

(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 Three-Month Period Ended 31 March 2020

With Auditors' Review Report Thereon

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

6 May 2020

This report includes "Auditors' Review Report" comprising 2 pages and; "Unconsolidated Financial Statements and Related Disclosures and Footnotes" comprising 82 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 31 March 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 three 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 31 March 2020 and of the results of its operations and its cash flows for the three-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

6 May 2020
Istanbul, Turkey

Translated into English from the original Turkish report and financial statements

**ODEA BANK A.Ş.
UNCONSOLIDATED FINANCIAL REPORT
AS OF MARCH 31, 2020**

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The unconsolidated financial report as at and for the three-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 three-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

Chairman of the
Board of Directors

Mert ÖNCÜ

Member of the Board of
Directors and General
Manager

Mehmet Gökmen UÇAR

Assistant General Manager in
charge of Finance, Financial
Control and Strategy

Öcal PERÇİN

Financial Reporting
Director

Imad ITANI

Vice Chairman of the Board of Directors
and Chairman of the Audit Committee

Bülent ADANIR

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**

INDEX

SECTION ONE

General Information About the Bank

	<u>Page</u>
I. Bank’s Incorporation Date, Beginning Statute, Changes in the Existing Statute	1
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.....	1
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	2
IV. Information about the Persons and Institutions that have Qualified Shares	3
V. Summary on the Bank’s Functions and Areas of Activity	3
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.....	3
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	3

SECTION TWO

Unconsolidated Financial Statements of the Bank

I. Balance Sheet (Statement of Financial Position)	4
II. Statement of Off-Balance Sheet Items	6
III. Statement of Profit or Loss	7
IV. Statement of Profit or Loss and Other Comprehensive Income	8
V. Statement of Changes in Shareholders’ Equity	9
VI. Statement of Cash Flows	11

SECTION THREE

Accounting Policies

I. Basis of Presentation	12
II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions	13
III. Explanations on Futures and Options Markets (VIOP) and Derivative Instruments	13
IV. Explanations on Interest Income and Expenses	14
V. Explanations on Fees and Commission Income and Expenses	14
VI. Explanations on Financial Assets	15
VII. Explanations on Expected Credit Losses	18
VIII. Explanations on Offsetting of Financial Assets and Liabilities	20
IX. Explanations on Sales and Repurchase Agreements and Lending of Securities	20
X. Explanations on Assets Held for Sale and Discontinued Operations	20
XI. Explanations on Goodwill and Other Intangible Assets	20
XII. Explanations on Tangible Fixed Assets	20
XIII. Explanations on Leasing Transactions	22
XIV. Explanations on Provisions and Contingent Liabilities	23
XV. Explanations on Liabilities Regarding Employee Benefits	23
XVI. Explanations on Taxation	23
XVII. Additional Explanations on Borrowings	24
XVIII. Explanations on Issued Share Certificates	24
XIX. Explanations on Avalized Drafts and Acceptances	24
XX. Explanations on Government Grants	25
XXI. Explanations on Segment Reporting	25
XXII. Explanations on Reclassifications	25
XXIII. Explanations on Other Disclosures	25

SECTION FOUR

Information Related to Financial Position and Risk Management of the Bank

I. Explanations on Equity	26
II. Explanations on Credit Risk	34
III. Explanations on Currency Risk	35
IV. Explanations on Interest Rate Risk	38
V. Explanations on Share Certificates Position Risk	40
VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio	41
VII. Explanations on Leverage Ratio	45
VIII. Explanations on Risk Management	46
IX. Explanations on Segment Reporting	47

SECTION FIVE

Explanations and Disclosures on Financial Statements

I. Explanations and Disclosures Related to the Assets	48
II. Explanations and Disclosures Related to the Liabilities	61
III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments	68
IV. Explanations and Disclosures Related to Statement of Profit or Loss	70
V. Explanations on the Risk Group of the Bank	74
VI. Domestic, Foreign and Off-Shore Branches or Equity Investments, and Foreign Representative Offices of Bank	75
VII. Explanations and Disclosures Related to Subsequent Event	76

SECTION SIX

Review Report

I. Explanations on Review Report	77
II. Explanations and Notes Prepared by Independent Auditor	77

SECTION SEVEN

Interim Activity Report

I. Interim Activity Report Included Chairman of the Board of Directors and Ceo’s Assessments for the Interim Activities	77
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ODEA BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 31 March 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%

The 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, individual 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 210 branches as of 31 March 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 31 MARCH 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
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

(*) Antoine Najm has been appointed as Member of the Board of Directors beginning from 9 January 2020 per Board of Directors resolution dated 19 December 2019.

There is no share of the above individuals in the Bank.

ODEA BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 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 31 March 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 31 March 2020. The Bank has 48 domestic branches with 1.108 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.b of Section three

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet Assets - Liabilities and Shareholder's Equity
- II. Statement of Off-Balance Sheet Items
- 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 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. BALANCE SHEET – ASSETS

		Reviewed Current Period 31 March 2020			Audited Prior Period 31 December 2019		
	Note Ref (Section Five)	TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		3.481.150	7.804.935	11.286.085	4.030.375	6.746.197	10.776.572
1.1 Cash and cash equivalents		1.458.064	5.209.405	6.667.469	2.801.724	5.433.950	8.235.674
1.1.1 Cash and balances at Central Bank	I-1	80.508	4.253.340	4.333.848	190.797	3.426.917	3.617.714
1.1.2 Banks	I-3	160.366	957.421	1.117.787	550.424	2.008.987	2.559.411
1.1.3 Receivables from Money Markets		1.217.298	-	1.217.298	2.060.644	-	2.060.644
1.1.4 Allowance for expected credit losses (-)		108	1.356	1.464	141	1.954	2.095
1.2 Financial assets at fair value through profit or loss	I-2	38.341	4.904	43.245	1.463	2.631	4.094
1.2.1 Public debt securities		670	4.904	5.574	1.463	2.631	4.094
1.2.2 Equity instruments		-	-	-	-	-	-
1.2.3 Other financial assets		37.671	-	37.671	-	-	-
1.3 Financial assets at fair value through other comprehensive income	I-4	1.319.719	1.198.130	2.517.849	519.598	627.713	1.147.311
1.3.1 Public debt securities		684.534	1.190.907	1.875.441	454.788	620.108	1.074.896
1.3.2 Equity instruments		4.897	7.223	12.120	4.897	7.605	12.502
1.3.3 Other financial assets		630.288	-	630.288	59.913	-	59.913
1.4 Derivative financial assets	I-2	665.026	1.392.496	2.057.522	707.590	681.903	1.389.493
1.4.1 Derivative financial assets at fair value through profit or loss		665.026	1.392.496	2.057.522	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)		7.188.825	10.313.450	17.502.275	8.727.759	10.691.408	19.419.167
2.1 Loans	I-5	8.013.542	9.846.547	17.860.089	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	359.417	972.120	1.331.537	631.544	1.721.085	2.352.629
2.4.1 Public debt securities		191.072	972.120	1.163.192	464.877	894.811	1.359.688
2.4.2 Other financial assets		168.345	-	168.345	166.667	826.274	992.941
2.5 Allowance for expected credit losses (-)		1.184.134	505.217	1.689.351	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	707.979	-	707.979	590.474	-	590.474
3.1 Held for sale		707.979	-	707.979	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	211.287	-	211.287	212.317	-	212.317
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	I-13	73.760	-	73.760	74.813	-	74.813
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		73.760	-	73.760	74.813	-	74.813
VII. INVESTMENT PROPERTIES (Net)	I-14	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		27.919	-	27.919	21.454	-	21.454
IX. DEFERRED TAX ASSETS	I-15	272.151	-	272.151	245.840	-	245.840
X. OTHER ASSETS	I-17	511.595	1.537.725	2.049.320	493.682	833.019	1.326.701
TOTAL ASSETS		12.474.666	19.656.110	32.130.776	14.396.714	18.270.624	32.667.338

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 MARCH 2020

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

I. BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY

		Reviewed Current Period 31 March 2020			Audited Prior Period 31 December 2019		
	Note Ref. (Section Five)	TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	7,432.471	14,264.988	21,697.459	8,109.852	13,987.521	22,097.373
II. LOANS RECEIVED	II-3	14.594	1,508.015	1,522.609	16.497	1,843.922	1,860.419
III. MONEY MARKET FUNDS	II-4	1.048	173.272	174.320	9.013	169.591	178.604
IV. MARKETABLE SECURITIES (Net)	II-5	998.553	-	998.553	760.000	-	760.000
4.1 Bills		998.553	-	998.553	760.000	-	760.000
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	II-2	614.808	1,377.665	1,992.473	568.129	692.781	1,260.910
7.1 Derivative financial liabilities at fair value through profit or loss		614.808	1,377.665	1,992.473	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	161.820	1.248	163.068	165.095	2.084	167.179
X. PROVISIONS	II-9	82.995	30.099	113.094	108.822	18.609	127.431
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		17.521	-	17.521	14.571	-	14.571
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		65.474	30.099	95.573	94.251	18.609	112.860
XI. CURRENT TAX LIABILITIES	II-10	48.009	-	48.009	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	-	1,874.755	1,874.755	-	1,735.813	1,735.813
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		-	1,874.755	1,874.755	-	1,735.813	1,735.813
XV. OTHER LIABILITIES	II-6	185.042	158.041	343.083	171.433	966.330	1,137.763
XVI. SHAREHOLDERS' EQUITY		3,296.385	(93.032)	3,203.353	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		707	2.542	3.249	708	3.279	3.987
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		(40.261)	(95.574)	(135.835)	(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		31.797	-	31.797	71.122	-	71.122
16.6.1 Prior periods profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		31.797	-	31.797	71.122	-	71.122
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,835.725	19,295.051	32,130.776	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 AT 31 MARCH 2020**

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

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

			Revised Current Period 31 March 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)		11.540.448	74.546.656	86.087.104	12.392.357	71.068.645	83.461.002
I.	GUARANTEES	III-1	1.021.383	3.281.492	4.302.875	858.528	2.915.929	3.774.457
1.1	Letters of guarantee		987.793	892.755	1.880.548	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		987.793	892.755	1.880.548	848.364	926.587	1.774.951
1.2	Bank acceptances		-	325.807	325.807	-	395.765	395.765
1.2.1	Import letter of acceptance		-	325.807	325.807	-	395.765	395.765
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		33.590	813.163	846.753	10.164	739.775	749.939
1.3.1	Documentary letters of credit		33.590	813.163	846.753	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		-	1.249.767	1.249.767	-	853.802	853.802
1.9	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-1	1.020.322	1.844.964	2.865.286	743.184	1.888.880	2.632.064
2.1	Irrevocable commitments		1.020.322	1.844.964	2.865.286	743.184	1.888.880	2.632.064
2.1.1	Forward asset purchase and sales commitments		321.137	1.820.907	2.142.044	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		185.885	12.481	198.366	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		61.906	-	61.906	57.317	-	57.317
2.1.8	Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9	Commitments for credit card expenditure limits		451.394	-	451.394	463.581	-	463.581
2.1.10	Commitments for promotions related with credit cards and banking activities		-	-	-	-	-	-
2.1.11	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12	Payables for short sale commitments		-	-	-	-	-	-
2.1.13	Other irrevocable commitments		-	11.576	11.576	-	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		9.498.743	69.420.200	78.918.943	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		9.498.743	69.420.200	78.918.943	10.790.645	66.263.836	77.054.481
3.2.1	Forward foreign currency buy/sell transactions		634.984	2.612.186	3.247.170	1.477.974	3.847.264	5.325.238
3.2.1.1	Forward foreign currency transactions-buy		475.137	1.133.262	1.608.399	1.170.486	1.488.792	2.659.278
3.2.1.2	Forward foreign currency transactions-sell		159.847	1.478.924	1.638.771	307.488	2.358.472	2.665.960
3.2.2	Swap transactions related to foreign currency. and interest rates		6.267.503	61.746.463	68.013.966	7.676.360	59.039.793	66.716.153
3.2.2.1	Foreign currency swaps-buy		2.070.662	11.174.994	13.245.656	1.339.859	13.320.243	14.660.102
3.2.2.2	Foreign currency swaps-sell		1.056.841	12.135.239	13.192.080	2.796.501	11.801.534	14.598.035
3.2.2.3	Interest rate swaps-buy		1.570.000	19.218.115	20.788.115	1.770.000	16.959.008	18.729.008
3.2.2.4	Interest rate swaps-sell		1.570.000	19.218.115	20.788.115	1.770.000	16.959.008	18.729.008
3.2.3	Foreign currency, interest rate and securities options		2.596.256	5.061.551	7.657.807	1.636.311	3.376.779	5.013.090
3.2.3.1	Foreign currency options-buy		935.367	2.653.636	3.589.003	609.888	1.683.030	2.292.918
3.2.3.2	Foreign currency options-sell		1.660.889	1.956.409	3.617.298	1.026.423	1.284.941	2.311.364
3.2.3.3	Interest rate options-buy		-	225.753	225.753	-	204.404	204.404
3.2.3.4	Interest rate options-sell		-	225.753	225.753	-	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		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		67.644.445	49.335.458	116.979.903	70.419.539	45.929.521	116.349.060
IV.	ITEMS HELD IN CUSTODY		2.056.028	578.000	2.634.028	1.824.852	443.421	2.268.273
4.1	Assets under management		1.017.336	402	1.017.738	1.009.360	-	1.009.360
4.2	Investment securities held in custody		902.955	378.989	1.281.944	702.513	225.200	927.713
4.3	Checks received for collection		924	177.781	178.705	1.061	195.025	196.086
4.4	Commercial notes received for collection		134.813	20.828	155.641	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		65.588.417	48.757.458	114.345.875	68.594.687	45.486.100	114.080.787
5.1	Marketable securities		-	-	-	-	-	-
5.2	Guarantee notes		25.785.804	6.686.605	32.472.409	25.391.867	6.109.638	31.501.505
5.3	Commodities		9.060.430	-	9.060.430	9.168.853	-	9.168.853
5.4	Warrants		-	-	-	-	-	-
5.5	Properties		22.130.604	26.616.674	48.747.278	24.972.330	24.768.570	49.740.900
5.6	Other pledged items		8.611.579	15.454.179	24.065.758	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)			79.184.893	123.882.114	203.067.007	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 INTERIM PERIOD ENDED 31 MARCH 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- 31 March 2020	Reviewed Prior Period 1 January- 31 March 2019
I. INTEREST INCOME	IV-1	567.566	808.328
1.1 Interest on loans		407.051	626.337
1.2 Interest received from reserve deposits		-	12.127
1.3 Interest received from banks		21.813	67.424
1.4 Interest received from money market transactions		43.071	17.794
1.5 Interest received from marketable securities portfolio		82.595	68.852
1.5.1 Financial assets at fair value through profit or loss		1.140	156
1.5.2 Financial assets at fair value through other comprehensive income		37.198	20.735
1.5.3 Financial assets measured at amortized cost		44.257	47.961
1.6 Finance lease income		-	-
1.7 Other interest income		13.036	15.794
II. INTEREST EXPENSE	IV-2	308.865	578.905
2.1 Interest on deposits		221.314	495.943
2.2 Interest on funds borrowed		13.929	23.808
2.3 Interest on money market transactions		1.848	1.119
2.4 Interest on securities issued		55.973	48.084
2.5 Finance lease interest expenses		6.057	9.714
2.6 Other interest expenses		9.744	237
III. NET INTEREST INCOME (I - II)		258.701	229.423
IV. NET FEES AND COMMISSIONS INCOME		23.968	29.604
4.1 Fees and commissions received		29.310	37.527
4.1.1 Non-cash loans		12.024	12.848
4.1.2 Other		17.286	24.679
4.2 Fees and commissions paid (-)		5.342	7.923
4.2.1 Non-cash loans		-	-
4.2.2 Other		5.342	7.923
V. DIVIDEND INCOME	IV-3	-	6
VI. TRADING PROFIT/LOSS (Net)	IV-4	(24.614)	88.134
6.1 Profit/losses from capital market transactions		(13.390)	(3.934)
6.2 Profit/losses from derivative financial transactions		24.604	84.534
6.3 Foreign exchange profit/losses		(35.828)	7.534
VII. OTHER OPERATING INCOME	IV-5	9.210	12.535
GROSS PROFIT FROM OPERATING ACTIVITIES			
VIII. (III+IV+V+VI+VII)		267.265	359.702
IX. EXPECTED CREDIT LOSSES (-)	IV-6	44.537	115.368
X. OTHER PROVISION EXPENSES (-)	IV-6	-	91.443
XI. PERSONNEL EXPENSES (-)		70.213	59.457
XII. OTHER OPERATING EXPENSES (-)	IV-7	111.129	88.220
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		41.386	5.214
EXCESS AMOUNT RECORDED AS INCOME AFTER			
XIV. MERGER		-	-
PROFIT/LOSS FROM EQUITY METHOD APPLIED			
XV. SUBSIDIARIES		-	-
XVI. NET MONETARY POSITION GAIN/LOSS		-	-
PROFIT/LOSS BEFORE TAXES FROM CONTINUING			
XVII. OPERATIONS (XIII+...+XVI)	IV-8	41.386	5.214
PROVISION FOR TAXES ON INCOME FROM			
XVIII. CONTINUING OPERATIONS (±)	IV-9	(9.589)	(1.189)
18.1 Current tax provision		-	-
18.2 Expense effect of deferred tax (+)		(9.589)	(1.189)
18.3 Income effect of deferred tax (-)		-	-
NET PROFIT/LOSS FROM CONTINUING OPERATIONS			
(XVII±XVIII)	IV-10	31.797	4.025
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1 Income from assets held for sale		-	-
20.2 Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3 Other income from discontinued operations		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1 Expenses on assets held for sale		-	-
21.2 Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3 Other expenses from discontinued operations		-	-
PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED			
XXII. 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 (-)		-	-
NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS			
(XXII±XXIII)		-	-
XXIV. NET PROFIT/LOSSES (XIX+XXIV)	IV-11	31.797	4.025
Profit / Loss per Share		0,010	0,001

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 31 MARCH 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- 31 March 2020	Reviewed Prior Period 1 January- 31 March 2019
I. CURRENT PERIOD PROFIT / (LOSS)	31.797	4.025
II. OTHER COMPREHENSIVE INCOME	(128.025)	18.999
2.1 Other comprehensive income that will not be reclassified to profit or loss	(738)	805
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	(946)	1.032
2.1.5 Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	208	(227)
2.2 Other comprehensive income that will be reclassified to profit or loss	(127.287)	18.194
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	(164.173)	(4.606)
2.2.3 Income (loss) related with cash flow hedges	984	27.933
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	35.902	(5.133)
III. TOTAL COMPREHENSIVE INCOME (I+II)	(96.228)	23.024

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE INTERIM PERIOD ENDED 31 MARCH 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						
		Note (Section Five)	Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Recycled to Profit or Loss)	Translation Differences	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income(*)	Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)	Profit Reserves	Prior Period Income and Losses	Current Year Income and Losses	Total Shareholders' Equity
	Current Period 31/03/2020															
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)		-	-	-	-	-	-	(738)	-	(128.054)	767	-	-	31.797	(96.228)
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)	5.792	-	(92.002)	(43.833)	17.498	-	31.797	3.203.353

(*) 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 INTERIM PERIOD ENDED 31 MARCH 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							
		Note (Section Five)	Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be 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	
	Prior Period 31/03/2019																
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)		-	-	-	-	-	-	805	-	(3,594)	21,788	-	-	4,025	23,024	
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)	5,550	-	(23,637)	(47,070)	(53,624)	-	4,025	3,171,337	

(*) 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. Transition impacts regarding TFRS 16 has been presented in Section Three – note XXIII in detail.

(**) 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 INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS

	Note (Section Five)	Reviewed Current Period 1 January- 31 March 2020	Reviewed Prior Period 1 January- 31 March 2019
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit / (loss) before changes in operating assets and liabilities		665.394	(197.794)
1.1.1 Interest received		436.183	787.013
1.1.2 Interest paid		(332.596)	(633.357)
1.1.3 Dividend received		-	6
1.1.4 Fees and commissions received		29.307	36.890
1.1.5 Other income/(expense)		(4.867)	(46.768)
1.1.6 Collections from previously written off loans		33.060	39.556
1.1.7 Payments to personnel and service suppliers		(129.931)	(128.238)
1.1.8 Taxes paid		(56.517)	(47.060)
1.1.9 Others		690.755	(205.836)
1.2 Changes in operating assets and liabilities		(3.404.433)	(517.316)
1.2.1 Net (increase) decrease in financial assets held for trading		(1.340.034)	(8.721)
1.2.2 Net (increase) decrease in due from banks and other financial institutions		(326.708)	13.409
1.2.3 Net (increase) decrease in loans		701.201	595.731
1.2.4 Net (increase) decrease in other assets		(759.351)	114.086
1.2.5 Net increase (decrease) in bank deposits		(39.854)	(1.011.350)
1.2.6 Net increase (decrease) in other deposits		(340.078)	(37.130)
1.2.7 Net (increase) decrease in financial assets at fair value through profit or loss		(39.540)	(162.096)
1.2.8 Net increase (decrease) in funds borrowed		(338.345)	(476.237)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		(921.724)	454.992
I. Net cash used in from banking operations		(2.739.039)	(715.110)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash used in investing activities		(459.145)	(295.083)
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		(20.278)	(186.580)
2.4 Fixed assets sales		144.964	19.225
2.5 Cash paid for purchase of financial assets available for sale		(1.719.192)	(461.562)
2.6 Cash obtained from sale of financial assets available for sale		35.869	193.693
2.7 Cash paid for purchase of investment securities		-	(314.922)
2.8 Cash obtained from sale of investment securities		1.099.492	455.063
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		832.802	478.930
3.1 Cash obtained from funds borrowed and securities issued		1.016.590	694.900
3.2 Cash used for repayment of funds borrowed and securities issued		(187.430)	(215.970)
3.3 Issued equity instrument		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		3.642	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		463.472	205.836
V. Net decrease in cash and cash equivalents		(1.901.910)	(325.427)
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		4.507.615	4.962.115

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(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 and generally medium and long term borrowings obtained from foreign financial institutions. 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 Markets (VIOP) 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.

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

Derivative financial instruments held for hedging purpose (continued)

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

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

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

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

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

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

IV. Explanations on Interest Income and Expenses

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

VI. Explanations on Financial Assets

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

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

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

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the 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 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
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

VI. Explanations on Financial Assets (continued)

Financial Assets at Fair Value Through Other Comprehensive Income:

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows which are solely payments of principal and interest are classified as fair value through other comprehensive income.

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

Equity instruments, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition an entity can choose in an irrevocable way to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

Financial Assets Measured at Amortized Cost:

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

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

"Fair value through other comprehensive income" and "measured at amortized cost" securities portfolio of the Bank include 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VI. Explanations on Financial Assets (continued)

Loans and Receivables:

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market.

Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method".

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the statement of income.

Foreign exchange gains and losses on the foreign currency indexed loans are presented under foreign exchange gains and losses in the statement of income.

Derecognition of a financial asset:

Before evaluating whether, and to what extent, derecognition is appropriate, the Bank determines whether those criteria should be applied to a part of a financial asset (or a part of a group of similar financial assets) or a financial asset (or a group of similar financial assets) in its entirety. Criteria is applied to a part of financial asset (or a part of a group of similar financial assets) if, and only if, the part being considered for derecognition meets one of the following three conditions: (i) The part comprises only specifically identified cash flows from a financial asset (or a group of similar financial assets) (ii) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a group of similar financial assets) (iii) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

A financial asset (or, a part of a financial asset or a part of group of financial assets, where appropriate) is derecognized when, and only when,

- The contractual rights to the cash flows from the financial asset expire; or
- The contractual rights to the cash flows from the financial asset are transferred; or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in the arrangement without material delay and:
- If the entity transfers substantially all the risks and rewards of ownership of the financial asset or,
- If the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, whether it has retained control of the financial asset.

If the Bank transfers the contractual rights to the cash flows from the financial asset, or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in the arrangement without material delay and if the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the entity shall determine whether it has retained control of the financial asset and it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset. In this case, the entity also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

The Bank has evaluated the non-performing loan portfolio of which contractual rights are transferred to the asset management companies, in the context of above statements and derecognizes the loans that are subject to agreements in which all risks and rewards are transferred to the buyer.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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 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. Additionally, 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.
- 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, the financial asset have been taken into account as Stage 2, if any of the following criteria occurs:

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

VII. Explanations on Expected Credit Losses (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 buckets 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 updated if necessary 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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 buckets 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 bucket is calculated by multiplying the average of the 12-month transition rates corresponding to each bucket with the average of the 12-month transition rates of afterthought buckets. The outstanding balance per bucket 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.

Due to 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 this scenarios is taken into account in ECL calculations.

Due to COVID-19 outbreak, the weight of pessimistic scenario has been increased to highest weight among all approaches to forward looking economic scenarios.

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 Assets and Liabilities

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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.

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities (continued)

The income and expenses from these transactions are reflected to the "Interest Income on Marketable Securities" and "Interest Expense on Money Market Borrowings" accounts in the income statement.

X. Explanations on Assets Held for Sale and Discontinued Operations

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the unconsolidated financial statements in accordance with the regulations of "Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TFRS 5)".

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

A discontinued operation is a division of a bank that is either disposed or held for sale.

Results of discontinued operations are included in the income statement separately. As of 31 March 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

XIII. Explanations on Leasing Transactions (continued)

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.

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

XVI. Explanations on Taxation (continued)

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.

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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 IX of Section Four.

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 31 March 2020 financial statements.

XXIII. Explanations on Other Disclosures

The new type of corona virüs, 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 31 March 2020.

Due to the relatively late exposure to the effects of the pandemi at the local level, the Bank's detailed assessments in terms of financial impacts are ongoing, and which may have a significant impact on the financial statements at the first stage 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 13 – Within Fair Value Standard, the effect of measurement of fair value and measurement method of financial assets and liabilities has been reviewed and deemed that no change is required.
- 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Explanations on Equity

As of 31 March 2020, Bank's total capital has been calculated as TL 5.642.072 and capital adequacy ratio is 19,51%. 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 31 March 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	14.873
Profit	31.797
Current Period Profit	31.797
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	3.353.010
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	38.693
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	73.760
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	43.833
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	156.286
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	3.475.520

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. Explanations on Equity (continued)

	Current Period 31 March 2020
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)	3.475.520
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA (**)	1.970.637
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	315.040
Tier II Capital Before Deductions	2.285.677
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	119.125
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	119.125
Total Tier II Capital	2.166.552
Total Capital (The sum of Tier I Capital and Tier II Capital)	5.642.072
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)	-

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

I. Explanations on Equity (continued)

	Current Period 31 March 2020
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital)	5.642.072
Total risk weighted amounts	28.926.300
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	12,02
Tier I Capital Adequacy Ratio	12,02
Capital Adequacy Ratio	19,51
BUFFERS	
Total buffer requirement	2,534
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,034
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	7,95
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)	825.930
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	315.040
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 18.135 thousands of Tier II sub-loan as of 31 March 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 31 March 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 31 March 2020 would be calculated as TL 5.553.148 and the capital adequacy standard ratio would be calculated as 18,34%.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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)	-

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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) (**)	1.874.755
Per value of instrument (Thousand USD) (***)	281.865
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 1.874.755 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 18.135 thousands of Tier II sub-loan as of 31 March 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

I. Explanations on Equity (continued)

Basic information in the TFRS 9 transition process: As of 31 March 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	3.475.520	3.336.121	3.196.723
Transition Process Unapplied Core Capital	3.114.950	3.183.222	3.196.723	3.196.723	3.196.723
Tier I Capital	3.672.542	3.601.419	3.475.520	3.336.121	3.196.723
Transition Process Unapplied Main Capital	3.114.950	3.183.222	3.196.723	3.196.723	3.196.723
Equity	5.535.732	5.558.945	5.642.072	5.502.673	5.363.275
Transition Process Unapplied Equity	4.978.141	5.140.747	5.363.275	5.363.275	5.363.275
TOTAL RISK WEIGHTED AMOUNTS					
Total Risk Weighted Amounts	25.873.673	25.575.654	28.926.300	28.926.300	28.926.300
CAPITAL ADEQUACY RATIO					
Core Capital Adequacy Ratio (%)	%14,19	%14,08	12,02%	11,53%	11,05%
Transition Process Unapplied Core Capital Adequacy Ratio (%)	%12,04	%12,45	11,05%	11,05%	11,05%
Main Capital Adequacy Ratio (%)	%14,19	%14,08	12,02%	11,53%	11,05%
Transition Period Unapplied Main Capital Adequacy Ratio (%)	%12,04	%12,45	11,05%	11,05%	11,05%
Capital Adequacy Ratio (%)	%21,40	%21,74	19,50%	19,02%	18,54%
Transition Process Unapplied Capital Adequacy Ratio (%)	%19,24	%20,10	18,54%	18,54%	18,54%
LEVERAGE RATIO					
Total Leverage Ratio Risk Exposure	44.358.365	41.192.104	42.476.336	42.476.336	42.476.336
Leverage Ratio	8,53	8,70	7,51	7,51	7,51
Transition Process Unapplied Leverage Ratio	7,76	7,61	6,85	6,85	6,85

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

II. Explanations on Credit Risk

Important sectors or type of information according to counterparty

Current Period	Loans		Provisions	
	Impaired		Allowance for expected credit losses (TFRS 9)	Provisions
Sectors/Counterparties	Significant Increase in Credit Risk (Stage 2)	Non-performing Loans (Stage 3)		
Agricultural	28.212	11.902	12.407	-
Farming and raising livestock	8.066	11.902	7.492	-
Forestry	-	-	-	-
Fishing	20.146	-	4.916	-
Manufacturing	1.314.052	457.056	283.580	-
Mining	126.013	36.143	24.435	-
Production	659.871	389.360	191.580	-
Electricity, Gas, Water	528.167	31.553	67.564	-
Construction	2.144.031	606.171	498.001	-
Services	1.621.593	626.656	399.119	-
Wholesale and retail trade	375.870	306.588	124.774	-
Hotel, Food, Beverage services	930.214	243.931	203.482	-
Transportation and Telecommunication	139.857	43.324	37.053	-
Financial Institutions	11.794	13.615	6.171	-
Real Estate and Lending Service	9.583	9.980	5.644	-
Self employment service	-	-	-	-
Education Service	67.109	6.609	9.382	-
Health and social services	87.167	2.609	12.612	-
Other	725.435	527.204	411.769	-
Total	5.833.322	2.228.988	1.604.876	-

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

III. Explanations on Currency Risk

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and value at risk is calculated by using the standard method.

The Board of Directors sets limits for the positions and stop losses which are followed up daily and weekly. Any possible changes in the foreign currency transactions in the Bank's positions are also monitored.

The announced foreign exchange buying rates of the Bank at 31 March 2020 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	25 March 2020	26 March 2020	27 March 2020	28 March 2020	29 March 2020
USD	6,4497	6,3934	6,4432	6,5748	6,5688
CHF	6,5748	6,5944	6,6920	6,8698	6,8073
GBP	7,5909	7,6834	7,8894	8,1456	8,1492
100 JPY	5,7791	5,8298	5,9372	6,0938	6,0673
EURO	6,9660	7,0153	7,0738	7,2521	7,1965

	25 December 2019	26 December 2019	27 December 2019	30 December 2019	31 March 2020
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 31 March 2020 are as follows:

	Monthly Average Foreign Exchange Rate
USD	6,3477
CHF	6,6277
GBP	7,8506
100 JPY	5,9063
EURO	7,0154

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

III. Explanations on Currency Risk (continued)

31 March 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	2.225.038	1.796.710	231.592	4.253.340
Banks	171.630	774.317	11.474	957.421
Financial Assets at Fair Value through Profit and Loss	-	4.904	-	4.904
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	184.461	1.013.669	-	1.198.130
Loans (*)	5.330.346	4.812.333	1	10.142.680
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Financial Assets measured at Amortized Cost	527.916	439.229	4.975	972.120
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	159.725	1.377.632	368	1.537.725
Total Assets (**)	8.599.116	10.218.794	248.410	19.066.320
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	5.647.445	7.944.712	672.831	14.264.988
Money Market Balances	-	173.272	-	173.272
Funds Provided From Other Financial Institutions (***)	1.027.018	2.355.752	-	3.382.770
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	40.154	117.960	1.176	159.290
Total Liabilities (**)	6.714.617	10.591.696	674.007	17.980.320
Net Balance Sheet Position	1.884.499	(372.902)	(425.597)	1.086.000
Net Off-Balance Sheet Position	(1.603.324)	753.611	445.692	(404.021)
Derivative Financial Assets	7.955.750	26.135.610	1.327.183	35.418.543
Derivative Financial Liabilities	9.559.074	25.381.999	881.491	35.822.564
Non-Cash Loans (****)	1.797.897	1.478.829	4.766	3.281.492
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 296.133 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

III. 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 31 March 2020 the Bank's net foreign exchange exposure as per internal calculation is presented below:

31 March 2020	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	572	(3.473)	872	(2.029)
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 670 and TL (166), 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 appreciates 10% against TL.

Change in currency rate in %		Effect on profit or loss (*)		Effect on equity(*)	
		31 March 2020	31 December 2019	31 March 2020	31 December 2019
USD	10%	(347)	3.602	(347)	3.602
USD	-10%	347	(3.602)	347	(3.602)
EUR	10%	57	(2.897)	57	(2.897)
EUR	-10%	(57)	2.897	(57)	2.897

(*) Represents before tax amounts.

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

IV. Explanations on Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

Risk Management Group performs duration, maturity and sensitivity analysis to protect the effect of interest rate volatility and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank. The negative effects of the fluctuations in the market interest rates on the financial position and the cash flows are minimized by revising budgeted targets.

The Bank management follows the market interest rates daily and revises the interest rates of the Bank whenever necessary.

Since the Bank monitors maturity mismatches very closely a significant interest rate risk exposure is not expected.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 March 2020							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.720.022	-	-	-	-	2.613.826	4.333.848
Banks	232.309	-	-	-	-	885.478	1.117.787
Financial Assets at Fair Value Through Profit and Loss	37.671	-	40	5.435	99	-	43.245
Money Market Placements	1.217.298	-	-	-	-	-	1.217.298
Financial assets at fair value through other comprehensive income	206.475	82.520	567.885	1.071.868	576.982	12.119	2.517.849
Loans	4.738.394	3.634.024	3.442.311	2.758.043	1.058.329	2.228.988	17.860.089
Financial assets measured at amortized cost	-	304.119	138.913	703.423	185.082	-	1.331.537
Other Assets (*)	231	144	340	217	-	3.708.191	3.709.123
Total Assets	8.152.400	4.020.807	4.149.489	4.538.986	1.820.492	9.448.602	32.130.776
Liabilities							
Bank Deposits	-	9.473	-	-	-	1.643	11.116
Customer Deposits	14.058.839	3.764.246	1.309.513	800	-	2.552.945	21.686.343
Money Market Borrowings	174.320	-	-	-	-	-	174.320
Miscellaneous Payables	-	-	-	-	-	119.478	119.478
Marketable Securities Issued	505.039	493.514	-	-	-	-	998.553
Funds Provided From Other Financial Institutions	-	-	194.819	60.989	1.266.801	-	1.522.609
Subordinated Loans(**)	-	-	-	-	1.874.755	-	1.874.755
Other Liabilities (***)	199	180	208	282	-	5.742.733	5.743.602
Total Liabilities	14.738.397	4.267.413	1.504.540	62.071	3.141.556	8.416.799	32.130.776
Balance Sheet Long Position	-	-	2.616.434	4.476.915	-	1.031.803	8.153.667
Balance Sheet Short Position	(6.585.997)	(246.606)	-	-	(1.321.064)	-	(8.153.667)
Off-Balance Sheet Long Position	12.331.134	7.157.276	4.722.358	15.246.158	-	-	39.456.926
Off-Balance Sheet Short Position	(12.318.267)	(6.712.872)	(4.618.572)	(15.319.647)	(492.659)	-	(39.462.017)
Total Position	(6.573.130)	197.798	2.748.735	4.403.426	(1.813.723)	1.031.803	(5.091)

(*) 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 18.135 thousands of Tier II sub-loan as of 31 March 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 3.203.353, tax liabilities amounting to TL 48.009, provisions amounting to TL 113.904, lease payables to TL 168.068 and other liabilities amounting to TL 343.083. In addition, other liabilities include derivative financial liabilities amounting to TL 1.992.473.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

IV. Explanations on Interest Rate Risk (continued)

Prior period information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 March 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 31 March 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 %
31 March 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	-	0,68	-	9,04
Financial Assets at Fair Value Through Profit and Loss	-	6,46	-	14,82
Money Market Placements	-	-	-	9,20
Financial Assets at Fair Value Through Other Comprehensive Income	4,42	5,41	-	12,65
Loans	4,75	7,92	-	13,27
Financial Assets Measured at Amortized Cost	1,88	6,56	-	16,52
Liabilities				
Bank Deposits	1,54	4,11	-	11,06
Customer Deposits	0,43	1,70	-	10,59
Money Market Borrowings	-	3,53	-	8,00
Subordinated Loans	-	7,63	-	-
Marketable Securities Issued	-	-	-	10,51
Funds Provided From Other Financial Institutions	1,66	4,16	-	13,67

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

IV. 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

Nature of interest rate risk resulted from banking book:

The interest rate risk for all on-balance sheet and off-balance sheet items, which are interest sensitive, and for banking accounts has been calculated. In calculation of interest rate risk, the bank has no any assumptions for early repayment of loans and demand deposits. Interest rate risk arising from banking accounts is calculated and is reported to BRSA monthly.

Economic value differences resulted from interest rate instabilities calculated according to Regulation on Measurement and Evolution of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method.

Unit of Currency	Applicable Shock (+ / -) base point)*	Profit/ Loss	Profit / Equity Capital – Loss / Equity Capital
TL	500 (400)	(199.351) 182.452	-3,53% 3,23%
EUR	200 (200)	(54.812) (9.860)	-0,97% -0,17%
USD	200 (200)	(45.243) 16.220	-0,80% 0,29%
Total (For Positive Shock)		(299.406)	-5,31%
Total (For Negative Shock)		188.812	3,35%

* The intensity and direction of a currency different rows were entered separately for each shock.

The interest rate risk arising from banking book is calculated and reported according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no. 28034 on 23 August 2011. The positive and negative shocks do not show results in the opposite direction in EUR shocks since a floor applies to EUR shocks. The effects of positive and negative shocks result in an opposite direction in internal calculations where aforementioned effects are not included. The impact of interest rate shocks on equity is close to the data described above and within the internal limits.

V. Explanations on Share Certificates Position Risk

The Bank has no outstanding share certificate position.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio

Liquidity risk is the risk, occurring 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 have the ultimate responsibility concerning the liquidity risk and its management. Board of Directors have also 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. Additionally, 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.

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

The liquidity coverage ratios are calculated in accordance with the "Regulation on Liquidity Coverage Ratio Calculation of Banks" published in Official Gazette dated 21 March 2014 and numbered 28948. Liquidity coverage ratios should be at least 80% for foreign currency assets and liabilities and 100% for total assets and liabilities for the year 2019.

Information regarding weekly solo liquidity coverage ratios realized in the first quarter of 2020 is as follows:

Current Period- 31 March 2020		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
HIGH QUALITY LIQUID ASSETS				7.688.403	4.515.126
1	High quality liquid assets	9.367.100	6.158.905	7.688.403	4.515.126
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	15.035.181	9.243.755	1.394.247	924.376
3	Stable deposits	2.185.422	-	109.271	-
4	Less stable deposits	12.849.759	9.243.755	1.284.976	924.376
5	Unsecured Funding other than Retail and Small Business Customer Deposits	5.154.261	3.691.533	2.486.162	1.558.032
6	Operational deposits	874	46	219	12
7	Non-Operational Deposits	4.470.453	3.565.263	1.803.009	1.431.796
8	Other Unsecured Funding	682.934	126.224	682.934	126.224
9	Secured funding	-	-	-	-
10	Other Cash Outflows	5.687.519	4.839.217	1.390.290	2.213.906
11	Liquidity needs related to derivatives and market	899.381	1.866.623	899.380	1.866.623
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	4.788.138	2.972.594	490.910	347.283
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			5.270.699	4.696.314
CASH INFLOWS					
17	Secured Lending Transactions	1.561.621	-	-	-
18	Unsecured Lending Transactions	3.218.891	2.311.840	2.688.957	2.077.560
19	Other contractual cash inflows	254.346	1.666.240	254.346	1.666.240
20	TOTAL CASH INFLOWS	5.034.858	3.978.080	2.943.303	3.743.800
21	TOTAL HQLA			7.688.403	4.515.126
22	TOTAL NET CASH OUTFLOWS			2.413.370	1.726.403
23	Liquidity Coverage Ratio (%)			371,98	317,76

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VI. 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:

Prior Period- 31 December 2019		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
HIGH QUALITY LIQUID ASSETS				6.823.367	3.795.111
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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

The weeks having the highest and lowest level of liquidity coverage ratios calculated for the last three months and their average values are given below:

	Current Period-31 March 2020		Prior Period-31 December 2019	
	TL+FC	FC	TL+FC	FC
Lowest	189,53	148,33	289,24	295,28
Week	13.03.2020	13.03.2020	25.10.2019	08.11.2019
Highest	648,00	486,42	574,28	506,73
Week	21.02.2020	03.01.2020	06.12.2019	03.01.2020
Average	371,98	317,76	404,69	406,93

Presentation of assets and liabilities according to their remaining maturities:

31 March 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	292.859	4.040.989	-	-	-	-	-	4.333.848
Banks	885.478	232.309	-	-	-	-	-	1.117.787
Financial Assets at Fair Value Through Profit and Loss	-	37.671	-	40	5.435	99	-	43.245
Money Market Placements	-	1.217.298	-	-	-	-	-	1.217.298
Financial Assets at Fair Value Through Other Comprehensive Income	-	27.017	82.520	567.885	1.251.325	576.983	12.119	2.517.849
Loans	-	2.184.347	1.214.992	2.780.929	5.717.432	3.733.401	2.228.988	17.860.089
Financial Assets Measured at Amortized Cost	-	-	304.119	138.913	703.423	185.082	-	1.331.537
Other Assets (**)	-	101	117	333	252	1.257	3.707.063	3.709.123
Total Assets	1.178.337	7.739.732	1.601.748	3.488.100	7.677.867	4.496.822	5.948.170	32.130.776
Liabilities								
Bank Deposits	1.643	-	9.473	-	-	-	-	11.116
Customer Deposits	2.552.945	14.058.839	3.764.246	1.309.513	800	-	-	21.686.343
Money Market Borrowings	-	174.320	-	-	-	-	-	174.320
Miscellaneous Payables	119.478	-	-	-	-	-	-	119.478
Marketable Securities Issued	-	505.039	493.514	-	-	-	-	998.553
Funds Provided From Other Financial Institutions	-	4.452	226.831	24.525	1.101.903	164.898	-	1.522.609
Subordinated Loans (***)	-	-	-	-	-	1.874.755	-	1.874.755
Other Liabilities (****)	-	91	127	196	319	1.260	5.741.609	5.743.602
Total Liabilities	2.674.066	14.742.741	4.494.191	1.334.234	1.103.022	2.040.913	5.741.609	32.130.776
Liquidity (Gap)/ Surplus	(1.495.729)	(7.003.009)	(2.892.443)	2.153.866	6.574.845	2.455.909	206.561	-
Net Off-Balance Sheet Position	-	12.867	(48.254)	103.785	(73.489)	-	-	(5.091)
Financial Derivative Assets	-	12.331.134	2.981.975	6.428.950	3.828.941	13.885.926	-	39.456.926
Financial Derivative Liabilities	-	12.318.267	3.030.229	6.325.165	3.902.430	13.885.926	-	39.462.017
Non-Cash Loans	851.865	290.006	953.540	2.207.464	-	-	-	4.302.875
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 18.135 thousands of Tier II sub-loan as of 31 March 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 3.203.353, tax liabilities amounting to TL 48.009, provisions amounting to TL 113.904, lease payables to TL 168.068 and other liabilities amounting to TL 343.083. In addition, other liabilities include derivative financial liabilities amounting to TL 1.992.473.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VII. Explanations on Leverage Ratio

Information on subjects that causes difference in leverage ratio between current and prior periods:

“Regulation on the Measurement and Evaluation of Banks Leverage Levels” regulates the procedures and principles regarding to ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 7,51% (31 December 2019: 8,70%). As of 31 March 2020, the Bank's leverage ratio is dropped to 7,51% 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 31 March 2020 (*)	Prior Period 31 December 2019 (*)
Balance sheet transactions		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	31.678.022	31.651.078
2 (Assets deducted from Core capital)	(113.548)	(109.718)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	31.564.474	31.541.360
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	2.251.655	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)	2.251.655	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	17.222.739	11.626.181
11 (Correction amount due to multiplication with credit conversion rates)	(3.136.976)	(2.818.558)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	14.085.763	8.807.623
Capital and total risk		
13 Core Capital	3.481.804	3.566.665
14 Total risk amount(sum of lines 3, 6, 9 and 12)	47.901.892	41.031.985
Leverage ratio		
15 Leverage ratio	7,51	8,70

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VIII. 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 31 March 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 31 March 2020	Prior Period 31 December 2019	Current Period 31 March 2020
1	Credit risk (excluding counterparty credit risk) (CCR)	21.461.266	21.491.464	1.716.901
2	Standardised approach (SA)	21.461.266	21.491.464	1.716.901
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	3.741.932	509.074	299.355
5	Standardised approach for counterparty credit risk (SA-CCR)	3.741.932	509.074	299.355
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	1.079.239	869.103	86.339
17	Standardised approach (SA)	1.079.239	869.103	86.339
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)	28.926.300	25.575.654	2.314.104

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

IX. 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-31 March 2020)	Commercial Banking	Retail Banking	Other and Unallocated (*)	Bank's Total Activities
Net Interest Income	98.664	46.063	113.974	258.701
Net Fee and Commission Income	26.268	7.714	(10.014)	23.968
Dividend Income	-	-	-	-
Other Operating Income and Net Profit/Loss	1.411	10.331	(27.146)	(15.404)
Operating Income	126.343	64.108	76.814	267.265
Other Operating Expenses (**)	-	-	(181.342)	(181.342)
Credit and Other Provisions	84.435	(2.606)	(126.366)	(44.537)
Profit Before Tax	-	-	41.386	41.386
Tax Provision	-	-	(9.589)	(9.589)
Net Profit	-	-	31.797	31.797
Total Asset	16.636.021	812.475	14.682.280	32.130.776
Segment Assets	16.636.021	812.475	14.682.280	32.130.776
Total Liability	6.108.356	15.447.979	10.574.441	32.130.776
Segment Liability	6.108.356	15.447.979	5.496.333	27.052.668
Subordinated Loan	-	-	1.874.755	1.874.755
Equity	-	-	3.203.353	3.203.353

(*) 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.

(**) Includes personnel expenses.

Prior Period (1 January-31 March 2019)	Commercial Banking	Retail Banking	Other and Unallocated (*)	Bank's Total Activities
Net Interest Income	109.181	62.624	57.618	229.423
Net Fee and Commission Income	20.041	13.772	4.209	38.022
Dividend Income	-	-	6	6
Other Operating Income and Net Profit/Loss	2.727	9.028	88.914	100.669
Operating Income	131.949	85.424	142.329	368.120
Other Operating Expenses (**)	-	-	147.677	147.677
Credit and Other Provisions	95.507	19.770	91.534	206.811
Profit Before Tax	-	-	5.214	5.214
Tax Provision	-	-	1.189	1.189
Net Profit	-	-	4.025	4.025
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.

(**) Includes personnel expenses.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

1. a) Information on Cash and Balances with the Central Bank of Turkey:

	31 March 2020		31 December 2019	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	29.283	192.174	30.584	161.754
Balances with the Central Bank of Turkey	51.225	4.061.166	160.213	3.265.163
Other	-	-	-	-
Total	80.508	4.253.340	190.797	3.426.917

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

	31 March 2020		31 December 2019	
	TL	FC	TL	FC
Unrestricted Demand Deposit	51.225	1.900.198	154.643	1.443.395
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	2.160.968	5.570	1.821.768
Total	51.225	4.061.166	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 31 March 2020 (31 December 2019: 1 % and 7% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 21% for deposit and other foreign currency liabilities according to their maturities as of 31 March 2020 (31 December 2019: 5% and 21% for all foreign currency liabilities).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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:

	31 March 2020		31 December 2019	
	TL	FC	TL	FC
Forward Transactions	8.246	14.782	11.845	5.668
Swap Transactions	636.134	1.373.512	687.335	674.774
Futures Transactions	-	-	-	-
Options	20.646	4.202	8.410	1.461
Other	-	-	-	-
Total	665.026	1.392.496	707.590	681.903

3. Information on banks:

	31 March 2020		31 December 2019	
	TL	FC	TL	FC
Banks				
Domestic	160.366	5.862	550.424	770
Foreign	-	951.559	-	2.008.217
Branches and head office abroad	-	-	-	-
Total	160.366	957.421	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:

	31 March 2020		31 December 2019	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	616.509	314.154	441.639	298.770
Other	-	-	-	-
Total	616.509	314.154	441.639	298.770

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

As of 31 March 2020, financial assets at fair value through other comprehensive income subject to repurchase agreements: None (31 December 2019: TL 4.208).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

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

b) Information on financial assets at fair value through other comprehensive income portfolio:

	31 March 2020	31 December 2019
Debt securities	2.628.951	1.134.809
Quoted on a stock exchange	2.628.951	1.134.809
Not quoted	-	-
Share certificates	12.120	12.502
Quoted on a stock exchange	7.223	7.605
Not quoted	4.897	4.897
Value Increase/Impairment Losses (-)	(123.222)	-
Total	2.517.849	1.147.311

5. Information on loans:

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

	31 March 2020		31 December 2019	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	1.930	-	2.497	-
Corporate shareholders	1.930	-	2.497	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	-	74.095	-	86.071
Loans granted to employees	4.418	-	3.882	-
Total	6.348	74.095	6.379	86.071

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

5. Information on loans (continued)

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

31 March 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	9.797.779	5.064.291	-	769.031
Loans given to enterprises	-	-	-	-
Export loans	829.730	121.256	-	25.473
Foreign loans	286.150	105	-	47.537
Loans given to financial sector	690.034	-	-	-
Consumer loans	383.724	39.274	-	50.892
Credit cards	127.095	3.110	-	13.871
Other	7.481.046	4.900.546	-	631.258
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	9.797.779	5.064.291	-	769.031

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
Foreign loans	334.741	121	-	44.008
Loans given to financial sector	557.231	-	-	-
Consumer loans	442.246	64.188	-	51.646
Credit cards	145.230	26.099	-	-
Other	8.811.598	4.422.196	-	831.492
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	10.947.662	4.628.936	-	928.421

31 March 2020			31 December 2019	
First and Second Stage Expected Loss Provisions	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month provisions for possible losses	79.030	-	81.785	-
Significant increase in credit risk	-	686.893	-	653.824
Total	79.030	686.893	81.785	653.824

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

5. Information on loans (continued)

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

31 March 2020	Commercial	Retail	Total
Standard Loans	9.309.517	488.262	9.797.779
Watchlist	4.234.398	127.518	4.361.916
Significant Increase in Credit Risk	1.471.406	-	1.471.406
Non-performing Loans	2.108.771	120.217	2.228.988
Specific Provision (-)	(843.283)	(74.941)	(918.224)
Total	16.280.809	661.056	16.941.865

(*) 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

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
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

5. Information on loans (continued)

d) Information on consumer loans and credit cards given to customers and bank's personnel:

31 March 2020	Short Term	Medium and Long Term	Total
Consumer Loans – TL	4.964	448.117	453.081
Housing Loans	-	291.921	291.921
Car Loans	-	1.245	1.245
General Purpose Loans	4.964	154.951	159.915
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	130.490	10.469	140.959
With Installments	20.988	10.469	31.457
Without Installments	109.502	-	109.502
Individual Credit Cards-FC	38	-	38
With Installments	-	-	-
Without Installments	38	-	38
Personnel Loans - TL	300	3.225	3.525
Housing Loans	-	-	-
Car Loans	-	9	9
General Purpose Loans	300	3.216	3.516
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	893	-	893
With Installments	160	-	160
Without Installments	733	-	733
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	17.284	-	17.284
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	153.969	461.811	615.780

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

5. Information on loans (continued)

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

5. Information on loans (continued)

e) Information on commercial loans with installments and corporate credit cards:

31 March 2020	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	508.310	2.128.782	2.637.092
Business Loans	-	2.798	2.798
Car Loans	-	1.155	1.155
General Purpose Loans	508.310	2.124.829	2.633.139
Other	-	-	-
Commercial loans with installment facility-Indexed to FC	-	179.667	179.667
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	179.667	179.667
Other	-	-	-
Commercial loans with installment facility -FC	77.929	7.856.272	7.934.201
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	77.929	7.856.272	7.934.201
Other	-	-	-
Corporate Credit Cards-TL	2.172	-	2.172
With Installments	93	-	93
Without Installments	2.079	-	2.079
Corporate Credit Cards-FC	14	-	14
With Installments	-	-	-
Without Installments	14	-	14
Overdraft Accounts-TL (Legal Entities)	6.220	-	6.220
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	594.645	10.164.721	10.759.366

31 December 2019	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	505.145	2.223.225	2.728.370
Business Loans	-	4.675	4.675
Car Loans	-	2.061	2.061
General Purpose Loans	505.145	2.216.489	2.721.634
Other	-	-	-
Commercial loans with installment facility-Indexed to FC	-	181.490	181.490
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	181.490	181.490
Other	-	-	-
Commercial loans with installment facility -FC	9.591	8.129.540	8.139.131
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	9.591	8.129.540	8.139.131
Other	-	-	-
Corporate Credit Cards-TL	3.408	-	3.408
With Installments	133	-	133
Without Installments	3.275	-	3.275
Corporate Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL (Legal Entities)	8.684	-	8.684
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	526.828	10.534.255	11.061.083

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

5. Information on loans (continued)

f) Distribution of domestic and foreign loans:

	31 March 2020	31 December 2019
Domestic loans	15.297.309	16.126.149
Foreign loans	333.792	378.870
Total	15.631.101	16.505.019

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

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

	31 March 2020	31 December 2019
Expected credit losses		
Loans with limited collectability	16.860	218.942
Loans with doubtful collectability	284.442	287.403
Uncollectible loans	616.922	958.792
Total	918.224	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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

5. Information on loans (continued)

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 (+)	11.030	-	-
Transfers from other categories of non-performing loans (+)	-	434.853	228.853
Transfers to other categories of non-performing loans (-)	434.853	228.853	-
Collections (-)	5.829	64.698	15.370
Write-offs (-) (*)	-	-	499.337
Sold	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other (-)	-	-	-
31 March 2020 balance	36.304	745.738	1.446.946
Specific provision (-)	16.860	284.442	616.922
Net Balances on Balance Sheet	19.444	461.296	830.024

(*) 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
31 March 2020 (Net)	19.444	461.296	830.024
Loans to Real Persons and Legal Entities (Gross)	36.304	745.738	1.446.946
Specific provision (-)	16.860	284.442	616.922
Loans to Real Persons and Legal Entities (Net)	19.444	461.296	830.024
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)	-	-	-

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

5. Information on loans (continued)

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	39.334	107.084	217.666
Special Provision Amount (-)	39.334	107.084	217.666
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 31 March 2020, the net amount after provisions of the non-performing loans and receivables is TL 820.024 (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 31 March 2020, The Bank has written-off TL 499.337 of non-performing loan portfolio.

6. Information on financial assets measured at amortized cost:

a) Information on financial assets given as collateral or blocked: As of 31 March 2020 financial assets measured at amortized cost given as collateral is amounting to TL 782.976 (31 December 2019: TL 1.046.277).

b) Investments and legal liabilities subject to repurchase agreements: As of 31 March 2020, financial assets measured at amortized cost subject to repurchase agreements is amounting to TL 260.754 (31 December 2019: TL 235.447).

c) The Bank has TL 1.331.537 financial assets measured at amortized cost as of 31 March 2020 (31 December 2019: TL 2.352.629).

d.1) Movement on financial assets measured at amortized cost:

	31 March 2020	31 December 2019
Beginning Balance	2.352.629	2.702.342
Foreign Currency Differences on Monetary Assets (*)	78.400	54.669
Purchases During Year	-	360.248
Disposals Through Sales and Redemptions (**)	(1.099.492)	(764.630)
Impairment Provision (-)	-	-
Total	1.331.537	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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

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 31 March 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).

15. Explanations on deferred tax assets:

- a) As of 31 March 2020, the Bank has deferred tax asset amounting to TL 272.151 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	56.194	12.363	57.178	12.579
Provisions ^(*)	67.057	14.753	93.904	20.659
Valuation differences	3.066.405	660.572	2.181.998	466.003
Deferred commissions	34.955	7.690	38.596	8.491
Tangible assets differences	-	-	21.137	4.528
Financial Loss ^(**)	223.216	49.108	392.937	86.446
Other	42.814	9.419	90.232	19.851
Deferred Tax Asset	3.490.641	753.904	2.875.982	618.557
Tangible assets differences	15.955	3.418	-	-
Valuation differences	2.138.813	470.128	1.434.524	315.486
Provisions ^(*)	2.122	467	218.880	48.153
Other	35.891	7.740	41.969	9.078
Deferred Tax Liability (-)	2.192.780	481.753	1.695.372	372.718
Total deferred tax assets, net	1.297.861	272.151	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 2022 corporate tax return, the remaining part can be available for to be offset from tax profit until 2023 corporate tax return is declared. The Bank, has recognized deferred tax asset for all of its tax losses of the Bank.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

- 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 2018: None).

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

As of 31 March 2020 the Bank has assets held for sale and discontinued operations amounting to TL 707.979 (31 December 2019: TL 590.474).

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

The Bank, in some portion of the foreclosed assets, provides repurchase right to the debtor. As of 31 March 2020, the right of repurchase value of assets of the Bank is TL 444.928 (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).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a) 31 March 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	279.285	-	2.244.619	2.655.012	15.295	7.341	913.707	-	6.115.259
Foreign currency deposits	1.585.367	-	2.383.679	8.618.581	1.041.698	104.797	67.823	-	13.801.945
Residents in Turkey	1.500.385	-	2.356.316	8.345.224	1.035.560	101.823	56.604	-	13.395.912
Residents abroad	84.982	-	27.363	273.357	6.138	2.974	11.219	-	406.033
Public sector deposits	36.041	-	-	-	23.668	-	-	-	59.709
Commercial deposits	190.103	-	388.458	593.354	5.700	1.422	3.780	-	1.182.817
Other institutions deposits	615	-	2.411	33.927	17.920	8.367	338	-	63.578
Precious metals deposits	461.534	-	1.501	-	-	-	-	-	463.035
Interbank deposits	1.643	-	-	9.473	-	-	-	-	11.116
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	1.643	-	-	9.473	-	-	-	-	11.116
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	2.554.588	-	5.020.668	11.910.347	1.104.281	121.927	985.648	-	21.697.459

31 December 2019

	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	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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

b.1) Information on saving deposits under the guarantee of saving deposits insurance:

Information on saving deposits and exceeding the limit of insurance saving deposits:

Saving deposits (*)	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Saving deposits	2.650.195	2.666.104	3.465.064	3.130.711
Foreign currency saving deposits	1.214.163	1.269.116	9.273.514	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	3.864.358	3.935.220	12.738.578	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:

	31 March 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	8.410	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:

	31 March 2020		31 December 2019	
	TL	FC	TL	FC
Forward Transactions	38.829	15.966	29.982	4.977
Swap Transactions	557.053	1.356.715	532.469	686.807
Futures Transactions	-	-	-	-
Options	18.926	4.984	5.678	997
Other	-	-	-	-
Total	614.808	1.377.665	568.129	692.781

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

3. Information on borrowings:

a) Information on banks and other financial institutions:

	31 March 2020		31 December 2019	
	TL	FC	TL	FC
From Domestic Banks and Institutions	14.594	36.785	16.497	39.030
From Foreign Banks, Institutions and Funds	-	1.471.230	-	1.804.892
Total	14.594	1.508.015	16.497	1.843.922

b) Maturity analysis of borrowings:

	31 March 2020		31 December 2019	
	TL	FC	TL	FC
Short-term	14.594	178.115	16.497	168.460
Medium and long-term	-	1.329.900	-	1.675.462
Total	14.594	1.508.015	16.497	1.843.922

4. Information on funds provided from repurchase agreement transactions:

a) Funds Provided Under Repurchase Agreements:

	31 March 2020	31 December 2019
Funds Provided Under Repurchase Agreements	174.320	178.604
Total	174.320	178.604

5. Marketable Securities Issued (Net):

	31 March 2020		31 December 2019	
	TP	YP	TP	YP
Bond	998.553	-	760.000	-
Toplam	998.553	-	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).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

7. Explanations on lease obligations (Net):

	31 March 2020		31 December 2019	
	Gross	Net	Gross	Net
Less Than 1 Year	3.245	3.048	7.578	6.964
Between 1-4 Years	80.607	60.970	72.701	54.340
More Than 4 Years	155.095	99.050	168.269	105.875
Total	238.947	163.068	248.548	167.179

8. Information on derivative financial liabilities at fair value through other comprehensive income:

As of 31 March 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:

	31 March 2020	31 December 2019
Employee termination benefit provision	9.211	8.216
Unused vacation provision	8.310	6.355
Total of provision for employee benefits	17.521	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 retired or whose employment is terminated, called up for military service or died.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

9. Information on provisions (continued):

b.2) Movements in the employee termination benefit provision during the year:

	31 March 2020	31 December 2019
Balance at the beginning of period	8.216	6.644
Service Cost	1.338	609
Interest expense	-	325
Actuarial gain/loss (*)	-	2.543
The amount of provision	(343)	(1.905)
Balance at the end of period	9.211	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 28.000 (31 December 2019: TL 32.500), provision for credit cards promotion and banking services amounting to TL 2.283 (31 December 2019: TL 253) and other provisions amounting to TL 16.206 (31 December 2019: TL 45.371).

c.3) Expected loss provisions for non-cash loans: TL 49.084 (31 December 2019: TL 34.736 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).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

a.2) Explanations on taxes payable:

	31 March 2020	31 December 2019
Withholding tax on deposits	16.361	19.086
BITT	6.941	12.579
Payroll Tax	14.694	3.638
Property Tax	405	483
Value Added Tax Payable	1.554	1.581
Stamp Tax	-	115
Corporate Taxes Payable	-	-
Foreign Exchange Tax	1.117	457
Other	783	503
Total	41.854	38.442

a.3) Information on premiums:

	31 March 2020	31 December 2019
Social Security Premiums-Employee	2.636	1.638
Social Security Premiums-Employer	2.965	1.841
Unemployment Insurance-Employer	369	229
Unemployment Insurance-Employee	185	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	6.155	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:

	31 March 2020		31 December 2019	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks	-	-	-	-
From other foreign institutions	-	1.874.755	-	1.735.813
Total		1.874.755		1.735.813

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

12. Information on subordinated loans (continued)

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 18.135 thousands of Tier II sub-loan as of 31 March 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.

13. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

As of 31 March 2020 the Bank's paid in capital consists of TL 3.288.842.000 shares which nominal value is TL 1 (full TL).

TL	31 March 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:

	31 March 2020	31 December 2019
Valuation Difference	(92.002)	36.052
Foreign Exchange Difference	-	-
Total	(92.002)	36.052

c) Information on legal reserves:

	31 March 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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 31 March 2020, the net amount after provisions of the non-performing loans and receivables in the fifth group (in Stage 3) is TL 820.024 (31 December 2019: TL 774.212).

14. Information on minority shares: None. (31 December 2019: None).

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

1. Information on off-balance sheet liabilities:

- a) Nature and amount of irrevocable loan commitments:

	31 March 2020	31 December 2019
Forward asset purchase and sales commitments	2.142.044	1.919.570
Loan granting commitments	198.366	181.114
Commitments for checks	61.906	57.317
Credit card limit commitments	451.394	2.025.293
Other irrevocable commitments	11.576	10.482
Total	2.865.286	4.193.776

- b) Possible losses and commitments related to off-balance sheet items including items listed below:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

- b.1) Non-cash loans including guarantees, acceptances, financial guarantees and other letters of credits:

	31 March 2020	31 December 2019
Letters of guarantee	1.880.548	1.774.951
Letters of credit	846.753	749.939
Bank acceptance loans	325.807	395.765
Other guarantees	1.249.767	853.802
Total	4.302.875	3.774.457

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

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

	31 March 2020	31 December 2019
Definite letter of guarantees	1.045.139	900.655
Temporary letter of guarantees	55.431	50.888
Other letter of guarantees	779.978	823.408
Total	1.880.548	1.774.951

c) Total amount of non-cash loans:

	31 March 2020	31 December 2019
Non-cash loans given to cover cash loans	632.095	675.927
With maturity of 1 year or less than 1 year	632.095	675.927
With maturity of more than 1 year	-	-
Other non-cash loans	3.670.780	3.098.530
Total	4.302.875	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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

1. a) Information on interest on loans:

Interest on loans	31 March 2020		31 March 2019	
	TL	FC	TL	FC
Short term loans	117.458	18.892	187.664	15.369
Medium and long term loans	118.590	142.056	253.288	168.617
Interest collected from non-performing loans	(34.543)	-	1.399	-
Total	201.505	160.948	442.351	183.986

b) Information on interest received from banks:

	31 March 2020		31 March 2019	
	TL	FC	TL	FC
From The Central Bank of Republic of Turkey	-	-	1.926	-
From domestic banks	8.407	3.152	42.598	249
From foreign banks	-	10.254	-	22.651
From branches and offices abroad	-	-	-	-
Total	8.407	13.406	44.524	22.900

c) Interest received from marketable securities portfolio:

	31 March 2020		31 March 2019	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss (Net)	1.100	40	145	11
Financial assets at fair value through other comprehensive income	25.147	12.051	19.229	1.506
Financial Assets Measured at Amortized Cost	26.331	17.926	16.951	31.010
Total	52.578	30.017	36.325	32.527

2. a) Information on interest on funds borrowed:

Interest on funds borrowed	31 March 2020		31 March 2019	
	TL	FC	TL	FC
Banks	529	13.117	46	23.762
The Central Bank of Turkey	-	-	-	-
Domestic banks	529	329	46	96
Foreign banks	-	12.788	-	23.666
Branches and offices abroad	-	-	-	-
Other institutions	283	-	-	-
Total	812	13.117	46	23.762

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

c) Information on interest expense to marketable securities issued: As of 31 March 2020, the Bank has interest expense to Tier II sub-loan issued amounting to TL 55.973 (31 March 2019: TL 48.084).

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

31 March 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	-	719	-	-	-	-	-	719
Saving deposits	-	53.552	66.420	423	312	36.853	-	157.560
Public sector deposits	-	-	-	552	-	-	-	552
Commercial deposits	-	6.270	12.879	195	35	115	-	19.494
Other deposits	-	78	1.171	422	242	1	-	1.914
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	60.619	80.470	1.592	589	36.969	-	180.239
Foreign Currency								
Foreign currency deposits	25	8.019	28.827	3.379	487	297	-	41.034
Bank deposits	-	41	-	-	-	-	-	41
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	25	8.060	28.827	3.379	487	297	-	41.075
Grand Total	25	68.679	109.297	4.971	1.076	37.266	-	221.314
31 March 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	-	159	-	-	-	-	-	159
Saving deposits	-	107.416	162.982	40.140	10.857	12.921	-	334.316
Public sector deposits	-	-	-	164	-	-	-	164
Commercial deposits	-	14.353	27.038	1.002	767	1.348	-	44.508
Other deposits	-	213	3.094	51	242	53	-	3.653
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	122.141	193.114	41.357	11.866	14.322	-	382.800
Foreign Currency								
Foreign currency deposits	57	15.588	89.296	4.793	1.487	391	-	111.612
Bank deposits	-	1.531	-	-	-	-	-	1.531
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	57	17.119	89.296	4.793	1.487	391	-	113.143
Grand Total	57	139.260	282.410	46.150	13.353	14.713	-	495.943

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

3. Information on Dividend Income: None (31 March 2019: TL 6).

4. Information on net trading income:

	31 March 2020	31 March 2019
Income	12.413.293	11.817.321
Gains on capital market operations	26.154	1.197
Gains on derivative financial instruments	1.500.032	841.489
Foreign exchange gains	10.887.107	10.974.635
Losses (-)	12.437.907	11.729.187
Losses on capital market operations	39.544	5.131
Losses on derivative financial instruments	1.475.428	756.955
Foreign exchange losses	10.922.935	10.967.101
Net Amount	(24.614)	88.134

5. Information on other operating income: As of 31 March 2020, other operating income includes the adjustment account for previous years' expenses and other operating income.

6. Provision for impairment of loans and other receivables:

a) Expected credit loss provisions:

	31 March 2020	31 March 2019(*)
Expected Credit Loss Provisions	44.537	115.368
12-Month Expected Credit Losses (Stage 1)	81	-
Significant Increase In Credit Risk (Stage 2)	44.456	-
Credit-Impaired (Stage 3)	-	115.368
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	44.537	115.368

b) Other Provisions:

As of 31 March 2020, there is no provision for possible risks.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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

7. Information on other operating expenses:

	31 March 2020	31 March 2019
Employee termination benefit provision	995	640
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Amortization expenses of fixed assets	13.688	12.697
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	8.304	7.796
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	88.142	67.087
Leasing expenses related to TFRS 16 exemptions	776	4.692
Maintenance expenses	1.598	2.204
Advertisement expenses	9.073	5.811
Other expenses (*)	76.339	54.380
Loss on sales of assets	356	-
Other	-	-
Total	111.129	88.220

(*) Other operating expenses majorly consist of IT expenses, premiums for saving deposit insurance fund, auditing and consultancy services, credit card related expenses, support services and other expenses.

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

As of 31 March 2020, the Bank's profit before tax from continued operations is TL 41.386 (31 March 2019: TL 5.214).

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

As of 31 March 2020, The Bank has deferred tax expense amounting to TL 9.589 (31 March 2019: TL 1.189 deferred tax expense).

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

As of 31 March 2020, the Bank's net profit from continued operations is TL 31.797 (31 March 2019: TL 4.025).

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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) 31 March 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	-	-	1.930	74.095	-	525
Interest and commission income	-	-	5	-	-	-

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 (*)	-	-	131	-	-	-

(*) As of 31 March 2019.

b.1) Information on related party deposits balances:

31 March 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	-	1.872	6.169
Interest on deposits	-	89	37

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 (*)	-	1.926	5

(*) As of 31 March 2019.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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	-	-	13.211.479	11.966.589	-	-
Total loss/ profit (*)	-	-	642.172	276.994	-	-

(*) 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 31 March 2020 is TL 14.542 (31 March 2019: TL 6.130).

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	1.108			
			Country		
Foreign Representative Offices	-	-	-		
				Total Assets	Legal Capital
Foreign Branches	-	-	-	-	-
Off-shore Banking Branches	-	-	-	-	-

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

VII. Explanations and Disclosures Related To Subsequent Events

As of 12 April 2020, the BRSA announced the numbered 8989 decision to ensure the management of these risks and maintain financial stability. With this decision, for the transactions to be carried out by banks with foreign residents in the direction of TL purchases:

- The limitation of Equity Capital redefined in proportion of 1% instead of 10%.
- The removal of the application of different consideration rates according to the maturity used in the calculation of the transactions included in the restriction,
- It is decided to obtain the written approval of the institution if the transactions are requested to be broken or extended before the maturity.

On the other hand, as a result of the evaluation has been made to support the steps and measures taken to manage the financial risk increase caused by the COVID-19 epidemic. The transactions to be carried out by banks with operated abroad on the transactions of TL sales:

- The sum of the specified transaction amounts, the banks to the most recently calculated the ratio of their legal equities should not exceed 1% for transactions remaining 7 days to that maturity on any calendar day, 2% for transactions remaining 30 days to that maturity, 10% for transactions remaining 1 year to that maturity.
- For whatever reason, it is decided to obtain the written approval of the institution if the transactions are requested to be broken or extended before the specified maturity.

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%. This regulation is valid as of May 1, 2020.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

SECTION SIX

EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

I. Explanations on Review Report

The unconsolidated financial statements for the period ended 31 March 2019 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 6 May 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 31 March 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 31 March 2020 the Bank has 48 domestic branches and 1.108 personnel.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

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
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

(*) Antoine Najm has been appointed as Member of the Board of Directors beginning from 9 January 2020 per Board of Directors resolution dated 19 December 2019.

There is no share of the above individuals in the Bank.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

Message from the Chairman

Dear Stakeholders,

I hope you and your families are keeping safe and well in those extraordinary and unsettling times. No doubt that the coronavirus (COVID-19) pandemic could be the most serious challenge to financial institutions in nearly a century, as it is causing widespread concern and economic hardship to consumers, businesses and communities across the globe. The situation is fast moving from one country to another with different unknown implications, raising a number of unique challenges.

The pandemic reached Turkey later than many other countries, justifying the positive GDP growth achieved by the Turkish economy in the first quarter of 2020. Nonetheless, the widespread impact of the pandemic is real which when combined with an oil producer price war, leads to a global economic recession, a sudden shock in global capital markets, credit and liquidity stress, and unprecedented outflows from Emerging Markets.

In anticipation of the impact of the above on the Turkish economy, a number of precautionary measures were taken by both the state authorities, the Central Bank of Turkey, the BRSA, the association of banks and a number of other stakeholders to help alleviate the implications as much as possible. As a result and although economists expects a negative impact on economic growth in particular in the second quarter of this year, their latest forecast point to a more flat economic growth in Turkey in the third quarter and an improvement in the fourth quarter of 2020.

At the beginning of the year, the Turkish banking sector registered positive growth driven primarily by an increase in private bank loans and the low interest rate environment. Today, a number of measures are being taken to support the real and financial sectors and help alleviate as much as possible the challenges and operational impact of the Covid-19 crisis, which have not been fully factored yet. This will be an ongoing work in the coming quarters as we assess the results of lingering lockdown on the economy.

As we adapt to those new realities, we, at Odeabank, have strived to ensure a balance between safety and business continuity, safeguarding our employees' health while continuing to service our clients. We remain fully confident in Turkey's future and great potential, allowing us to generate value creation.

We, at Odeabank, take our role in supporting our customers seriously. We continue to be committed to be your partner amid those uncertain and unprecedented times. You can count on us to be here for you.

Respectfully yours,

Samir N. Hanna

Bank Audi Group CEO

Odea Bank's Chairman of the Board of Directors

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

CEO's Message

Dear Stakeholders,

In the first quarter of 2020, the Covid-19 outbreak which spread from Vuhan, China that was declared a pandemic in March, increased the uncertainties in the global economy, thereby leaving the balancing process at the end of 2019 to uncertainty. Despite all the measures, the economic tension caused by the rapid spread of the virus and the increase in deaths due to pandemic especially in Europe and the USA, decreased at some level with the introduction of the measures but continues to have negative effects. It is seen that the end of the quarantine process in Vuhan, where Covid-19 first appeared, had a partial positive effect in the markets, and global normalization is expected to be in the earliest months of May-June. In comparison to other countries, the delayed occurrence of the outbreak in Turkey caused the domestic markets influence latter, though, remains parallel course with global indices.

As Odeabank, we welcomed the New Year with our strong capital and sustainable profitability. We provide all kinds of support for our country, our customers and colleagues in coordination with decision makers and international and local authorities in order to overcome this challenging period.

For the new period after Covid-19, we continue to make our technical and strategic investments to finalize our projects in order to offer our customers and colleagues the most suitable environment and products through the best channels.

As the COVID-19 pandemic has come lately to the country, the impact of such is very limited on the Bank's first quarter financial results. When reviewing our 2020 first quarter financial results, our net cash loans totaled TRY 16.2 billion, our deposits reached up to TRY 21.7 billion. With these results, achieving a loan-deposit ratio of 75 percent, Odeabank has maintained its self-funding and strong balance sheet structure. Our bond issued volume reached TRY 999 million. Our pretax income was TRY 41.4 million. Moreover, as of the end of 2020 first quarter, our main capital ratio was 12.02% and our capital adequacy ratio was at 19.51%, well above sector average.

I wholeheartedly thank all of our colleagues, especially those who are at branches and who continue to work physically, for their devoted working discipline despite all the difficulties. I would also like to express my gratitude to our customers for their support in achieving our goals, to our shareholders and Bank Audi management for taking our progress a step forward.

Sincerely,

Mert Öncü
CEO and Board Member

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

Brief financial information of the Bank

ASSETS:

	Reviewed Current Period 31 March 2020			Audited Prior Period 31 December 2019		
	TL	FC	Total	TL	FC	Total
CASH AND CASH EQUIVALENTS	1.458.064	5.209.405	6.667.469	2.801.724	5.433.950	8.235.674
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	38.341	4.904	43.245	1.463	2.631	4.094
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	1.319.719	1.198.130	2.517.849	519.598	627.713	1.147.311
DERIVATIVE FINANCIAL ASSETS	665.026	1.392.496	2.057.522	707.590	681.903	1.389.493
FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	7.188.825	10.313.450	17.502.275	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"	707.979	-	707.979	590.474	-	590.474
TANGIBLE ASSETS (NET)	-	-	-	-	-	-
INTANGIBLE ASSETS AND GOODWILL (NET)	211.287	-	211.287	212.317	-	212.317
INVESTMENT PROPERTIES (NET)	73.760	-	73.760	74.813	-	74.813
CURRENT TAX ASSETS	27.919	-	27.919	21.454	-	21.454
DEFERRED TAX ASSETS	272.151	-	272.151	245.840	-	245.840
OTHER ASSETS	511.595	1.537.725	2.049.320	493.682	833.019	1.326.701
Total	12.474.666	19.656.110	32.130.776	14.396.714	18.270.624	32.667.338

LIABILITIES:

	Reviewed Current Period 31 March 2020			Audited Prior Period 31 December 2019		
	TL	FC	Total	TL	FC	Total
DEPOSITS	7.432.471	14.264.988	21.697.459	8.109.852	13.987.521	22.097.373
LOANS RECEIVED	14.594	1.508.015	1.522.609	16.497	1.843.922	1.860.419
MONEY MARKET FUNDS	1.048	173.272	174.320	9.013	169.591	178.604
MARKETABLE SECURITIES (Net)	998.553	-	998.553	760.000	-	760.000
FUNDS	-	-	-	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	-	-	-
DERIVATIVE FINANCIAL LIABILITIES	614.808	1.377.665	1.992.473	568.129	692.781	1.260.910
FACTORING PAYABLES	-	-	-	-	-	-
LEASE PAYABLES	161.820	1.248	163.068	165.095	2.084	167.179
PROVISIONS	82.995	30.099	113.094	108.822	18.609	127.431
CURRENT TAX LIABILITIES	48.009	-	48.009	42.265	-	42.265
DEFERRED TAX LIABILITIES	-	-	-	-	-	-
LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	-	-	-	-	-	-
SUBORDINATED DEBT	-	1.874.755	1.874.755	-	1.735.813	1.735.813
OTHER LIABILITIES	185.042	158.041	343.083	171.433	966.330	1.137.763
SHAREHOLDERS' EQUITY	3.296.385	(93.032)	3.203.353	3.275.982	23.599	3.299.581
TOTAL LIABILITIES AND EQUITY	12.835.725	19.295.051	32.130.776	13.227.088	19.440.250	32.667.338

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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

STATEMENT OF PROFIT OR LOSS:

	Reviewed Current Period 1 January- 31 March 2020	Reviewed Prior Period 1 January- 31 March 2019
INTEREST INCOME	567.566	808.328
INTEREST EXPENSE	308.865	578.905
NET INTEREST INCOME (I - II)	258.701	229.423
NET FEES AND COMMISSIONS INCOME	23.968	29.604
DIVIDEND INCOME	-	6
NET TRADING PROFIT/LOSS (Net)	(24.614)	88.134
OTHER OPERATING INCOME	9.210	12.535
GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII+VIII)	267.265	359.702
ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	44.537	115.368
OTHER PROVISION EXPENSES	-	91.443
PERSONNEL EXPENSES (-)	70.213	59.457
OTHER OPERATING EXPENSES (-)	111.129	88.220
NET OPERATING PROFIT/(LOSS) (VIII-IX-X)	41.386	5.214
SURPLUS WRITTEN AS GAIN AFTER MERGER	-	-
PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES	-	-
NET MONETARY POSITION GAIN/LOSS	-	-
PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)	41.386	5.214
PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(9.589)	(1.189)
NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)	31.797	4.025
INCOME ON DISCONTINUED OPERATIONS	-	-
EXPENSES FROM DISCONTINUED OPERATIONS (-)	-	-
PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XIX-XX)	-	-
TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-	-
NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)	-	-
NET PROFIT/LOSSES (XVIII+XXIII)	31.797	4.025
Profit / Loss per Share	0.010	0.001