-	42.265
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	-	2.179.602	2.179.602	-	1.735.813	1.735.813
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		-	2.179.602	2.179.602	-	1.735.813	1.735.813
XV. OTHER LIABILITIES	II-6	351.388	293.202	644.590	171.433	966.330	1.137.763
XVI. SHAREHOLDERS' EQUITY		3.376.718	(34.044)	3.342.674	3.275.982	23.599	3.299.581
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		708	5.065	5.773	708	3.279	3.987
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		(31.163)	(39.109)	(70.272)	(28.868)	20.320	(8.548)
16.5 Profit reserves		17.498	-	17.498	(53.624)	-	(53.624)
16.5.1 Legal reserves	II-13	29.705	-	29.705	26.149	-	26.149
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		(12.207)	-	(12.207)	(79.773)	-	(79.773)
16.5.4 Other profit reserves		-	-	-	-	-	-
16.6 Profit or loss		103.031	-	103.031	71.122	-	71.122
16.6.1 Prior periods profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		103.031	-	103.031	71.122	-	71.122
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		15.699.885	24.552.022	40.251.907	13.227.088	19.440.250	32.667.338

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

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 30 SEPTEMBER 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

		Revised Current Period 30 September 2020			Audited Prior Period 31 December 2019			
		Note Ref. (Section Five)	TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		16.893.739	77.875.028	94.768.767	12.392.357	71.068.645	83.461.002
I.	GUARANTEES	III-1	1.781.564	3.217.210	4.998.774	858.528	2.915.929	3.774.457
1.1	Letters of guarantee		1.411.814	760.037	2.171.851	848.364	926.587	1.774.951
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		1.411.814	760.037	2.171.851	848.364	926.587	1.774.951
1.2	Bank acceptances		-	9.812	9.812	-	395.765	395.765
1.2.1	Import letter of acceptance		-	9.812	9.812	-	395.765	395.765
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		-	945.362	945.362	10.164	739.775	749.939
1.3.1	Documentary letters of credit		-	945.362	945.362	10.164	739.775	749.939
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		369.750	1.501.999	1.871.749	-	853.802	853.802
1.9	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-1	1.835.552	4.686.052	6.521.604	743.184	1.888.880	2.632.064
2.1	Irrevocable commitments		1.835.552	4.686.052	6.521.604	743.184	1.888.880	2.632.064
2.1.1	Forward asset purchase and sales commitments		1.047.626	4.672.360	5.719.986	41.440	1.878.130	1.919.570
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		329.117	-	329.117	180.846	268	181.114
2.1.5	Securities underwriting commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Payment commitment for checks		52.369	-	52.369	57.317	-	57.317
2.1.8	Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9	Commitments for credit card expenditure limits		399.587	-	399.587	463.581	-	463.581
2.1.10	Commitments for promotions related with credit cards and banking activities		6.853	-	6.853	-	-	-
2.1.11	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12	Payables for short sale commitments		-	-	-	-	-	-
2.1.13	Other irrevocable commitments		-	13.692	13.692	-	10.482	10.482
2.2.	Revocable commitments		-	-	-	-	-	-
2.2.1	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		13.276.623	69.971.766	83.248.389	10.790.645	66.263.836	77.054.481
3.1	Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1	Fair value hedge		-	-	-	-	-	-
3.1.2	Cash flow hedge		-	-	-	-	-	-
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Trading derivatives		13.276.623	69.971.766	83.248.389	10.790.645	66.263.836	77.054.481
3.2.1	Forward foreign currency buy/sell transactions		547.453	2.939.698	3.487.151	1.477.974	3.847.264	5.325.238
3.2.1.1	Forward foreign currency transactions-buy		109.737	1.636.622	1.746.359	1.170.486	1.488.792	2.659.278
3.2.1.2	Forward foreign currency transactions-sell		437.716	1.303.076	1.740.792	307.488	2.358.472	2.665.960
3.2.2	Swap transactions related to foreign currency. and interest rates		11.672.179	62.171.012	73.843.191	7.676.360	59.039.793	66.716.153
3.2.2.1	Foreign currency swaps-buy		517.375	10.070.730	10.588.105	1.339.859	13.320.243	14.660.102
3.2.2.2	Foreign currency swaps-sell		1.904.804	8.549.182	10.453.986	2.796.501	11.801.534	14.598.035
3.2.2.3	Interest rate swaps-buy		4.625.000	21.775.550	26.400.550	1.770.000	16.959.008	18.729.008
3.2.2.4	Interest rate swaps-sell		4.625.000	21.775.550	26.400.550	1.770.000	16.959.008	18.729.008
3.2.3	Foreign currency, interest rate and securities options		1.056.991	4.841.633	5.898.624	1.636.311	3.376.779	5.013.900
3.2.3.1	Foreign currency options-buy		438.853	2.263.224	2.702.077	609.888	1.683.030	2.292.918
3.2.3.2	Foreign currency options-sell		618.138	2.137.393	2.755.531	1.026.423	1.284.941	2.311.364
3.2.3.3	Interest rate options-buy		-	220.508	220.508	-	204.404	204.404
3.2.3.4	Interest rate options-sell		-	220.508	220.508	-	204.404	204.404
3.2.3.5	Securities options-buy		-	-	-	-	-	-
3.2.3.6	Securities options-sell		-	-	-	-	-	-
3.2.4	Foreign currency futures		-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell		-	-	-	-	-	-
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell		-	-	-	-	-	-
3.2.6	Other		-	19.423	19.423	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		68.998.832	67.084.611	136.083.443	70.419.539	45.929.521	116.349.060
IV.	ITEMS HELD IN CUSTODY		3.211.867	1.138.133	4.350.000	1.824.852	443.421	2.268.273
4.1	Assets under management		1.546.755	-	1.546.755	1.009.360	-	1.009.360
4.2	Investment securities held in custody		1.586.237	944.748	2.530.985	702.513	225.200	927.713
4.3	Checks received for collection		2.694	187.073	189.767	1.061	195.025	196.086
4.4	Commercial notes received for collection		76.181	6.312	82.493	111.918	23.196	135.114
4.5	Other assets received for collection		-	-	-	-	-	-
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		-	-	-	-	-	-
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGED ITEMS		65.786.965	65.946.478	131.733.443	68.594.687	45.486.100	114.080.787
5.1	Marketable securities		-	-	-	-	-	-
5.2	Guarantee notes		26.244.977	8.098.582	34.343.559	25.391.867	6.109.638	31.501.505
5.3	Commodities		8.933.509	1.770.897	10.704.406	9.168.853	-	9.168.853
5.4	Warrants		-	-	-	-	-	-
5.5	Properties		22.038.809	31.859.406	53.898.215	24.972.330	24.768.570	49.740.900
5.6	Other pledged items		8.569.670	24.217.593	32.787.263	9.061.637	14.607.892	23.669.529
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF - BALANCE SHEET ITEMS (A+B)			85.892.571	144.959.639	230.852.210	82.811.896	116.998.166	199.810.062

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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

III. INCOME AND EXPENSE ITEMS

	Note (Section Five)	Reviewed Current Period 1 January- 30 September 2020	Reviewed Prior Period 1 January- 30 September 2019	Reviewed Current Period 1 July- 30 September 2020	Reviewed Current Period 1 July- 30 September 2019
I. INTEREST INCOME	IV-1	1.761.733	2.326.869	642.819	748.526
1.1 Interest on loans		1.231.890	1.800.820	432.496	570.823
1.2 Interest received from reserve deposits		-	32.273	-	7.965
1.3 Interest received from banks		49.332	150.367	14.383	45.825
1.4 Interest received from money market transactions		56.024	67.742	996	37.663
1.5 Interest received from marketable securities portfolio		390.924	237.838	183.797	76.138
1.5.1 Financial assets at fair value through profit or loss		7.849	603	4.736	237
1.5.2 Financial assets at fair value through other comprehensive income		291.950	59.624	155.502	11.636
1.5.3 Financial assets measured at amortized cost		91.125	177.611	23.559	64.265
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		33.563	37.829	11.147	10.112
II. INTEREST EXPENSE	IV-2	1.044.512	1.570.976	388.036	476.794
2.1 Interest on deposits		645.840	1.265.287	211.360	365.043
2.2 Interest on funds borrowed		36.818	64.354	11.306	18.006
2.3 Interest on money market transactions		86.107	5.442	58.284	1.605
2.4 Interest on securities issued		215.839	210.350	81.797	83.247
2.5 Finance lease interest expenses		20.181	24.796	6.886	8.735
2.6 Other interest expenses		39.727	747	18.403	158
III. NET INTEREST INCOME (I - II)		717.221	755.893	254.783	271.732
IV. NET FEES AND COMMISSIONS INCOME		60.400	83.781	19.453	24.322
4.1 Fees and commissions received		77.069	105.186	25.157	31.239
4.1.1 Non-cash loans		26.969	36.474	6.867	11.052
4.1.2 Other		50.100	68.712	18.290	20.187
4.2 Fees and commissions paid (-)		16.669	21.405	5.704	6.917
4.2.1 Non-cash loans		3	-	3	-
4.2.2 Other		16.666	21.405	5.701	6.917
V. DIVIDEND INCOME	IV-3	-	13	-	-
VI. TRADING PROFIT/LOSS (Net)	IV-4	12.972	16.953	(19.720)	(39.670)
6.1 Profit/losses from capital market transactions		19.095	25.123	7.770	(2.465)
6.2 Profit/losses from derivative financial transactions		73.673	(8.347)	60.464	6.539
6.3 Foreign exchange profit/losses		(79.796)	177	(87.954)	(43.744)
VII. OTHER OPERATING INCOME	IV-5	355.356	101.233	77.066	39.668
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		1.145.949	957.873	331.582	296.052
IX. EXPECTED CREDIT LOSSES (-)	IV-6	527.158	352.744	126.034	89.265
X. OTHER PROVISION EXPENSES (-)	IV-6	-	118.397	-	36.632
XI. PERSONNEL EXPENSES (-)		210.615	187.030	71.371	63.715
XII. OTHER OPERATING EXPENSES (-)	IV-7	279.308	271.814	85.979	91.276
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		128.868	27.888	48.198	15.164
XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-	-	-
XV. NET MONETARY POSITION GAIN/LOSS		-	-	-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	IV-8	128.868	27.888	48.198	15.164
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	IV-9	(25.837)	(5.775)	(9.668)	(3.261)
18.1 Current tax provision		-	-	-	-
18.2 Expense effect of deferred tax (+)		(25.837)	(5.775)	(9.668)	(3.261)
18.3 Income effect of deferred tax (-)		-	-	-	-
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-10	103.031	22.113	38.530	11.903
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		-	-	-	-
XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)		-	-	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1 Current tax provision		-	-	-	-
23.2 Expense effect of deferred tax (+)		-	-	-	-
23.3 Income effect of deferred tax (-)		-	-	-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV. NET PROFIT/LOSSES (XIX+XXIV)	IV-11	103.031	22.113	38.530	11.903
Profit / Loss per Share		0,031	0,007	0,012	0,004

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

Convenience translation of unconsolidated financial statements and independent auditor's review 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 30 SEPTEMBER 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed Current Period 1 January- 30 September 2020	Reviewed Prior Period 1 January- 30 September 2019
I. CURRENT PERIOD PROFIT / (LOSS)	103.031	22.113
II. OTHER COMPREHENSIVE INCOME	(59.938)	41.723
2.1 Other comprehensive income that will not be reclassified to profit or loss	1.786	2.056
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	-	-
2.1.4 Other Components of other comprehensive income that will not be reclassified to profit or loss	2.128	2.636
2.1.5 Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	(342)	(580)
2.2 Other comprehensive income that will be reclassified to profit or loss	(61.724)	39.667
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	(81.329)	20.735
2.2.3 Income (loss) related with cash flow hedges	2.932	30.121
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	16.673	(11.189)
III. TOTAL COMPREHENSIVE INCOME (I+II)	43.093	63.836

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

Convenience translation of unconsolidated financial statements and independent auditor's review 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 30 SEPTEMBER 2020

(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						
		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
Note (Section Five)															
	Current Period 30/09/2020														
I.	Balance at the beginning of the period	3.288.842	-	-	(2.198)	-	(2.543)	6.530	-	36.052	(44.600)	(53.624)	-	71.122	3.299.581
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)	-	(2.543)	6.530	-	36.052	(44.600)	(53.624)	-	71.122	3.299.581
IV.	Total comprehensive income (loss)	-	-	-	-	-	-	1.786	-	(64.012)	2.288	-	-	103.031	43.093
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	-	-	-	-	-	-	-	-	-	-	71.122	-	(71.122)	-
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves (*)	-	-	-	-	-	-	-	-	-	-	71.122	-	(71.122)	-
11.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	End Balance (III+IV+.....+X+XI)	3.288.842	-	-	(2.198)	-	(2.543)	8.316	-	(27.960)	(42.312)	17.498	-	103.031	3.342.674

(*) The Bank, in accordance with Article 519 of the Turkish Commercial Code No.6102, decided in the Extraordinary General Assembly on March 26, 2020 to book legal reserves of TL 3.556, which is 5% of the distributable net statutory profit of TL 71.122 and the remaining amount of TL 67.566 has been decided to be reserved as extraordinary reserves.

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

							Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit and Loss						
		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 Reclassified to Profit or Loss)	Exchange Differences on Translation	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	
Note (Section Five)																
	Prior Period 30/09/2019															
I.	Balance at the beginning of the period	3.288.842	-	-	(2.198)	-	(551)	4.745	-	(20.043)	(68.858)	735	-	17.150	3.219.822	
II.	Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	(71.509)	-	-	(71.509)	
2.1	Correction of error	-	-	-	-	-	-	-	-	-	-	(10.047)	-	-	(10.047)	
2.2	Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	(61.462)	-	-	(61.462)	
III.	New Balance (I+II)	3.288.842	-	-	(2.198)	-	(551)	4.745	-	(20.043)	(68.858)	(70.774)	-	17.150	3.148.313	
IV.	Total comprehensive income (loss)	-	-	-	-	-	-	2.056	-	16.173	23.494	-	-	22.113	63.836	
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	-	-	-	-	-	-	-	-	-	-	17.150	-	(17.150)	-	
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	17.150	-	(17.150)	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	End Balance (III+IV+.....+X+XI)	3.288.842	-	-	(2.198)	-	(551)	6.801	-	(3.870)	(45.364)	(53.624)	-	22.113	3.212.149	

(*) In accordance with the option provided by the transition provisions of TFRS 16 "Leases", the Bank did not restate the prior period financial statements but the transition effect of the standard amounting to TL 61.462 has been recognized in the "Extraordinary Reserves" in equity as of 1 January 2019.

(**) The Bank, in accordance with Article 519 of the Turkish Commercial Code No.6102, decided in the Extraordinary General Assembly on March 29, 2019 to book legal reserves of TL 17.150, which is 5% of the distributable net statutory profit of TL 858 and the remaining amount of TL 16.292 has been decided to be reserved as extraordinary reserves.

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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

VI. STATEMENT OF CASH FLOWS

	Reviewed Current Period 1 January- 30 September 2020	Reviewed Prior Period 1 January- 30 September 2019
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit / (loss) before changes in operating assets and liabilities	(754.864)	504.488
1.1.1 Interest received	1.663.206	2.087.628
1.1.2 Interest paid	(1.009.028)	(1.560.978)
1.1.3 Dividend received	-	13
1.1.4 Fees and commissions received	77.069	105.186
1.1.5 Other income/(expense)	49.644	35.710
1.1.6 Collections from previously written off loans	146.443	134.044
1.1.7 Payments to personnel and service suppliers	(377.464)	(345.175)
1.1.8 Taxes paid	(118.641)	(105.431)
1.1.9 Others	(1.186.093)	153.491
1.2 Changes in operating assets and liabilities	(12.612)	(1.070.670)
1.2.1 Net (increase) decrease in financial assets held for trading	(40.119)	(8.140)
1.2.2 Net (increase) decrease in due from banks and other financial institutions	(1.246.363)	(240.448)
1.2.3 Net (increase) decrease in loans	(2.774.393)	(283.409)
1.2.4 Net (increase) decrease in other assets	(960.211)	543.290
1.2.5 Net increase (decrease) in bank deposits	275.214	(177.072)
1.2.6 Net increase (decrease) in other deposits	2.814.585	(1.031.088)
1.2.7 Net (increase) decrease in financial liability at fair value through profit or loss	46.396	(23.076)
1.2.8 Net increase (decrease) in funds borrowed	2.444.870	(711.861)
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	(572.591)	861.134
I. Net cash used in from banking operations	(767.476)	(566.182)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	(4.523.208)	(50.024)
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	(50.456)	(24.609)
2.4 Fixed assets sales	176.316	98.593
2.5 Cash paid for purchase of financial assets available for sale	(6.336.119)	(517.121)
2.6 Cash obtained from sale of financial assets available for sale	578.367	-
2.7 Cash paid for purchase of investment securities	(30.193)	(371.324)
2.8 Cash obtained from sale of investment securities	1.138.877	764.437
2.9 Others	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flows from financing activities	1.153.685	636.816
3.1 Cash obtained from funds borrowed and securities issued	5.221.812	3.066.530
3.2 Cash used for repayment of funds borrowed and securities issued	(4.075.132)	(2.458.660)
3.3 Issued equity instrument	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	7.005	28.946
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	1.555.128	234.513
V. Net increase in cash and cash equivalents	(2.581.871)	255.123
VI. Cash and cash equivalents at beginning of the period	6.409.525	5.287.542
VII. Cash and cash equivalents at end of the period	3.827.654	5.542.665

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2020

(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, “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 (“BRSA”), and in case where a specific regulation is not made by BRSA, TFRS.

In accordance with the Communiqué on the Amendment to the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks that published in the Official Gazette dated 1 February 2019 and numbered 30673, the financial statements of the previous year have been aligned with the new financial statements.

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

c. Changes in accounting policies and disclosures

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2020 have no material effect on the consolidated financial statements, consolidated 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 consolidated financial statements have no material effect on the consolidated financial statements, consolidated financial performance and on the Bank’s accounting policies.

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

I. Basis of Presentation (continued)

Explanation for convenience translation into English

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

II. Explanations on 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; (i) 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); (ii) when the transaction or quoted price does not represent fair value; and / or (iii) when a price for a similar asset requires significant adjustment to make it comparable to the asset being measured, or (iv) 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. As of 30 September 2020, fair value measurement adjustments are made in TL yield curves used in valuation of derivative transactions.

ODEA BANK ANONİM ŞİRKETİ
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(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 applied 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.

As of 30 September 2020, the Bank has no transaction subject to hedge accounting.

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. Net book value of the non-performing loans (Gross Book Value – Expected Credit Loss) are accrued through effective interest rate and reclassification is made between the accounts of "expected credit losses" expense and "interest income from loans" for such calculated interest amount.

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" 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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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 market place.

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.

ODEA BANK ANONİM ŞİRKETİ
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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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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 amortised 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. On the other hand, in accordance with the BRSA Decision numbered 8948 dated 17 March 2020, the Bank changes definition of default as delinquency in interest and/or principal payments by more than 180 days instead of 90 starting from 17 March 2020 until 31 December 2020. In this context, the Bank measures the expected credit loss according to risk models, while considering the temporariness of the process and the liquidity shortage experienced by the borrower due to Covid-19 outbreak in calculating the expected credit loss within the scope of IFRS 9 for loans delayed between 91-180 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.

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 change above the defined threshold is considered as significant increase in credit risk, meaning that the credit is classified under Stage 2 loans.

Within the scope of qualitative assessments, if any of the following criteria occurs; the related financial asset would be taken into account as Stage 2:

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VII. Explanations on Expected Credit Losses (continued)

Significant Increase in Credit Risk (continued)

- Delinquency in principal and/or interest payments, which is between 30 days and 90 days. In accordance with the BRSA Decision numbered 8948 dated 17 March 2020, starting from 17 March 2020, loans with an overdue more than 90 days instead of 30 days are taken into consideration until 31 December 2020. In accordance with the related decisions, borrowers with a DPD between 30 and 90 days were classified as Stage 1, however lifetime ECL (S2 ECL) was calculated for them.
- 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

ECL is estimated according to several macroeconomic scenarios and final ECL is an average of each scenario's ECL weighted by scenario probabilities. The parameters subject to the expected credit loss measurement are as follows:

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. Conversion rates are determined based on Circular 2016/1 published by local regulatory (BRSA) under the Basel 1 Framework.

Lost Given Default (LGD): It represents the economic loss incurred on the loan, if a loan defaults. It is represented as a percentage. The recovery rate summarizes all cash flows from the customer after default, including collections through cash, prior lien mortgages and vehicle pledges. In this context, different LGD values are calculated for the segments in the retail and non-retail portfolios using historical data.

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 uses two separate internal rating systems for non-retail portfolio in the Corporate and SME segment. The both internal rating models include the borrower's financial information and the answers to the qualitative question set. PD's used in ECL calculation consider both current conditions and historical data. 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, it is considered that three different macroeconomic scenarios as "Base", "Upside" and "Downside". Macroeconomic scenarios should be reviewed and if necessary, updated at least on an annual basis or earlier in case of a major event necessitating a review. Each scenario has its own probability to occur. The expected credit loss amount corresponding to each scenario is discounted to the net present value by using the exposure's contractual rate of interest.

If the loan classified under Stage 1, expected credit losses is calculated by considering 12-month PDs. The Bank calculates expected 12-month credit loss on the basis of a 12-month anticipation of default following the reporting date. The marginal PDs calculated as the difference between the cumulative PDs in two consecutive periods multiplied by the total loss in default calculated on EAD amounts for each horizon. This calculation is performed for each of the three scenarios as described above, each scenario is discounted to the net present value by using the exposure's contractual rate of interest from related date and final ECL is derived from average of each scenario ECL weighted by scenario probabilities.

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.

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VII. Explanations on Expected Credit Losses (continued)

For non-retail loans classified under Stage 3, ECL estimated based on individual assessment in accordance with internal policies and IFRS9. Expected credit loss calculation is performed by discounting the expected collections of the financial instrument to its net present value with a defined interest rate.

In addition, the Bank assesses a certain portion of Stage 2 non-retail loans individually in the calculation of the expected credit losses based on TFRS 9. The Bank makes such calculation by taking into account of expected cash flows.

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.

Despite COVID-19 outbreak, The Bank's macroeconomic parameters regarding expected loan loss calculation has not been changed. The effects of outbreak have been reflected to total portfolio by updating the approaches to forward looking economic scenario and to financial statements with the expert reviews and individual assessments for the related companies.

Approaches to Determine Forward Looking Economic Scenario

As mentioned above, by using scenarios related to macroeconomic factors, the effect of future expectations is included in the calculation of ECL. The macro indicators that make up these macroeconomic forecasting models are Gross Domestic Product (GDP) and unemployment rate. That macroeconomic model contains more than one scenario that are considered along with their respective probability of occurrence and the weighted average of the results of these scenarios are taken into account in ECL calculations.

Due to the COVID-19 outbreak, within the scope of forward-looking indicators, the scenarios have been updated in line with the new conditions and the probability of occurrence has been changed.

Behavioural Maturity Calculation Methodology

The loss allowance for expected credit losses is measured for loans in Stage 1 until the end of maturity for those with less than one year of maturity and one year for loans with a remaining maturity of more than one year. For loans in Stage 2, lifetime (up to maturity) expected credit losses is measured. This calculation is based on the remaining maturity information for each loan. While using this information for products with maturity information, behavioural maturity determined in accordance with internal policies is taken into consideration for products without maturity information such as off-balance sheet items and overdrafts. Expected credit losses are measured over these maturities according to the type of loan.

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.

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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 30 September 2020 and 31 December 2019 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 softwares are purchased and there are no completed or continuing software development projects by the Bank.

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
ATM	10
Furniture, fixtures and others	20
Office equipment’s	10-33

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.

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XII. Explanations on Tangible Fixed Assets (continued)

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.

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” and discounted the total provision by using the current market yield at the balance sheet date on government bonds based on their past experiences in the issues of completion of personnel service period and severance pay eligibility.

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:

According to the Article 32 of the Corporate Tax Law No 5520, accepted in the meeting of Grand National Assembly of Turkey (TBMM) on June 13, 2006 and announced in the Official Gazette dated June 21, 2006, the corporate tax rate has been decreased from 30% to 20%, effective from January 1, 2006 as per the Article 37 of the Corporate Tax Law.

The tax legislation requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. Such advance taxes calculated and paid are offset against the final tax liability for the year.

According to Provisional Article 10 added to the Corporate Tax Law, Corporate Tax at 20% shall be applied as 22% for the corporate earnings of the taxation periods of 2018, 2019 and 2020 of the institutions.

Tax returns are required to be filed between the first and twenty-fifth 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.

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.

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XVI. Explanations on Taxation (continued)

Deferred Tax Liability / Asset (continued)

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. The Law regarding amendments on Certain Tax Laws was approved in The Grand National Assembly of Turkey on 28 November 2017 and the Law was published in the Official Gazette on 5 December 2017. Accordingly, the corporate income tax rate will be increased from 20% to 22% for the years 2018, 2019 and 2020. According to the Law that have been enacted, deferred tax asset and liabilities shall be measured at the tax rate 22% that are expected to apply to these periods when the assets is realised or the liability is settled. For the periods 2021 and after deferred tax assets and liabilities were measured by 20% tax rate. Furthermore, the Council of Ministers has been authorized to reduce the rate of 22% down to 20%.

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.

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 VIII of Section Four.

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XXII. Explanations on Reclassifications

According to the Communiqué on the Amendment to the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks that published in the Official Gazette dated 1 February 2019 and numbered 30673, being effective as of 1 January 2019, some reclassifications have been made on the prior period "Statement of Financial Position" and "Statement of Profit or Loss" in order to comply with the presentation of 30 September 2020 financial statements.

XXIII. Explanations on Other Disclosures

The new type of virus, COVID-19, and precautions regarding it, cause malfunctions in operations in countries exposed to it. Moreover, it affects economic conditions negatively both in our country and globally.

The process is monitored and managed by the Bank's Executive Committee with an integrated approach by giving priority to employee and customer safety, business continuity and including the assessment of its financial impacts.

The Bank has reflected possible effects of the COVID-19 outbreak on the estimates and judgments used in preparation of the interim financial statements as of 30 September 2020.

The Bank's detailed assessments in terms of financial impacts are ongoing, and which may have a significant impact on the financial statements are identified and addressed as follows:

- TFRS 9 – Within Financial Instruments Standard, the adequacy of the Expected Credit Losses has been evaluated taking into account the effects of outbreak and accounting estimates and assumptions has been reviewed and the necessary updates have been reflected.
- TFRS 16 - The effects within Leasing standard has been reviewed and deemed that no change is required.
- TAS 12 – The effects of recoverable amounts within Income Taxes Standard has been reviewed and deemed that no change is required.
- The effects of TFRS 15 - Revenue from Contracts with Customers and TAS 37 - Provisions, Contingent Liabilities and Contingent Assets Standard on the contracts with customers and suppliers have been reviewed and deemed that no change is required.

Additionally, the Bank's capital adequacy standard ratios and liquidity coverage ratios remain above from minimum limits stated on the legislation.

The Bank's management continues to monitor and evaluate the possible impacts as of the reporting date.

The Bank's management analyses the permanent depreciation on assets monitored with their Fair Value and it is decided that there is no such indication.

According to BRSA's article dated April 18, 2020, and the second paragraph of Article 43 and 93 of the Banking Law (Law) No. 5411, it has been decided that the Banks shall calculate Asset Ratio (AR) on a weekly basis, and as of the end of each month, the monthly average of the Asset Ratio should not fall below 100% for deposit banks and below 80% for participation banks. In accordance with subparagraph (a) of the first paragraph of Article 148 of the Law, as of the end of the relevant month, it was decided to calculate the excess amount that constitutes a contradiction to be taken as the amount of change in the share that will bring the ratio to 100% and 80%, respectively, for banks with an active ratio below 100% and participation banks below 80%. Rates related to AR calculation have been changed to 95% for deposit banks and 75% for participation banks with the decision dated August 10, 2020 and effective from August 1, 2020.

However, according to the Banks' information reported to BRSA as of March 31, 2020, Banks has [Deposits in local currency+ Deposits in foreign currency] except for the bank deposits below 25 billion TL are allowed to comply with the regulation until December 31, 2020.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Explanations on Equity

As of 30 September 2020, Bank's total capital has been calculated as TL 6.018.394 and capital adequacy ratio is 21,26%. As of 31 December 2019, Bank's total capital amounted to TL 5.558.945 and capital adequacy ratio was 21,74%. These ratios are above the minimum ratio required by the legislation.

a. Information about Total Capital:

	Current Period 30 September 2020
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 (*)	17.498
Gains recognized in equity as per TAS	28.783
Profit	103.031
Current Period Profit	103.031
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	3.438.154
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	37.205
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	79.608
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	42.312
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	159.125
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	278.796
Total Common Equity Tier 1 Capital	3.557.825

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I. Explanations on Equity (continued)

	Current Period 30 September 2020
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)	3.557.825
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA (**)	2.330.748
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	308.007
Tier II Capital Before Deductions	2.638.755
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	178.186
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	178.186
Total Tier II Capital	2.460.569
Total Capital (The sum of Tier I Capital and Tier II Capital)	6.018.394
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 30 September 2020
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital)	6.018.394
Total risk weighted amounts	28.309.286
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	12,57
Tier I Capital Adequacy Ratio	12,57
Capital Adequacy Ratio	21,26
BUFFERS	
Total buffer requirement	2,528
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,028
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	8,16
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)	1.095.724
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	308.007
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	-

(*) The Bank, in accordance with Article 519 of the Turkish Commercial Code No.6102, decided in the Extraordinary General Assembly on March 26, 2020 to book legal reserves of TL 3.556, which is 5% of the distributable net statutory profit of TL 71.122 and the remaining amount of TL 67.566 has been decided to be reserved as extraordinary reserves.

(**) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 22.935 thousands of Tier II sub-loan as of 30 September 2020, 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.

As of 30 September 2020 and which will be effective until 31 December 2020, the Bank has calculated credit risk exposures in foreign currencies by using spot purchase exchange rate dated 31 December 2019 within the context of the measures that are announced by BRSA on 23 March 2020. Additionally, negative revaluation differences of the securities classified under "Financial Assets Measured at Fair Value through Other Comprehensive Income" which acquired before 23 March 2020 has not been included in capital calculation. Had the Bank not applied these regulations, the equity amount as of 30 September 2020 would be calculated as TL 6.019.124 and the capital adequacy standard ratio would be calculated as 18,45%.

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I. Explanations on Equity (continued)

	Prior Period
	31 December 2019
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	(53.624)
Gains recognized in equity as per TAS	37.841
Profit	71.122
Current Period Profit	71.122
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	3.344.181
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	41.543
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	74.813
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	44.600
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	160.956
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	418.194
Total Common Equity Tier 1 Capital	3.601.419

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I. Explanations on Equity (continued)

	Prior Period 31 December 2019
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 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)	3.601.419
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA(***)	1.784.283
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	275.007
Tier II Capital Before Deductions	2.059.290
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	101.764
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	101.764
Total Tier II Capital	1.957.526
Total Capital (The sum of Tier I Capital and Tier II Capital)	5.558.945
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 2019
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital)	5.558.945
Total risk weighted amounts	25.575.654
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	14,08
Tier I Capital Adequacy Ratio	14,08
Capital Adequacy Ratio	21,74
BUFFERS	
Total buffer requirement	2,532
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,032
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	9,58
Amounts below the Excess Limits as per the Deduction Principles	-
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)	817.276
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	275.007
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	-

(*) The Bank, in accordance with Article 519 of the Turkish Commercial Code No.6102, decided in the Extraordinary General Assembly on March 29, 2019 to book legal reserves of TL 17.150, which is 5% of the distributable net statutory profit of TL 858 and the remaining amount of TL 16.292 has been decided to be reserved as extraordinary reserves. The effect of TFRS 16 on equity amounting to TL 61.462 is reflected in the reserve funds line.

(**) As per Turkish Account Standard 32, stamp tax and competition board fees amounting to TL 2.198 resulting from the capital increase are deducted from equity.

(***) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 670 thousands of Tier II sub-loan on 05 December 2018, 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.

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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) (**)	2.152.563
Per value of instrument (Thousand USD) (***)	277.065
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	On 1 August 2022, there is an early repayment option. Amount to pay back: TL 2.152.563 thousand
Subsequent call dates, if applicable	-
Coupons / dividends	-
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	7,625%
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.

(***) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7.625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 22.935 thousands of Tier II sub-loan as of 30 September 2020, 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.

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I. Explanations on Equity (continued)

Basic information in the TFRS 9 transition process: As of 30 September 2020, the Bank implements Provisional Article 5 of the “Regulation on Equity of Banks” published in the Official Gazette dated September 5, 2015 and numbered 29756. Therefore, in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside, eighty percent for the first year, sixty percent for the second year, forty percent for the third year, and twenty percent for the fourth year of the positive difference between the total expected loan loss provision calculated as of the date when the expected loan loss provisions are started to be recognized under TFRS 9 and the total provision amount calculated before starting the application of TFRS 9, can be added to the core capital amount after the tax deduction.

	2018	2019	2020	2021	2022
EQUITY COMPONENTS					
Core Capital	3.672.542	3.601.419	3.557.825	3.418.426	3.279.028
Transition Process Unapplied Core Capital	3.114.950	3.183.222	3.279.028	3.279.028	3.279.028
Tier I Capital	3.672.542	3.601.419	3.557.825	3.418.426	3.279.028
Transition Process Unapplied Main Capital	3.114.950	3.183.222	3.279.028	3.279.028	3.279.028
Equity	5.535.732	5.558.945	6.018.394	5.878.996	5.739.598
Transition Process Unapplied Equity	4.978.141	5.140.747	5.739.598	5.739.598	5.739.598
TOTAL RISK WEIGHTED AMOUNTS					
Total Risk Weighted Amounts	25.873.673	25.575.654	28.309.286	28.309.286	28.309.286
CAPITAL ADEQUACY RATIO					
Core Capital Adequacy Ratio (%)	%14,19	%14,08	%12,57	%12,08	%11,58
Transition Process Unapplied Core Capital Adequacy Ratio (%)	%12,04	%12,45	%11,58	%11,58	%11,58
Main Capital Adequacy Ratio (%)	%14,19	%14,08	%12,57	%12,08	%11,58
Transition Period Unapplied Main Capital Adequacy Ratio (%)	%12,04	%12,45	%11,58	%11,58	%11,58
Capital Adequacy Ratio (%)	%21,40	%21,74	%21,26	%20,77	%20,27
Transition Process Unapplied Capital Adequacy Ratio (%)	%19,24	%20,10	%20,27	%20,27	%20,27
LEVERAGE RATIO					
Total Leverage Ratio Risk Exposure	44.358.365	41.192.104	55.486.925	55.486.925	55.486.925
Leverage Ratio	8,53	8,70	6,57	6,57	6,57
Transition Process Unapplied Leverage Ratio	7,76	7,61	6,40	6,40	6,40

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II. 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 30 September 2020 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	24 September 2020	25 September 2020	28 September 2020	23 September 2020	30 September 2020
USD	7,6308	7,6296	7,7753	7,8078	7,7692
CHF	8,2375	8,2136	8,3831	8,4819	8,4090
GBP	9,7208	9,7012	10,0052	10,0379	9,9883
100 JPY	0,0723	0,0722	0,0737	0,0739	0,0735
EURO	8,8793	8,8752	9,0718	9,1531	9,0859

	25 December 2019	26 December 2019	27 December 2019	30 December 2019	30 December 2019
USD	5,9481	5,9356	5,9563	5,9451	5,9476
CHF	6,0519	6,0477	6,1013	6,1225	6,1624
GBP	7,7001	7,7082	7,7950	7,8003	7,8595
100 JPY	5,4360	5,4139	5,4361	5,4434	5,4792
EURO	6,5875	6,5866	6,6431	6,6530	6,6824

The simple arithmetic averages of foreign exchange buying rates of the Bank for major currencies the thirty days before 30 September 2020 are as follows:

	Monthly Average Foreign Exchange Rate
USD	7,5459
CHF	8,2434
GBP	9,7695
100 JPY	0,0715
EURO	8,8923

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II. Explanations on Currency Risk (continued)

30 September 2020	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	2.001.898	2.987.439	252.328	5.241.665
Banks	287.751	1.074.047	13.403	1.375.201
Financial Assets at Fair Value through Profit and Loss	-	1.434	-	1.434
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	327.157	2.100.169	-	2.427.326
Loans (*)	6.009.511	4.337.965	-	10.347.476
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Financial Assets measured at Amortized Cost	369.358	520.131	-	889.489
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	119.527	1.662.338	1	1.781.866
Total Assets (**)	9.115.202	12.683.523	265.732	22.064.457
Liabilities				
Bank Deposits	-	305.423	-	305.423
Other Deposits	4.447.347	12.026.539	1.473.401	17.947.287
Money Market Balances	-	766.602	-	766.602
Funds Provided From Other Financial Institutions (***)	998.622	2.642.729	-	3.641.351
Marketable securities issued	-	-	-	-
Miscellaneous payables	16.359	152.669	1.085	170.113
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	2.086	121.522	-	123.608
Total Liabilities (**)	5.464.414	16.015.484	1.474.486	22.954.384
Net Balance Sheet Position	3.650.788	(3.331.961)	(1.208.754)	(889.927)
Net Off-Balance Sheet Position				
Derivative Financial Assets	5.616.667	29.074.719	2.981.163	37.672.549
Derivative Financial Liabilities	9.357.194	25.418.274	1.755.089	36.530.557
Non-Cash Loans (****)	1.612.787	1.598.537	5.886	3.217.210
Prior Period				
Total Assets	7.442.585	10.528.561	353.371	18.324.517
Total Liabilities	7.443.010	10.848.778	413.473	18.705.261
Net Balance Sheet Position	(425)	(320.217)	(60.102)	(380.744)
Net Off-Balance Sheet Position	(21.302)	972.464	65.240	1.016.402
Financial Derivative Assets	8.987.087	24.626.474	965.623	34.579.184
Financial Derivative Liabilities	9.008.389	23.654.010	900.383	33.562.782
Non-Cash Loans (****)	1.432.760	1.478.585	4.584	2.915.929

(*) Foreign currency indexed loans amounting to TL 105.747 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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II. Explanations on Currency Risk (continued)

Foreign currency sensitivity:

The Bank holds EUR and USD currencies as a result of foreign currency transactions and manages it by using miscellaneous financial instruments.

As of 30 September 2020 the Bank's net foreign exchange exposure as per internal calculation is presented below:

30 September 2020	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	1.885	43.641	(71.887)	(26.361)
31 December 2019	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	(28.972)	36.019	(12.266)	(5.219)

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.

The maximum and minimum positions presented in Other FC column of internal foreign exchange exposure calculation are TL 366 and TL (66.559) respectively (31 December 2019: TL 942 and TL (8.077)).

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(*)	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
USD	10%	4.364	3.602	4.364	3.602
USD	-10%	(4.364)	(3.602)	(4.364)	(3.602)
EUR	10%	189	(2.897)	189	(2.897)
EUR	-10%	(189)	2.897	(189)	2.897

(*) Represents before tax amounts.

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III. 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
30 September 2020							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	363.437	-	-	-	-	5.040.581	5.404.018
Banks	235.924	-	-	-	-	1.244.461	1.480.385
Financial Assets at Fair Value Through Profit and Loss	13.388	6.328	23.269	1.965	100	-	45.050
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	373.135	4.934	1.395.445	4.384.935	798.289	15.465	6.972.203
Loans	5.808.304	3.942.850	4.667.460	2.800.783	1.487.761	2.317.309	21.024.467
Financial assets measured at amortized cost	81.942	-	38.895	816.705	225.796	-	1.163.338
Other Assets (*)	164.571	12.208	461.188	346.399	1.460.358	1.717.722	4.162.446
Total Assets	7.040.701	3.966.320	6.586.257	8.350.787	3.972.304	10.335.538	40.251.907
Liabilities							
Bank Deposits	6.833	13.621	-	-	-	305.895	326.349
Customer Deposits	16.742.649	3.518.690	946.691	12.820	-	3.667.634	24.888.484
Money Market Borrowings	3.000.587	-	-	-	-	-	3.000.587
Miscellaneous Payables	-	-	-	-	-	394.171	394.171
Marketable Securities Issued	878.548	269.453	674.142	-	-	-	1.822.143
Funds Provided From Other Financial Institutions	5.023	460.207	1.018	857.523	141.104	-	1.464.875
Subordinated Loans(**)	-	-	-	-	2.179.602	-	2.179.602
Other Liabilities (***)	82.125	7.565	342.504	348.651	1.466.025	3.928.826	6.175.696
Total Liabilities	20.715.765	4.269.536	1.964.355	1.218.994	3.786.731	8.296.526	40.251.907
Balance Sheet Long Position	-	-	4.621.902	7.131.793	185.573	2.039.012	13.978.280
Balance Sheet Short Position	(13.675.064)	(303.216)	-	-	-	-	(13.978.280)
Off-Balance Sheet Long Position	10.826.524	1.909.154	8.450.212	4.342.097	16.149.036	-	41.677.023
Off-Balance Sheet Short Position	(10.639.038)	(1.920.195)	(8.381.042)	(4.336.426)	(16.149.036)	-	(41.425.737)
Total Position	(13.487.578)	(314.257)	4.691.072	7.137.464	185.573	2.039.012	251.286

(*) Expected credit losses for performing loans are shown in the non-interest bearing column. Derivative financial assets are classified under other assets and expected credit losses of other assets are netted in other assets.

(**) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 22.935 thousands of Tier II sub-loan as of 30 September 2020, 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.

(***) Other liabilities consist of shareholders' equity amounting to TL 3.342.674, tax liabilities amounting to TL 40.555, provisions amounting to TL 138.652, lease payables to TL 156.539 and other liabilities amounting to TL 644.590. In addition, other liabilities include derivative financial liabilities amounting to TL 2.246.877.

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III. 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 2019							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.529.933	-	-	-	-	2.087.781	3.617.714
Banks	1.680.307	-	-	-	-	879.104	2.559.411
Financial Assets at Fair Value Through Profit and Loss	148	616	-	560	2.770	-	4.094
Money Market Placements	2.060.644	-	-	-	-	-	2.060.644
Financial assets at fair value through other comprehensive income	-	-	87.801	295.765	751.243	12.502	1.147.311
Loans (*)	7.771.706	2.327.267	3.413.796	2.273.995	718.255	2.803.192	19.308.211
Financial assets measured at amortized cost	8.598	270.214	381.986	1.070.167	621.664	-	2.352.629
Other Assets (**)	136	73	179	348	-	1.616.588	1.617.324
Total Assets	13.051.472	2.598.170	3.883.762	3.640.835	2.093.932	7.399.167	32.667.338
Liabilities							
Bank Deposits	15.417	36.281	-	-	-	701	52.399
Customer Deposits	13.344.388	4.054.940	1.840.172	12.156	-	2.793.318	22.044.974
Money Market Borrowings	178.604	-	-	-	-	-	178.604
Miscellaneous Payables	-	-	-	-	-	924.204	924.204
Marketable Securities Issued	570.504	189.496	-	-	-	-	760.000
Funds Provided From Other Financial Institutions	-	-	184.896	261.091	1.414.432	-	1.860.419
Subordinated Loans(**)	-	-	-	-	1.735.813	-	1.735.813
Other Liabilities (***)	197	103	130	308	-	5.110.187	5.110.925
Total Liabilities	14.109.110	4.280.820	2.025.198	273.555	3.150.245	8.828.410	32.667.338
Balance Sheet Long Position	-	-	1.858.564	3.367.280	-	-	5.225.844
Balance Sheet Short Position	(1.057.638)	(1.682.650)	-	-	(1.056.313)	(1.429.243)	(5.225.844)
Off-Balance Sheet Long Position	12.367.445	4.057.201	3.944.478	5.847.170	12.329.416	-	38.545.710
Off-Balance Sheet Short Position	(12.389.946)	(4.064.104)	(3.916.733)	(5.808.573)	(12.329.415)	-	(38.508.771)
Total Position	(1.080.139)	(1.689.553)	1.886.309	3.405.877	(1.056.312)	(1.429.243)	36.939

(*) Expected credit losses for performing loans are shown in the non-interest bearing column. Derivative financial assets are classified under other assets and expected credit losses of other assets are netted in other assets.

(**) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 17.110 thousands of Tier II sub-loan as of 30 September 2020, 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.

(***) Other liabilities consist of shareholders' equity amounting to TL 3.299.581, tax liabilities amounting to TL 42.265, provisions amounting to TL 127.431, lease payables to TL 167.179 and other liabilities amounting to TL 213.559. In addition, other liabilities include derivative financial liabilities amounting to TL 1.260.910.

Current period interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
30 September 2020				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	0,07	-	10,98
Financial Assets at Fair Value Through Profit and Loss	-	6,18	-	15,62
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,34	4,24	-	13,50
Loans	4,93	7,41	-	12,19
Financial Assets Measured at Amortized Cost	2,79	6,56	-	13,54
Liabilities				
Bank Deposits	1,49	2,49	-	9,74
Customer Deposits	1,37	2,20	-	10,85
Money Market Borrowings	-	2,85	-	11,22
Subordinated Loans	-	7,63	-	-
Marketable Securities Issued	-	-	-	10,74
Funds Provided From Other Financial Institutions	1,60	4,94	-	8,52

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III. Explanations on Interest Rate Risk (continued)

	EURO	USD	JPY	TL
	%	%	%	%
31 December 2019				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	1,63	-	11,11
Financial Assets at Fair Value Through Profit and Loss	-	6,68	-	15,00
Money Market Placements	-	-	-	11,40
Available-For-Sale Financial Assets	4,00	5,66	-	6,00
Loans	5,22	8,53	-	14,28
Held-To-Maturity Investments	1,88	6,48	-	17,81
Liabilities				
Bank Deposits	1,34	4,81	-	12,41
Customer Deposits	0,53	2,24	-	10,15
Money Market Borrowings	-	2,64	-	10,50
Subordinated Loans	-	7,63	-	-
Marketable Securities Issued	-	-	-	13,48
Funds Provided From Other Financial Institutions	1,59	5,84	-	14,21

IV. Explanations on Share Certificates Position Risk

The Bank has no outstanding share certificate position.

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V. 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.

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V. 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 last three months 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 (*)	
		TL+FC	FC	TL+FC	FC
Current Period- 30 September 2020					
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets	10.437.248	7.757.044	8.001.983	5.398.745
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	14.960.550	9.411.835	1.390.476	941.184
3	Stable deposits	2.111.578	-	105.579	-
4	Less stable deposits	12.848.972	9.411.835	1.284.897	941.184
5	Unsecured Funding other than Retail and Small Business Customer Deposits	6.933.290	5.291.721	3.390.779	2.255.496
6	Operational deposits	519	14	130	3
7	Non-Operational Deposits	6.069.154	5.146.396	2.527.032	2.110.182
8	Other Unsecured Funding	863.617	145.311	863.617	145.311
9	Secured funding	-	-	-	-
10	Other Cash Outflows	7.668.821	5.255.653	2.292.915	2.357.942
11	Liquidity needs related to derivatives and market	1.623.429	1.909.086	1.623.428	1.909.086
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	6.045.392	3.346.567	669.487	448.856
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			7.074.170	5.554.622
CASH INFLOWS					
17	Secured Lending Transactions	26.359	-	-	-
18	Unsecured Lending Transactions	2.580.592	1.765.705	1.915.117	1.460.983
19	Other contractual cash inflows	302.297	696.944	302.297	696.944
20	TOTAL CASH INFLOWS	2.909.248	2.462.649	2.217.414	2.157.927
				Upper Limit Applied Amounts	
21	TOTAL HQLA			8.001.983	5.398.745
22	TOTAL NET CASH OUTFLOWS			4.856.757	3.396.694
23	Liquidity Coverage Ratio (%)			165,71	161,32

(*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

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V. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Information regarding weekly unconsolidated liquidity coverage ratios realized in the fourth quarter of 2019 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 (*)	
		TL+FC	FC	TL+FC	FC
Prior Period- 31 December 2019					
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets	8.453.437	5.396.470	6.823.367	3.795.111
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	15.118.805	9.400.569	1.404.221	940.057
3	Stable deposits	2.153.193	-	107.660	-
4	Less stable deposits	12.965.612	9.400.569	1.296.561	940.057
5	Unsecured Funding other than Retail and Small Business Customer Deposits	5.062.816	3.240.397	2.577.796	1.430.008
6	Operational deposits	1.510	49	378	13
7	Non-Operational Deposits	4.165.581	3.035.627	1.681.693	1.225.274
8	Other Unsecured Funding	895.725	204.721	895.725	204.721
9	Secured funding	15.118.805	9.400.569	1.404.221	940.057
10	Other Cash Outflows	5.148.435	3.940.794	915.421	1.317.684
11	Liquidity needs related to derivatives and market	424.900	965.317	424.900	965.317
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	4.723.535	2.975.477	490.521	352.367
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			4.897.438	3.687.749
CASH INFLOWS					
17	Secured Lending Transactions	1.697.821	-	-	-
18	Unsecured Lending Transactions	3.683.060	2.341.648	2.953.275	2.060.811
19	Other contractual cash inflows	203.325	1.181.376	203.326	1.181.376
20	TOTAL CASH INFLOWS	5.584.206	3.523.024	3.156.601	3.242.187
				Upper Limit Applied Amounts	
21	TOTAL HQLA			6.823.367	3.795.111
22	TOTAL NET CASH OUTFLOWS			1.744.639	941.438
23	Liquidity Coverage Ratio (%)			404,69	406,93

(*) 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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V. 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-30 September 2020		Prior Period-31 December 2019	
	TL+FC	FC	TL+FC	FC
Lowest Week	147,61	126,96	289,24	295,28
	11.09.2020	11.09.2020	25.10.2019	08.11.2019
Highest Week	192,75	198,12	574,28	506,73
	24.07.2020	24.07.2020	06.12.2019	03.01.2020
Average	165,71	161,32	404,69	406,93

Presentation of assets and liabilities according to their remaining maturities:

30 September 2020	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	1.983.865	3.420.153	-	-	-	-	-	5.404.018
Banks	1.244.461	235.924	-	-	-	-	-	1.480.385
Financial Assets at Fair Value Through Profit and Loss	-	13.388	6.328	23.269	1.965	100	-	45.050
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	15.465	192.729	4.934	1.395.445	4.565.341	798.289	-	6.972.203
Loans	-	2.377.847	1.463.462	4.140.297	7.029.592	3.695.960	2.317.309	21.024.467
Financial Assets Measured at Amortized Cost	-	81.942	-	38.895	816.705	225.796	-	1.163.338
Other Assets (**)	-	164.571	12.208	461.188	346.399	1.460.358	1.717.722	4.162.446
Total Assets	3.243.791	6.486.554	1.486.932	6.059.094	12.760.002	6.180.503	4.035.031	40.251.907
Liabilities								
Bank Deposits	305.895	6.833	13.621	-	-	-	-	326.349
Customer Deposits	3.667.634	16.742.649	3.518.690	946.691	12.820	-	-	24.888.484
Money Market Borrowings	-	3.000.587	-	-	-	-	-	3.000.587
Miscellaneous Payables	-	-	-	-	-	-	394.171	394.171
Marketable Securities Issued	-	878.548	269.453	674.142	-	-	-	1.822.143
Funds Provided From Other Financial Institutions	-	33.150	192.548	209.732	997.377	32.068	-	1.464.875
Subordinated Loans (***)	-	-	-	-	-	2.179.602	-	2.179.602
Other Liabilities (****)	-	82.125	7.565	342.504	348.651	1.466.025	3.928.826	6.175.696
Total Liabilities	3.973.529	20.743.892	4.001.877	2.173.069	1.358.848	3.677.695	4.322.997	40.251.907
Liquidity (Gap)/ Surplus	(729.738)	(14.257.338)	2.514.945s)	3.886.025	11.401.154	2.502.808	(287.966)	-
Net Off-Balance Sheet Position	-	187.486	(11.041)	69.170	5.671	-	-	251.286
Financial Derivative Assets	-	10.826.524	1.909.154	8.450.212	4.342.097	16.149.036	-	41.677.023
Financial Derivative Liabilities	-	(10.639.038)	(1.920.195)	(8.381.042)	(4.336.426)	(16.149.036)	-	(41.425.737)
Non-Cash Loans	599.069	641.759	275.216	3.482.730	-	-	-	4.998.774
Prior period								
Total Assets	1.121.043	10.230.771	1.139.629	2.877.038	6.762.867	6.104.275	4.431.715	32.667.338
Total Liabilities	3.718.223	14.108.996	4.282.878	2.075.821	947.701	2.424.202	5.109.517	32.667.338
Liquidity (Gap)/ Surplus	(2.597.180)	(3.878.225)	(3.143.249)	801.217	5.815.166	3.680.073	(677.802)	-

(*) The assets which are necessary to provide banking services and can not be liquidated in the short term, such as tangible assets, other assets, current tax assets, equity instruments, and non-performing loans are classified under undistributed.

(**) Other assets includes the asset items except from the presented above and allowance for expected credit losses.

(***) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 22.935 thousands of Tier II sub-loan as of 30 September 2020, 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.

(****) Other liabilities consist of shareholders' equity amounting to TL 3.342.674, tax liabilities amounting to TL 40.555, provisions amounting to TL 138.632, lease payables to TL 156.539 and other liabilities amounting to TL 644.59. In addition, other liabilities include derivative financial liabilities amounting to TL 2.246.877.

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VI. 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 6,57 % (31 December 2019: 8,70%). As of 30 September 2020, the Bank’s leverage ratio is dropped to 6,57% from 8,70%. The decrease springs from the increase in risk amounts of off balance sheet items. According to Regulations, minimum leverage ratio is 3%.

Disclosure of Leverage ratio template:

	Current Period	Prior Period
	30 September	31 December
	2020 (*)	2019 (*)
Balance sheet transactions		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	38.477.708	31.651.078
2 (Assets deducted from Core capital)	(110.653)	(109.718)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	38.367.055	31.541.360
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	3.867.566	683.002
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)	3.867.566	683.002
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	15.421.519	11.626.181
11 (Correction amount due to multiplication with credit conversion rates)	(3.267.175)	(2.818.558)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	12.154.344	8.807.623
Capital and total risk		
13 Core Capital	3.562.511	3.566.665
14 Total risk amount(sum of lines 3, 6, 9 and 12)	54.388.965	41.031.985
Leverage ratio		
15 Leverage ratio	6,57	8,70

(*) The arithmetic average of the last 3 months in the related periods.

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VII. 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 31 March 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 30 September 2020:

- 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 30 September 2020	Prior Period 31 December 2019	Current Period 30 September 2020
1	Credit risk (excluding counterparty credit risk) (CCR)	21.255.143	21.491.464	1.700.411
2	Standardised approach (SA)	21.255.143	21.491.464	1.700.411
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	3.385.392	509.074	270.831
5	Standardised approach for counterparty credit risk (SA-CCR)	3.385.392	509.074	270.831
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	1.024.888	869.103	81.991
17	Standardised approach (SA)	1.024.888	869.103	81.991
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	2.643.863	2.706.013	211.509
20	Basic Indicator Approach	2.643.863	2.706.013	211.509
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)	28.309.286	25.575.654	2.264.742

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VIII. 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 (segregated as Corporate, Commercial and SME prior to unification under Commercial Banking in 2018) 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-30 September 2020)	Commercial Banking	Retail Banking	Other and Unallocated (*)	Bank's Total Activities
Net Interest Income	313.889	140.300	263.032	717.221
Net Fee and Commission Income	44.206	20.544	(4.350)	60.400
Dividend Income	-	-	-	-
Other Operating Income and Net Profit/Loss	369.620	35.459	(36.751)	368.328
Operating Income	727.715	196.303	221.931	1.145.949
Other Operating Expenses	-	-	(489.923)	(489.923)
Credit and Other Provisions	(564.916)	15.317	22.441	(527.158)
Profit Before Tax	-	-	128.868	128.868
Tax Provision	-	-	(25.837)	(25.837)
Net Profit	-	-	103.031	103.031
Total Asset	19.814.968	668.594	19.768.345	40.251.907
Segment Assets	19.814.968	668.594	19.768.345	40.251.907
Total Liability	7.647.917	17.158.369	15.445.621	40.251.907
Segment Liability	7.647.917	17.158.369	9.923.345	34.729.631
Subordinated Loan	-	-	2.179.602	2.179.602
Equity	-	-	3.342.674	3.342.674

(*) Shows operating expenses, general provisions and equity items and also funding return on capital, that is calculated as part of bank's asset liability management strategy as well as unallocated liquidity items and their income/expense amounts.

Prior Period (1 January-30 September 2019)	Commercial Banking	Retail Banking	Other and Unallocated (*)	Bank's Total Activities
Net Interest Income	265.307	162.886	327.700	755.893
Net Fee and Commission Income	89.627	37.428	(43.274)	83.781
Dividend Income	-	-	13	13
Other Operating Income and Net Profit/Loss	14.486	29.425	74.275	118.186
Operating Income	369.420	229.739	358.714	957.873
Other Operating Expenses	-	-	(458.844)	(458.844)
Credit and Other Provisions	(304.167)	(48.471)	(118.503)	(471.141)
Profit Before Tax	-	-	27.888	27.888
Tax Provision	-	-	(5.775)	(5.775)
Net Profit	-	-	22.113	22.113
Total Asset (**)	17.925.257	946.209	13.795.872	32.667.338
Segment Assets	17.925.257	946.209	13.795.872	32.667.338
Total Liability (**)	6.377.645	15.586.818	10.702.875	32.667.338
Segment Liability	6.377.645	15.586.818	5.667.481	27.631.944
Subordinated Loan	-	-	1.735.813	1.735.813
Equity	-	-	3.299.581	3.299.581

(*) Shows operating expenses, free provisions, general provisions and equity items and also funding return on capital, that is calculated as part of bank's asset liability management strategy as well as unallocated liquidity items and their income/expense amounts.

(**) Represents 31 December 2019 balances.

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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:

	30 September 2020		31 December 2019	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	29.457	203.642	30.584	161.754
Balances with the Central Bank of Turkey	132.896	5.038.023	160.213	3.265.163
Other	-	-	-	-
Total	162.353	5.241.665	190.797	3.426.917

b) Information related to the account of the Central Bank of Turkey:

	30 September 2020		31 December 2019	
	TL	FC	TL	FC
Unrestricted Demand Deposit	132.896	1.617.870	154.643	1.443.395
Unrestricted Time Deposit	-	363.437	-	-
Restricted Time Deposit	-	3.056.716	5.570	1.821.768
Total	132.896	5.038.023	160.213	3.265.163

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 CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold. The CBRT pays interest to banks that provide credit growth in accordance with the communique principles dated December 9, 2019 and numbered 2019/19, for Turkish Lira required reserves.

The required reserve rates for TL liabilities vary between 1 % and 7% for TL deposits and other liabilities according to their maturities as of 30 September 2020 (31 December 2019: 1 % and 7% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 8% and 24% for deposit and other foreign currency liabilities according to their maturities as of 30 September 2020 (31 December 2019: 5% and 21% for all foreign currency liabilities).

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I. 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 2019: None).
- a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2019: None).
- b) Positive differences related to derivative financial assets held-for-trading:

	30 September 2020		31 December 2019	
	TL	FC	TL	FC
Forward Transactions	11.100	10.793	11.845	5.668
Swap Transactions	815.475	1.589.352	687.335	674.774
Futures Transactions	-	-	-	-
Options	8.135	9.876	8.410	1.461
Other	-	-	-	-
Total	834.710	1.610.021	707.590	681.903

3. Information on banks:

	30 September 2020		31 December 2019	
	TL	FC	TL	FC
Banks				
Domestic	105.184	48.256	550.424	770
Foreign	-	1.326.945	-	2.008.217
Branches and head office abroad	-	-	-	-
Total	105.184	1.375.201	550.424	2.008.987

4. Information on financial assets at fair value through other comprehensive income:

- a.1) Information on financial assets given as collateral or blocked:

	30 September 2020		31 December 2019	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	506.793	980.074	441.639	298.770
Other	-	-	-	-
Total	506.793	980.074	441.639	298.770

- a.2) Information on financial assets subject to repurchase agreements:

As of 30 September 2020, financial assets at fair value through other comprehensive income subject to repurchase agreements: TL 2.895.820 (31 December 2019: TL 4.208).

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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:

	30 September 2020	31 December 2019
Debt securities	7.023.228	1.134.809
Quoted on a stock exchange	7.023.228	1.134.809
Not quoted	-	-
Share certificates	15.465	12.502
Quoted on a stock exchange	10.568	7.605
Not quoted	4.897	4.897
Value Increase/Impairment Losses (-)	66.490	-
Total	6.972.203	1.147.311

5. Information on loans:

a) Information on all types of loans or advances given to shareholders and employees of the Bank:

	30 September 2020		31 December 2019	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	2.497	-
Corporate shareholders	-	-	2.497	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	-	85.067	-	86.071
Loans granted to employees	4.921	-	3.882	-
Total	4.921	85.067	6.379	86.071

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans (continued)

b) Information on the first and second group loans including restructured or rescheduled loans:

30 September 2020

Cash Loans	Standard loans	Loans under close monitoring (*)		
		Not under the scope of restructuring	Loans under restructuring	
			Modifications on agreement conditions	Refinancing
Non-specialized loans	11.647.022	5.662.853	-	1.397.283
Loans given to enterprises	-	-	-	-
Export loans	1.108.168	95.339	-	24.476
Import loans	-	-	-	-
Loans given to financial sector	525.204	-	-	-
Consumer loans	289.621	32.172	-	43.738
Credit cards	116.392	2.881	-	7.751
Other	9.607.637	5.532.461	-	1.321.318
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	11.647.022	5.662.853	-	1.397.283

(*) 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 1.655.315

31 December 2019

Cash Loans	Standard loans	Loans under close monitoring (*)		
		Not under the scope of restructuring	Loans under restructuring	
			Modifications on agreement conditions	Refinancing
Non-specialized loans	10.947.662	4.628.936	-	928.421
Loans given to enterprises	-	-	-	-
Export loans	656.616	116.332	-	1.275
Import loans	-	-	-	-
Loans given to financial sector	557.231	-	-	-
Consumer loans	442.246	64.188	-	51.646
Credit cards	145.230	26.099	-	-
Other	9.146.339	4.422.317	-	875.500
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	10.947.662	4.628.936	-	928.421

(*)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 612.926

First and Second Stage Expected Loss Provisions	30 September 2020		31 December 2019	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month provisions for possible losses	94.424	-	81.785	-
Significant increase in credit risk	-	908.791	-	653.824
Total	94.424	908.791	81.785	653.824

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans (continued)

c) Information on loan types and provisions: (*)

30 September 2020	Commercial	Retail	Total
Standard Loans	11.229.475	417.547	11.647.022
Watchlist	5.301.938	102.883	5.404.821
Significant Increase in Credit Risk	1.655.315	-	1.655.315
Non-performing Loans	2.188.253	129.056	2.317.309
Specific Provision (-)	(857.675)	(78.119)	(935.794)
Total	19.517.306	571.367	20.088.673

(*) According to the internal segmentation of the bank

31 December 2019	Commercial	Retail	Total
Standard Loans	10.387.312	560.350	10.947.662
Watchlist	4.778.781	165.650	4.944.431
Significant Increase in Credit Risk	612.926	-	612.926
Non-performing Loans	2.685.541	117.651	2.803.192
Specific Provision (-)	(1.389.075)	(76.062)	(1.465.137)
Total	17.075.485	767.589	17.843.074

(*) 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:

30 September 2020	Short Term	Medium and Long Term	Total
Consumer Loans – TL	4.950	342.322	347.272
Housing Loans	-	243.869	243.869
Car Loans	-	397	397
General Purpose Loans	4.950	98.056	103.006
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	116.688	5.974	122.662
With Installments	16.529	5.974	22.503
Without Installments	100.159	-	100.159
Individual Credit Cards-FC	42	-	42
With Installments	-	-	-
Without Installments	42	-	42
Personnel Loans - TL	160	3.659	3.819
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	160	3.659	3.819
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	1.102	-	1.102
With Installments	165	-	165
Without Installments	937	-	937
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	14.440	-	14.440
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	137.382	351.955	489.337

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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 2019	Short Term	Medium and Long Term	Total
Consumer Loans – TL	5.919	529.570	535.489
Housing Loans	-	317.782	317.782
Car Loans	-	1.925	1.925
General Purpose Loans	5.919	209.863	215.782
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	152.906	13.657	166.563
With Installments	25.232	13.657	38.889
Without Installments	127.674	-	127.674
Individual Credit Cards-FC	52	-	52
With Installments	-	-	-
Without Installments	52	-	52
Personnel Loans - TL	280	2.296	2.576
Housing Loans	-	-	-
Car Loans	-	18	18
General Purpose Loans	280	2.278	2.558
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	1.302	4	1.306
With Installments	221	4	225
Without Installments	1.081	-	1.081
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	20.014	-	20.014
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	180.473	545.527	726.000

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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:

30 September 2020	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	791.552	3.678.847	4.470.399
Business Loans	-	1.687	1.687
Car Loans	-	3.823	3.823
General Purpose Loans	791.552	3.673.337	4.464.889
Other	-	-	-
Commercial loans with installment facility-Indexed to FC	-	100.696	100.696
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	100.696	100.696
Other	-	-	-
Commercial loans with installment facility -FC	5.798	8.439.478	8.445.276
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	5.798	8.439.478	8.445.276
Other	-	-	-
Corporate Credit Cards-TL	3.218	-	3.218
With Installments	138	-	138
Without Installments	3.080	-	3.080
Corporate Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL (Legal Entities)	4.156	-	4.156
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	804.724	12.219.021	13.023.745

f) Distribution of domestic and foreign loans:

	30 September 2020	31 December 2019
Domestic loans	18.384.552	16.126.149
Foreign loans	322.606	378.870
Total	18.707.158	16.505.019

g) Loans granted to subsidiaries and associates: None. (31 December 2019: None)

h) Expected credit losses provided against loans (Stage 3):

	30 September 2020	31 December 2019
Expected credit losses		
Loans with limited collectability	67.028	218.942
Loans with doubtful collectability	56.986	287.403
Uncollectible loans	811.780	958.792
Total	935.794	1.465.137

i) Information on non-performing loans (Net):

i.1) Information on loans and other receivables which are restructured or rescheduled within non-performing portfolio: None.

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans (continued)

i.2) The movement of total non-performing loans:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
31 December 2019 balance	465.956	604.436	1.732.800
Additions (+)	285.064	-	-
Transfers from other categories of non-performing loans (+)	-	515.793	859.188
Transfers to other categories of non-performing loans (-)	515.793	859.188	-
Collections (-)	90.118	129.401	52.091
Write-offs (-) (*)	-	-	499.337
Sold	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other (-)	-	-	-
30 September 2020 balance	145.109	131.640	2.040.560
Specific provision (-)	67.028	56.986	811.780
Net Balances on Balance Sheet	78.081	74.654	1.228.780

(*) In accordance with the change in the Communiqué on the "The Regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside" dated 27 November 2019 and numbered Official Gazette 30961, the Bank has set "Writedown Policy" and this policy has been approved on Audit Committee Meeting on 24 February 2020. According to this policy, the Bank has written down fully provisioned loan portfolio amounting to TL 499.337.

i.3) Information on foreign currency non-performing loans and other receivables: None. (31 December 2019: None)

i.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
30 September 2020 (Net)	78.081	74.654	1.228.780
Loans to Real Persons and Legal Entities (Gross)	145.109	131.640	2.040.560
Specific provision (-)	67.028	56.986	811.780
Loans to Real Persons and Legal Entities (Net)	78.081	74.654	1.228.780
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
31 December 2019 (Net)	246.810	317.033	774.212
Loans to Real Persons and Legal Entities (Gross)	465.956	604.436	1.732.800
Specific provision (-)	219.146	287.403	958.588
Loans to Real Persons and Legal Entities (Net)	246.810	317.033	774.212
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans (continued)

- i.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	2.857	35.896	528.952
Special Provision Amount (-)	2.857	35.896	528.952
Prior Period (Net)			
Interest Accruals, Rediscounts and Valuation Differences	21.412	81.979	212.342
Special Provision Amount (-)	21.412	81.979	212.342

- j) 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 firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 30 September 2020, the net amount after provisions of the non-performing loans and receivables is TL 1.381.515 (31 December 2019: TL 774.212).

- k) 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 treated accordingly as per the requirements of tax legislation.

As of 30 September 2020, The Bank has written-off TL 499.337 of non-performing loan portfolio which has 100% provision.

6. Information on financial assets measured at amortized cost:

- a) Information on financial assets given as collateral or blocked: As of 30 September 2020 financial assets measured at amortized cost given as collateral is amounting to TL 368.464 (31 December 2019: TL 1.046.277).
- b) Investments and legal liabilities subject to repurchase agreements: As of 30 September 2020, financial assets measured at amortized cost subject to repurchase agreements is amounting to TL 535.985 (31 December 2019: TL 235.447).
- c) The Bank has TL 1.163.338 financial assets measured at amortized cost as of 30 September 2020 (31 December 2019: TL 2.352.629).
- d.1) Government securities measured at amortised cost:

	30 September 2020	31 December 2019
Government Bonds	1.081.396	2.352.629
Treasury Bills	-	-
Other Government Securities	81.942	-
Total	1.163.338	2.352.629

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on financial assets measured at amortized cost:

d.1) Government securities measured at amortised cost (continued):

	30 September 2020	31 December 2019
Debt Securities	1.163.338	2.352.629
Quoted at Stock Exchange	1.163.338	2.352.629
Unquoted at Stock Exchange	-	-
Valuation Increase /Decrease	-	-
Total	1.163.338	2.352.629

d.2) Movement on financial assets measured at amortized cost:

	30 September 2020	31 December 2019
Beginning Balance	2.352.629	2.702.342
Foreign Currency Differences on Monetary Assets (*)	(80.607)	54.669
Purchases During Year	30.193	360.248
Disposals Through Sales and Redemptions (**)	(1.138.877)	(764.630)
Impairment Provision (-)	-	-
Total	1.163.338	2.352.629

(*) Represents exchange differences and accrual interest.

(**) The Bank has sold its financial assets has nominal value of USD 138.000 and issued by Lebanese Government on 20 February 2020, before its maturity due to credit risk increase.

7. Information on associates (Net):

The Bank has no associates in the current period (31 December 2019: None).

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period (31 December 2019: None).

9. Information on jointly controlled entities:

The Bank has no jointly controlled entities in the current period (31 December 2019: None).

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period (31 December 2019: None).

11. Information on derivative financial assets for hedging purposes:

As of 30 September 2020, The Bank has no derivative financial assets for hedging purposes (31 December 2019: None).

12. Information on tangible assets (Net):

Information on tangible assets is not required to be disclosed in accordance with 25th article of Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures.

13. Information on intangible assets:

Information on tangible assets is not required to be disclosed in accordance with 25th article of Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures

14. Investment Property (Net):

None (31 December 2019: None).

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I. Explanations and Disclosures Related to the Assets (continued)

15. Explanations on deferred tax assets:

- a) As of 30 September 2020, the Bank has deferred tax asset amounting to TL 236.334 arising from deductible temporary differences (31 December 2019: TL 245.840).

Timing differences constituting the basis for deferred tax	Current Period		Prior Period	
	Basis	Deferred tax asset/(liability)	Basis	Deferred tax asset/(liability)
Difference between net book value and tax value of financial assets	54.246	11.934	57.178	12.579
Provisions (*)	351.173	70.300	93.904	20.659
Valuation differences	3.253.225	656.623	2.181.998	466.003
Deferred commissions	34.991	6.998	38.596	8.491
Tangible assets differences	9.312	1.862	21.137	4.528
Financial Loss (**)	337.453	67.491	392.937	86.446
Other	59.489	11.898	90.232	19.851
Deferred Tax Asset	4.099.889	827.106	2.875.982	618.557
Valuation differences	2.523.929	504.786	1.434.524	315.486
Provisions (*)	-	-	218.880	48.153
Other	429.928	85.986	41.969	9.078
Deferred Tax Liability (-)	2.953.857	590.772	1.695.372	372.718
Total deferred tax assets, net	1.146.032	236.334	1.180.610	245.840

(*) Provisions does not include loan impairment.

(**) Carried forward tax losses amounting to TL 180.722 can be available for to be offset from tax profit until 2023 corporate tax return, the remaining part can be available for to be offset from tax profit until 2024 corporate tax return is declared. The Bank has recognized deferred tax asset for all of its tax losses of the Bank.

- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None (31 December 2019: None).
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None (31 December 2019: None).

16. Information on assets held for sale and discontinued operations:

As of 30 September 2020 the Bank has assets held for sale and discontinued operations amounting to TL 707.806 (31 December 2019: TL 590.474).

The Bank, in some portion of the foreclosed assets, provides repurchase right to the debtor.

As of 30 September 2020, the right of repurchase value of assets of the Bank is TL 478.865 (31 December 2019: TL 370.091).

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 2019: None).

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II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a) 30 September 2020

	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	215.714	-	1.777.040	2.852.828	44.088	4.320	883.030	-	5.777.020
Foreign currency deposits	1.854.562	-	2.943.564	10.955.543	727.106	95.876	125.395	-	16.702.046
Residents in Turkey	1.760.949	-	2.906.920	10.705.383	655.228	93.407	92.796	-	16.214.683
Residents abroad	93.613	-	36.644	250.160	71.878	2.469	32.599	-	487.363
Public sector deposits	85.448	-	-	611	-	-	-	-	86.059
Commercial deposits	282.754	-	216.411	478.933	12.120	2.051	8.676	-	1.000.945
Other institutions deposits	537	-	2.483	74.129	2	5	30	-	77.186
Precious metals deposits	1.228.618	-	7.704	7.493	1.413	-	-	-	1.245.228
Interbank deposits	305.896	-	-	20.453	-	-	-	-	326.349
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	6.177	-	-	-	-	6.177
Foreign Banks	305.896	-	-	14.276	-	-	-	-	320.172
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	3.973.529	-	4.947.202	14.389.990	784.729	102.252	1.017.131	-	25.214.833

31 December 2019

	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	268.713	-	2.084.708	2.609.898	22.856	14.723	795.917	-	5.796.815
Foreign currency deposits	1.190.360	-	1.994.754	9.342.805	939.740	123.077	68.095	-	13.658.831
Residents in Turkey	1.120.029	-	1.967.775	9.057.806	868.554	118.983	57.942	-	13.191.089
Residents abroad	70.331	-	26.979	284.999	71.186	4.094	10.153	-	467.742
Public sector deposits	46.131	-	-	-	-	-	-	-	46.131
Commercial deposits	987.874	-	304.490	814.295	4.867	832	3.683	-	2.116.041
Other institutions deposits	862	-	2.139	116.316	-	8.125	336	-	127.778
Precious metals deposits	299.378	-	-	-	-	-	-	-	299.378
Interbank deposits	701	-	-	22.161	-	28.135	1.402	-	52.399
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	6.742	-	-	1.402	-	8.144
Foreign Banks	701	-	-	15.419	-	28.135	-	-	44.255
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	2.794.019	-	4.386.091	12.905.475	967.463	174.892	869.433	-	22.097.373

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II. Explanations and Disclosures Related to the Liabilities (continued)

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	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Saving deposits	2.507.655	2.666.104	3.269.365	3.130.711
Foreign currency saving deposits	1.544.718	1.269.116	9.808.877	9.682.751
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	4.052.373	3.935.220	13.078.242	12.813.462

(*) Accruals were included to deposits under the guarantee of insurance in accordance with BRSA declaration numbered 1584 dated February 23, 2005.

b.2) Deposit amounts not under the guarantee of saving deposit:

Deposits of real persons not under the guarantee of saving deposit insurance:

	30 September 2020	31 December 2019
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman, members of the Board of Directors and assistant general managers and their close families	6.311	4.958
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:

a) Negative differences table related to derivative financial liabilities at fair value through profit or loss:

	30 September 2020		31 December 2019	
	TL	FC	TL	FC
Forward Transactions	17.715	12.770	29.982	4.977
Swap Transactions	632.858	1.570.588	532.469	686.807
Futures Transactions	-	-	-	-
Options	4.410	8.536	5.678	997
Other	-	-	-	-
Total	654.983	1.591.894	568.129	692.781

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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:

	30 September 2020		31 December 2019	
	TL	FC	TL	FC
From Domestic Banks and Institutions	3.126	26.830	16.497	39.030
From Foreign Banks, Institutions and Funds	-	1.434.919	-	1.804.892
Total	3.126	1.461.749	16.497	1.843.922

b) Maturity analysis of borrowings:

	30 September 2020		31 December 2019	
	TL	FC	TL	FC
Short-term	3.126	26.830	16.497	173.516
Medium and long-term	-	1.434.919	-	1.670.406
Total	3.126	1.461.749	16.497	1.843.922

4. Information on funds provided from repurchase agreement transactions:

a) Funds Provided Under Repurchase Agreements:

	30 September 2020	31 December 2019
Funds Provided Under Repurchase Agreements	3.000.587	178.604
Total	3.000.587	178.604

5. Marketable Securities Issued (Net):

	30 September 2020		31 December 2019	
	TP	YP	TP	YP
Bills	1.751.103	-	760.000	-
Bonds	71.040	-	-	-
Total	1.822.143	-	760.000	-

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 2019: None).

7. Explanations on lease obligations (Net):

	30 September 2020		31 December 2019	
	Gross	Net	Gross	Net
Less Than 1 Year	2.411	2.278	7.578	6.964
Between 1-4 Years	66.109	50.554	72.701	54.340
More Than 4 Years	150.403	103.707	168.269	105.875
Total	218.923	156.539	248.548	167.179

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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:

As of 30 September 2020, The Bank has no cash flow hedge (31 December 2019: None).

9. Information on provisions:

a) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: None (31 December 2019: None).

b) Information on employee termination benefits and unused vacation accrual:

b.1) Information on employee termination benefits and unused vacation accrual:

	30 September 2020	31 December 2019
Employee termination benefit provision	10.651	8.216
Unused vacation provision	7.337	6.355
Total of provision for employee benefits	17.988	14.571

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:

	30 September 2020	30 December 2019
Balance at the beginning of period	8.216	6.644
Service Cost	3.412	609
Interest expense	-	325
Actuarial gain/loss (*)	-	2.543
The amount of provision	(977)	(1.905)
Balance at the end of period	10.651	8.216

(*) Recognized in other comprehensive income.

c) Information on other provisions:

c.1) Provisions for possible losses: None. (31 December 2019: None).

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 22.000 (31 December 2019: TL 32.500), provision for credit cards promotion and banking services amounting to TL 2.305 (31 December 2019: TL 253) and other provisions amounting to TL 31.049 (31 December 2019: TL 45.371).

c.3) Expected loss provisions for non-cash loans: TL 55.566 (31 December 2019: TL 24.936 provision).

c.4) Information on provisions for non-cash loans that are non-funded and non-transformed into cash: TL 9.724 (31 December 2019: TL 9.800 provision).

d) Liabilities on pension rights: None.

d.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2019: None).

d.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None (31 December 2019: None).

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II. Explanations and Disclosures Related to the Liabilities (continued)

10. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Information on corporate tax:

As of 30 September 2020, the Bank has no provision of corporate income tax (31 December 2019: None).

a.2) Explanations on taxes payable:

	30 September 2020	31 December 2019
Withholding tax on deposits	19.852	19.086
BITT	9.259	12.579
Payroll Tax	4.346	3.638
Property Tax	216	483
Value Added Tax Payable	486	1.581
Stamp Tax	138	115
Corporate Taxes Payable	-	-
Foreign Exchange Tax	1.537	457
Other	282	503
Total	36.116	38.442

a.3) Information on premiums:

	30 September 2020	31 December 2019
Social Security Premiums-Employee	1.897	1.638
Social Security Premiums-Employer	2.144	1.841
Unemployment Insurance-Employer	265	229
Unemployment Insurance-Employee	133	115
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	4.439	3.823

b) Explanations on deferred tax liabilities, if any: None.

11. Information on liabilities regarding assets held for sale and discounted operations: None (31 December 2019: None).

12. Information on subordinated loans:

	30 September 2020		31 December 2019	
	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	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt	-	2.179.602	-	1.735.813
Total	-	2.179.602	-	1.735.813

(*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 22.935 thousands of Tier II sub-loan as of 30 September 2020, 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.

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13. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

As of 30 September 2020 the Bank's paid in capital consists of TL 3.288.842.000 shares which nominal value is TL 1(full TL).

TL	30 September 2020	31 December 2019
Common stock (*)	3.288.842	3.288.842
Preferred stock	-	-
Total	3.288.842	3.288.842

(*) Nominal Capital

b) Information on marketable securities value increase fund:

	30 September 2020		31 December 2019	
	TP	YP	TP	YP
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	621	(47.891)	14.310	20.802
Foreign Exchange Difference	-	-	-	-
Toplam	621	(47.891)	14.310	20.802

c) Information on legal reserves:

	30 September 2020	31 December 2019
Primary Legal Reserves	29.705	26.149
Secondary Legal Reserve	-	-
Other Legal Reserves Per Special Legislation	-	-
Total	29.705	26.149

The Bank, in accordance with Article 519 of the Turkish Commercial Code No.6102, decided in the Extraordinary General Assembly on March 26, 2020 to book legal reserves of TL 3.556, which is 5% of the distributable net statutory profit of TL 71.122 and the remaining amount of TL 67.566 has been decided to be reserved as extraordinary reserves.

The Law No. 7244 on the Reduction of the Effects of the Coronavirus (COVID-19) Epidemic on Economic and Social Life and the Law Amending Certain Laws ("Law") was published in the Official Gazette dated 17 April 2020. In accordance with the aforementioned Law, the Turkish Commercial Code numbered 6102 was amended and restrictions and restrictions regarding the distribution of profits were foreseen. The mentioned regulation has been implemented as of the publication date of the Law.

Within the scope of this regulation, capital companies will be able to decide to distribute only 25% of the 2019 net profit for the general assemblies they will hold until 30 September 2020, and prior-years' profits and free reserves will not be subject to profit distribution. In addition, the board of directors can not be authorized by the general assembly to distribute advance dividends. The duration of such restrictions and restrictions may be extended or shortened by a decision of the President for three months.

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13. Information on Shareholders' Equity (continued)

d) 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 30 September 2020, the net amount after provisions of the non-performing loans and receivables in the fifth group (in Stage 3) is TL 1.381.515 (31 December 2019: TL 774.212).

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:

	30 September 2020	31 December 2019
Forward asset purchase and sales commitments	5.719.986	1.919.570
Loan granting commitments	329.117	181.114
Commitments for checks	52.369	57.317
Credit card limit commitments	399.587	463.581
Other irrevocable commitments	20.545	10.482
Total	6.521.604	2.632.064

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:

	30 September 2020	31 December 2019
Letters of guarantee	2.171.851	1.774.951
Letters of credit	945.362	749.939
Bank acceptance loans	9.812	395.765
Other guarantees	1.871.749	853.802
Total	4.998.774	3.774.457

b.2) Guarantees, suretyships, and similar transactions:

	30 September 2020	31 December 2019
Definite letter of guarantees	1.283.273	900.655
Temporary letter of guarantees	129.161	50.888
Other letter of guarantees	759.417	823.408
Total	2.171.851	1.774.951

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III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments
(continued)

c) Total amount of non-cash loans:

	30 September 2020	31 December 2019
Non-cash loans given to cover cash loans	640.380	675.927
With maturity of 1 year or less than 1 year	-	675.927
With maturity of more than 1 year	640.380	-
Other non-cash loans	4.358.394	3.098.530
Total	4.998.774	3.774.457

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.

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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	30 September 2020		30 September 2019	
	TL	FC	TL	FC
Short term loans	349.017	54.525	532.919	57.688
Medium and long term loans	359.266	444.325	717.766	486.547
Interest collected from non-performing loans	24.757	-	5.900	-
Total	733.040	498.850	1.256.585	544.235

b) Information on interest received from banks:

	30 September 2020		30 September 2019	
	TL	FC	TL	FC
From The Central Bank of Republic of Turkey	-	-	2.691	-
From domestic banks	12.247	3.258	74.431	2.011
From foreign banks	-	33.827	44	71.190
From branches and offices abroad	-	-	-	-
Total	12.247	37.085	77.166	73.201

c) Interest received from marketable securities portfolio:

	30 September 2020		30 September 2019	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss (Net)	7.721	127	408	195
Financial assets at fair value through other comprehensive income	235.015	56.935	54.392	5.232
Financial Assets Measured at Amortized Cost	51.267	39.859	91.119	86.492
Total	294.003	96.921	145.919	91.919

2. a) Information on interest on funds borrowed:

Interest on funds borrowed	30 September 2020		30 September 2019	
	TL	FC	TL	FC
Banks	977	34.882	1.067	63.287
The Central Bank of Turkey	-	-	-	-
Domestic banks	977	936	1.067	537
Foreign banks	-	33.946	-	62.750
Branches and offices abroad	-	-	-	-
Other institutions	959	-	-	-
Total	1.936	34.882	1.067	63.287

b) Information on interest expense to associates and subsidiaries: None.

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IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)

c) Information on interest expense to marketable securities issued: As of 30 September 2020, the Bank has interest expense to Tier II sub-loan issued amounting to TL 215.839 (30 September 2019: TL 210.350).

d) Distribution of interest expense on deposits based on maturity of deposits:

30 September 2020								
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	-	3.685	-	-	-	-	-	3.685
Saving deposits	136	152.432	182.198	1.342	603	95.564	-	432.275
Public sector deposits	-	-	661	605	-	-	-	1.266
Commercial deposits	230	18.150	35.206	569	99	524	-	54.778
Other deposits	2	211	2.392	952	353	2	-	3.912
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	368	174.478	220.457	3.468	1.055	96.090	-	495.916
Foreign Currency								
Foreign currency deposits	110	25.793	109.728	11.897	1.113	1.226	-	149.867
Bank deposits	-	41	-	-	-	-	-	41
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	3	11	2	-	-	-	16
Total	110	25.837	109.739	11.899	1.113	1.226	-	149.924
Grand Total	478	200.315	330.196	15.367	2.168	97.316	-	645.840
30 September 2019								
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	-	1.985	-	-	-	-	-	1.985
Saving deposits	-	284.739	436.074	48.879	19.667	75.726	-	865.085
Public sector deposits	-	-	169	191	-	-	-	360
Commercial deposits	23	32.300	74.920	1.578	1.280	3.827	-	113.928
Other deposits	-	545	8.568	120	359	160	-	9.752
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	23	319.569	519.731	50.768	21.306	79.713	-	991.110
Foreign Currency								
Foreign currency deposits	145	46.209	206.613	14.860	2.839	1.237	-	271.903
Bank deposits	-	2.274	-	-	-	-	-	2.274
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	145	48.483	206.613	14.860	2.839	1.237	-	274.177
Grand Total	168	368.052	726.344	65.628	24.145	80.950	-	1.265.287

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IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)

3. Information on Dividend Income: None (30 September 2019: TL 13).

4. Information on net trading income:

	30 September 2020	30 September 2019
Income	42.842.794	36.658.478
Gains on capital market operations	60.369	31.302
Gains on derivative financial instruments	3.218.319	2.490.978
Foreign exchange gains	39.564.106	34.136.198
Losses (-)	42.829.822	36.641.525
Losses on capital market operations	41.274	6.179
Losses on derivative financial instruments	3.144.646	2.499.325
Foreign exchange losses	39.643.902	34.136.021
Net Amount	12.972	16.953

5. Information on other operating income:

	30 September 2020	30 September 2019
Income from Reversal of Prior Years' Provisions	325.670	91.428
Other Income	29.686	9.805
Total	355.356	101.233

6. Provision for impairment of loans and other receivables:

a) Expected credit loss provisions:

	30 September 2020	30 September 2019
Expected Credit Loss Provisions	527.158	352.744
12-Month Expected Credit Losses (Stage 1)	80.331	-
Significant Increase In Credit Risk (Stage 2)	300.395	-
Credit-Impaired (Stage 3)	146.432	352.744
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	527.158	352.744

b) Other Provisions:

As of 30 September 2020, there is no provision for possible risks. As of 30 September 2019, provision for possible risks amounting to TL 118.397 is included.

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IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)

7. Information on other operating expenses:

	30 September 2020	30 September 2019
Employee termination benefit provision	2.435	1.470
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Amortization expenses of fixed assets	41.171	46.160
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	24.649	23.531
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	209.388	200.653
Leasing expenses related to TFRS 16 exemptions	2.133	5.608
Maintenance expenses	4.229	5.853
Advertisement expenses	13.730	15.075
Other expenses (*)	189.296	174.117
Loss on sales of assets	1.665	-
Other	-	-
Total	279.308	271.814

(*) 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. Information on profit/(loss) from continued and discontinued operations before taxes:

As of 30 September 2020, the Bank's profit before tax from continued operations is TL 128.868 (30 September 2019: TL 27.888).

9. Information on tax provision for continued and discontinued operations:

As of 30 September 2020, The Bank has deferred tax expense amounting to TL 25.837 (30 September 2019: TL 5.775 deferred tax expense).

10. Information on net profit/(loss) from continued and discontinued operations:

As of 30 September 2020, the Bank's net profit from continued operations is TL 103.031 (30 September 2019: TL 22.113).

11. The explanations on net income / loss for the period:

- Any further explanation on operating results needed for better understanding of Bank's performance: The Bank has sold its financial assets has nominal value of USD 138.000 and issued by Lebanese Government on 20 February 2020, before its maturity due to credit risk increase. Due to this sale, the Bank has reflected Banking Insurance Transaction Tax amounting to TL 20.544 to its financial statements.
- Financial effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None.

12. 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:

None.

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V. 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) 30 September 2020:

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	-	-	2.497	86.071	-	125
Balance at end of period	-	-	-	85.067	-	525
Interest and commission income	-	-	52	-	-	-

31 December 2019:

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	-	-	2.587	57.898	-	125
Balance at end of period	-	-	2.497	86.071	-	125
Interest and commission income (*)	-	-	149	-	-	-

(*) As of 30 September 2019.

b.1) Information on related party deposits balances:

30 September 2020:

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
Deposits			
Balance at beginning of period	-	33.814	1.686
Balance at end of period	-	234.249	5.087
Interest on deposits	-	89	533

31 December 2019:

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
Deposits			
Balance at beginning of period	-	452.934	1.326
Balance at end of period	-	33.814	1.686
Interest on deposits (*)	-	2.734	146

(*) As of 30 September 2019.

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V. Explanations on the Risk Group of the Bank (continued)

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

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	-	-	11.966.589	10.673.688	-	-
Balance at end of period	-	-	15.613.105	11.966.589	-	-
Total loss/ profit (*)	-	-	847.131	658.520	-	-

(*) 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.

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

Gross payment made to the executive management as of 30 September 2020 is TL 21.838 (30 September 2019: TL 14.231).

VI. Domestic, foreign and off-shore branches or equity investments, and foreign representative offices of bank

	Number of Branches	Number Of Employees			
Domestic Branches	48	1.113			
			Country		
Foreign Representative Offices	-	-	-		
				Total Assets	Legal Capital
Foreign Branches	-	-	-	-	-
Off-shore Banking Branches	-	-	-	-	-

VII. Explanations and Disclosures Related To Subsequent Events

With the BRSA's decision dated September 28, 2020, to calculate banks' Asset Ratio (AR) on a weekly basis, effective from October 1, 2020, as of the end of each month, 90% of the monthly average of AR for that month for deposit banks, for participation banks not to fall below 70%, for banks with an AR value below 90% as of the end of the relevant month and participation banks with an AR value below 70% it has been decided to be calculated as the amount of change in the share that will bring the ratio to 90% and 70%, respectively. With the decision of the BRSA dated 26 October 2020, within the framework of the steps of transition from the pandemic period conditions to the new normalization regarding the calculation of the Active Ratio (AR), in addition to the explanations in the previous Board decisions, effective as of November 1, 2020; On the other hand, the "Loans" item in the AR's share of the syndicated loans, in proportion to the loan amount of the direct loan, of the foreign banks with a maturity of more than 1 year to other banks in the country, in proportion to the loan's share in the syndication. It has been decided to include it with 1.00 coefficient. The aforementioned decision is valid as of 1 November 2020, however according to the data reported to the BRSA as of 31 March 2020, banks with a total of Turkish Lira (TL) Deposit + Foreign Currency (FX) Deposits below 25 billion TL ,excluding bank deposits, have been given a period of time to comply with this regulation until 31 December 2020. In this context, the Bank is exempt from the relevant regulation as of the reporting period until the end of the year.

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SECTION SIX

EXPLANATIONS ON INDEPENDENT AUDITOR'S REVIEW REPORT

I. Explanations on Review Report

The unconsolidated financial statements for the period ended 30 September 2020 have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member of KPMG International Cooperative). The auditor's review report dated 10 November 2020 is presented preceding the unconsolidated financial statements.

II. Explanations and Notes Prepared By Independent Auditor

None.

SECTION SEVEN

INTERIM ACTIVITY REPORT

I. Interim Period Activity Report Included Chairman of the Board of Directors and CEO's Assessments for the Interim Activities

Brief Information on Odea Bank A.Ş:

Odea Bank A.Ş. 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. Odea Bank A.Ş. started its operations in the "foreign 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.

Capital and shareholders' structure:

As of 30 September 2020 and 31 December 2019, the shareholders' structure and their ownerships are summarized as follows:

Name / Commercial Title	Current Period		Prior Period	
	Share Amount	Share Ratios %	Share Amount	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%

Changes in the articles of association:

Changes on the articles of association are published on Odeabank's web-site.

<https://www.odeabank.com.tr/en-us/about-odeabank/corporate-governance/sayfalar/corporate-governance.aspx>

Information on number of branches and personnel:

As of 30 September 2020 the Bank has 48 domestic branches and 1.113 personnel.

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Information on Board Members and executive management of the Bank

<u>Title</u>	<u>Name-Surname</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors	Samir HANNA	Chairman	High School
Vice Chairman of the Board of Directors	Imad ITANI	Vice Chairman of the Board of Directors and Chairman of the Audit Committee	Ph.D. Degree
Members of the Board of Directors	Marwan GHANDOUR	Member of the Board of Directors	Ph.D. Degree
	Khalil El DEBS	Member of the Board of Directors	Master's Degree
	Philippe Elias Farid EL-KHOURY	Member of the Board of Directors	Master's Degree
	Bülent ADANIR	Member of the Board of Directors and Member of the Audit Committee	Master's Degree
	Dragica PILIPOVIC-CHAFFEY	Member of the Board of Directors	Master's Degree
	Tamer GHAZALEH	Member of the Board of Directors	Bachelor's Degree
	Mouayed MAKHLOUF	Member of the Board of Directors	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
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
Assistant General Managers	Cem MURATOĞLU	Retail Banking	Master's Degree
	Emir Kadir ALPAY	Treasury and Capital Markets	Master's Degree
	Mehmet Gökmen UÇAR	Finance, Financial Control and Strategy	Bachelor's Degree
	Sinan Erdem ÖZER	Technology and Operations	Master's Degree
	Hüseyin GÖNÜL	Internal Systems	Bachelor's Degree
	Cenk DEMİRÖZ	Credit Allocation	Master's Degree

(*) With the decision of the Extraordinary General Assembly dated 7 October 2020, Ayşe Botan Berker was appointed as a Member of the Board of Directors as of 12 October 2020.

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

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Message from the Chairman

Dear Stakeholders,

In the third quarter of 2020, the uncertainties, risks and pitfalls associated with the Covid-19 pandemic continue to prevail, despite a number of restraining measures taken across the world.

Trends of global consumption habits and general spending behavior are difficult to predict, medical research could not yet to yield a vaccine within growing concern about the magnitude of the second wave in most countries.

The impact of the pandemic on the supply chain and trade affected negatively global industrial production, especially in the EU economies, triggering the implementation of historically rare fiscal incentives and monetary expansion policies. The announcement of support packages to households and companies and compatible monetary policy practices led to the acceleration in trade and consumption rates all over the world.

In Turkey, the V-shaped economic recovery continues since the month of June, while proactive macro prudential measures are applied in the banking sector with a view to alleviate as much as possible the challenges and operational impact of the Covid-19 crisis. Since the beginning of August, the CBRT has tightened monetary policies within the framework of normalization steps, and the BRSA has minimized the liquidity squeeze in the banking sector with various steps. This will be an ongoing work in the coming periods as we continue assess the impact of the pandemic on our operating environment and our activity.

As we adapt to those new realities, we, at Odeabank, are now focused more than ever on what we can do to remain resilient and well equipped to support our clients and community. Maintaining adequate liquidity levels, monitoring asset quality, protecting our capital while improving progressively on achieving the requirements of the Asset Ratio are our key priorities. We continue to stand behind our commitment to sound banking by providing the financing needs to Turkish economy as we believe in the strong fundamentals of Turkey and opportunities its economy and banking sector has to offer. We do expect the current prevailing challenges to affect our performance in 2020 but we remain confident in our ability to recover swiftly as soon as the situation normalizes.

Once again, I would like to thank our customers for their continuous faith, our employees for their dedication and our shareholders for their permanent support.

Sincerely yours,

Samir Hanna

Bank Audi Group CEO

Odea Bank's Chairman of the Board of Directors

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CEO's Message

Dear Stakeholders,

Although the measures were mitigated after the effects of Covid-19 and economic activities increased; the rise in the number of cases causes uncertainty about the normalization process to continue. In this environment of uncertainty, Turkish economy is set to reduce the negative impact of the epidemic. In result to drastic movements in interest rates, the Central Bank went to tight monetary policy and increased the policy rate. Although a slight improvement is observed in exchange rates and interest rates, the reflections of global economic uncertainties under the shadow of the pandemic continues. With the acceleration of vaccination studies, the recovery in investor confidence and the increase in predictability, signals the acceleration in investments.

We as Odeabank in the third quarter of the year, follow closely the dynamics and politics in the World and in Turkey; and continue our strong capital structure to contribute to the country's economy with our resources.

When we review our financial results of the third quarter of the year, our loans totaled TRY 21.0 billion, our deposits reached up to TRY 25.2 billion. With these results achieving a loan-deposit ratio of 83.4%, Odeabank has maintained its self-funding and strong balance sheet structure. In line with our long-term targets, we continue to expand funding base and diversify funding sources. In this scope, bond issuance volume reached up to TRY 1.8 billion. Our preprovision net revenue was TRY 656 million. Our capital adequacy ratio remained at its high level of 21.26 % with our CET1 ratio at 12.57% through precise asset management and strong equity structure.

In this period that we celebrate our 8th year, I would like to extend my gratitude to our team for their dedicated and professional work, to our shareholders for their unfaltering support, and most important of all, to our customers who add to our strength with their trust in us.

Sincerely,

Mert Öncü
CEO and Board Member

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Brief financial information of the Bank

ASSETS:

	Reviewed Current Period 30 September 2020			Audited Prior Period 31 December 2019		
	TL	FC	Total	TL	FC	Total
CASH AND CASH EQUIVALENTS	267.480	6.615.214	6.882.694	2.801.724	5.433.950	8.235.674
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	43.616	1.434	45.050	1.463	2.631	4.094
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	4.590.605	2.381.598	6.972.203	519.598	627.713	1.147.311
DERIVATIVE FINANCIAL ASSETS	834.710	1.610.021	2.444.731	707.590	681.903	1.389.493
FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	9.747.501	10.495.477	20.242.978	8.727.759	10.691.408	19.419.167
NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM INVESTMENT IN ASSOCIATES SUBSIDIARIES AND JOINT VENTURES"	707.806	-	707.806	590.474	-	590.474
TANGIBLE ASSETS (NET)	194.229	-	194.229	212.317	-	212.317
INTANGIBLE ASSETS AND GOODWILL (NET)	79.608	-	79.608	74.813	-	74.813
INVESTMENT PROPERTIES (NET)	29.823	-	29.823	21.454	-	21.454
CURRENT TAX ASSETS	236.334	-	236.334	245.840	-	245.840
DEFERRED TAX ASSETS	634.759	1.781.692	2.416.451	493.682	833.019	1.326.701
OTHER ASSETS	-	-	-	-	-	-
Total	17.366.471	22.885.436	40.251.907	14.396.714	18.270.624	32.667.338

LIABILITES:

	Reviewed Current Period 30 September 2020			Audited Prior Period 31 December 2019		
	TL	FC	Total	TL	FC	Total
DEPOSITS	6.962.123	18.252.710	25.214.833	8.109.852	13.987.521	22.097.373
LOANS RECEIVED	3.126	1.461.749	1.464.875	16.497	1.843.922	1.860.419
MONEY MARKET FUNDS	2.233.985	766.602	3.000.587	9.013	169.591	178.604
MARKETABLE SECURITIES (Net)	1.822.143	-	1.822.143	760.000	-	760.000
FUNDS	-	-	-	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	-	-	-
DERIVATIVE FINANCIAL LIABILITIES	654.983	1.591.894	2.246.877	568.129	692.781	1.260.910
FACTORING PAYABLES	-	-	-	-	-	-
LEASE PAYABLES	156.020	519	156.539	165.095	2.084	167.179
PROVISIONS	98.844	39.788	138.632	108.822	18.609	127.431
CURRENT TAX LIABILITIES	40.555	-	40.555	42.265	-	42.265
DEFERRED TAX LIABILITIES	-	-	-	-	-	-
LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	-	-	-	-	-	-
SUBORDINATED DEBT	-	2.179.602	2.179.602	-	1.735.813	1.735.813
OTHER LIABILITIES	351.388	293.202	644.590	171.433	966.330	1.137.763
SHAREHOLDERS' EQUITY	3.376.718	(34.044)	3.342.674	3.275.982	23.599	3.299.581
TOTAL LIABILITIES AND EQUITY	15.699.885	24.552.022	40.251.907	13.227.088	19.440.250	32.667.338

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2020

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

STATEMENT OF PROFIT OR LOSS:

	Reviewed Current Period 1 January- 30 September 2020	Reviewed Prior Period 1 January- 30 September 2019
I. INTEREST INCOME	1.761.733	2.326.869
II. INTEREST EXPENSE	1.044.512	1.570.976
III. NET INTEREST INCOME (I - II)	717.221	755.893
IV. NET FEES AND COMMISSIONS INCOME	60.400	83.781
V. DIVIDEND INCOME	-	13
VI. NET TRADING PROFIT/LOSS (Net)	12.972	16.953
VII. OTHER OPERATING INCOME	355.356	101.233
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)	1.145.949	957.873
IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	527.158	352.744
X. OTHER PROVISION EXPENSES	-	118.397
XI. PERSONNEL EXPENSES (-)	210.615	187.030
XII. OTHER OPERATING EXPENSES (-)	279.308	271.814
XIII. NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)	128.868	27.888
XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER	-	-
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES	-	-
XVI. NET MONETARY POSITION GAIN/LOSS	-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	128.868	27.888
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(25.837)	(5.775)
XIX. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	103.031	22.113
XX. INCOME ON DISCONTINUED OPERATIONS	-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)	-	-
XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX-XXI)	-	-
XXV. NET PROFIT/LOSSES (XIX+XXIV)	103.031	22.113
Profit / Loss per Share	0,031	0,007