

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

Odea Bank Anonim Şirketi

**Unconsolidated Interim Financial Statements
As at and For the Nine-Month Period Ended
30 September 2019**

With Auditors' Review Report Thereon

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

5 November 2019

This report includes "Auditors' Review Report" comprising 2 pages and; "Unconsolidated Financial Statements and Related Disclosures and Footnotes" comprising 81 pages.

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

REVIEW REPORT ON INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of Odea Bank Anonim Şirketi;

Introduction

We have reviewed the accompanying unconsolidated statement of financial position of Odea Bank A.Ş. (the "Bank") as at 30 September 2019 and the related unconsolidated statement of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity, cash flows for the nine month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The Bank Management is responsible for the preparation and fair presentation of these unconsolidated interim financial information in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by the aforementioned legislations. Our responsibility is to express a conclusion on these unconsolidated interim financial information based on our review.

Scope of Review

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

Basis for Qualified Conclusion

The accompanying unconsolidated interim financial information as at 30 September 2019 includes a provision amounting to TL 134.782 thousands, which was recognized in prior periods by the Bank Management and was increased during the current period amounting to TL 118.397 thousands for possible negative outcome of the changes in the economy and market conditions. As a result of this provision, which does not meet the recognition criteria of TAS 37, net profit is understated by TL 92.350 thousands for the nine month period ended 30 September 2019, other provisions are overstated by TL 134.782 thousands, deferred tax asset is overstated by TL 29.652 thousands and profit reserves are understated by TL 12.780 thousands as at 30 September 2019.

Qualified Conclusion

Based on our review, except for effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information do not present fairly, in all material respects, the unconsolidated financial position of Odea Bank as at 30 September 2019, and its unconsolidated financial performance and its unconsolidated cash flows for the nine month period then ended in accordance with the BRSA Accounting and Reporting Legislation.

Other Matter

The financial statements of the Bank as at and for the year ended 31 December 2018 and as at and for the nine month period ended 30 September 2018 were audited and reviewed by another auditor who expressed a qualified opinion and qualified conclusion, due to the general provisions provided by the Bank, on 27 February 2019 and 7 November 2018, respectively.

Report on other legal and regulatory requirements

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information provided in the interim activity report include in section seven of the accompanying unconsolidated interim financial information is not consistent, in all material respects, with the reviewed unconsolidated interim financial information and explanatory notes.

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

Funda Aslanoğlu, SMMM
Partner

5 November 2019
Istanbul, Turkey

Translated into English from the original Turkish report and financial statements

**ODEA BANK A.Ş.
UNCONSOLIDATED FINANCIAL REPORT
AS OF SEPTEMBER 30, 2019**

Address : Levent 199, Büyükdere Caddesi No:199 Kat: 33-40
Levent Şişli/ İstanbul

Telephone : +90 (212) 304 84 44, +90 (212) 304 84 45

Web Site : <http://www.odeabank.com.tr>

Contact E-mail Address : <https://www.odeabank.com.tr/en-us/contact-us/sayfalar/contact-form.aspx>

The unconsolidated financial report as at and for the Nine-month period prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks” as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- 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 Ninth-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:

Name-Surname / Title : Öcal Perçin / Financial Reporting Director
Telephone Number : +90 (212) 304 86 55
Fax Number : +90 (212) 304 84 45

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

INDEX

SECTION ONE

General Information About the Bank

	<u>Page</u>
I. Bank's Incorporation Date, Beginning Statue, Changes in the Existing Statue	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.....	21
XII. Explanations on Tangible Fixed Assets.....	21
XIII. Explanations on Leasing Transactions	21
XIV. Explanations on Provisions and Contingent Liabilities.....	21
XV. Explanations on Liabilities Regarding Employee Benefits	22
XVI. Explanations on Taxation	22
XVII. Additional Explanations on Borrowings	23
XVIII. Explanations on Issued Share Certificates.....	23
XIX. Explanations on Avalized Drafts and Acceptances.....	23
XX. Explanations on Government Grants.....	23
XXI. Explanations on Segment Reporting	23
XXII. Explanations on Reclassifications	23
XXIII. Explanations on Other Cases	24

SECTION FOUR

Information Related to Financial Position and Risk Management of the Bank

I. Explanations on Equity.....	26
II. Explanations on Currency Risk.....	34
III. Explanations on Interest Rate Risk.....	37
IV. Explanations on Share Certificates Position Risk	39
V. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio	40
VI. Explanations on Leverage Ratio	44
VII. Explanations on Risk Management	45
VIII. Explanations on Business Segments	46

SECTION FIVE

Explanations and Disclosures on Financial Statements

I. Explanations and Disclosures Related to the Assets	47
II. Explanations and Disclosures Related to the Liabilities.....	60
III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments	68
IV. Explanations and Disclosures Related to the Statement of Profit or Loss	70
V. Explanations on the Risk Group of the Bank.....	74
VI. Explanations and Disclosures Related to Subsequent Event	75

SECTION SIX

Review Report

I. Explanations on Review Report.....	76
II. Explanations and Notes Prepared by Independent Auditor	76

SECTION SEVEN

Interim Activity Report

I. Interim Activity Report Included Chairman of the Board of Directors and Ceo's Assessments for the Interim Activities	76
---	----

ODEA BANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2019
(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. 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 deposit banks founded in Turkey" group, by taking operating permission from BRSA numbered 4963 on September 28, 2012, which was published in Official Gazette dated October 2, 2012 numbered 28429.

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

As of 30 September 2019 and 31 December 2018, 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, Abu Dhabi, Turkey and Iraq, has an asset management company in Monaco. The Group has subsidiaries across the region: two in Lebanon, four in the MENA region outside Lebanon, two in Europe and one main subsidiary in Turkey.

The Group ranks among the top banks in Lebanon in terms of asset size, shareholders' equity, customer deposits, loans and net income. Having one of the largest branch networks in Lebanon, the Group has 206 branches as of 30 September 2019.

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 Warehouse certification (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 Warehouse Certificates (GDR) are quoted both on the Beirut Stock Exchange and at the London Stock Exchange.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2019
(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
	Aristeidis VOURAKIS	Vice Chairman of the Board of Directors	Master's 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-CHAFFÉY	Member of the Board of Directors	Master's Degree
	Tamer GHAZALEH	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	Alpaslan YURDAGÜL	Credit Allocation	Master's Degree
Assistant General Managers (*)	Cem MURATOĞLU	Retail Banking	Master's Degree
	Emir Kadir ALPAY	Treasury and Capital Markets	Master's Degree
	Yalçın AVCI	Commercial Banking	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

(*) Gökhan Erkiralp has resigned from his duty beginning from 6 August 2019 and Emir Kadir Alpay has been appointed as Assistant General Manager of Treasury and Capital Markets beginning from 9 September 2019.

(**) Alpaslan Yurdagül has resigned from his duty as of 31 October 2019 and no appointment has been performed for the vacant position as of reporting date.

(***) Freddie Baz has resigned from his duty and Mouayed Makhoulf has been appointed as Member of Board of Directors beginning from 30 October 2019 per Board of Directors resolution dated 6 August 2019.

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

Information about the persons and institutions that have qualified shares as of 30 September 2019:

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

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

The headquarters of the Bank is located in Istanbul and as of 30 September 2019. The Bank has 47 domestic branches with 1.093 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 2018: 45 domestic branches, 1.088 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.

Translated into English from the original Turkish report and financial statements

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- 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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT
30 SEPTEMBER 2019

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

I. BALANCE SHEET – ASSETS

	Note Ref (Section Five)	Reviewed Current Period 30 September 2019			Audited Prior Period 31 December 2018		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		2.875.955	6.544.486	9.420.441	3.987.346	4.148.189	8.135.535
1.1 Cash and cash equivalents		1.746.202	5.631.715	7.377.917	2.820.844	3.920.663	6.741.507
1.1.1 Cash and balances at Central Bank	I-1	166.898	3.338.111	3.505.009	1.022.782	2.976.158	3.998.940
1.1.2 Banks	I-3	700.554	2.295.069	2.995.623	1.058.065	944.809	2.002.874
1.1.3 Receivables from Money Markets		878.893	-	878.893	740.121	-	740.121
1.1.4 Allowance for expected credit losses (-)		143	1.465	1.608	124	304	428
1.2 Financial assets at fair value through profit or loss	I-2	3.151	7.783	10.934	3.269	-	3.269
1.2.1 Public debt securities		3.151	7.783	10.934	3.269	-	3.269
1.2.2 Equity instruments		-	-	-	-	-	-
1.2.3 Other financial assets		-	-	-	-	-	-
1.3 Financial assets at fair value through other comprehensive income	I-4	422.640	127.323	549.963	300.657	4.801	305.458
1.3.1 Public debt securities		417.743	120.704	538.447	295.760	-	295.760
1.3.2 Equity instruments		4.897	6.619	11.516	4.897	4.801	9.698
1.3.3 Other financial assets		-	-	-	-	-	-
1.4 Derivative financial assets	I-2	703.962	777.665	1.481.627	862.576	222.725	1.085.301
1.4.1 Derivative financial assets at fair value through profit or loss		703.962	777.665	1.481.627	862.576	222.725	1.085.301
1.4.2 Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
II. FINANCIAL ASSET MEASURED AT AMORTISED COST (Net)		8.606.755	11.012.423	19.619.178	9.291.634	11.998.653	21.290.287
2.1 Loans	I-5	9.579.997	9.497.120	19.077.117	10.551.880	9.946.465	20.498.345
2.2 Receivables from leasing transactions	I-10	-	-	-	-	-	-
2.3 Factoring receivables		-	-	-	-	-	-
2.4 Other financial assets measured at amortized cost	I-6	785.820	1.954.798	2.740.618	471.071	2.231.271	2.702.342
2.4.1 Public debt securities		447.632	1.157.566	1.605.198	471.071	1.495.213	1.966.284
2.4.2 Other financial assets		338.188	797.232	1.135.420	-	736.058	736.058
2.5 Allowance for expected credit losses (-)		1.759.062	439.495	2.198.557	1.731.317	179.083	1.910.400
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)	I-16	592.496	-	592.496	238.525	-	238.525
3.1 Held for sale		592.496	-	592.496	238.525	-	238.525
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	225.128	-	225.128	86.823	-	86.823
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	I-13	64.939	-	64.939	62.942	-	62.942
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		64.939	-	64.939	62.942	-	62.942
VII. INVESTMENT PROPERTIES (Net)	I-14	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		12.742	-	12.742	78.747	-	78.747
IX. DEFERRED TAX ASSETS	I-15	278.808	-	278.808	272.167	-	272.167
X. OTHER ASSETS	I-17	512.609	1.015.883	1.528.492	627.587	608.005	1.235.592
TOTAL ASSETS		13.169.432	18.572.792	31.742.224	14.645.771	16.754.847	31.400.618

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT
30 SEPTEMBER 2019

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

I. BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY

	Note Ref. (Section Five)	Reviewed Current Period 30 September 2019			Audited Prior Period 31 December 2018		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	6.904.932	13.615.487	20.520.419	8.495.839	13.065.209	21.561.048
II. LOANS RECEIVED	II-3	19.646	2.124.535	2.144.181	2.549	3.004.633	3.007.182
III. MONEY MARKET FUNDS	II-4	2.581	158.432	161.013	100	-	100
IV. MARKETABLE SECURITIES (Net)	II-5	814.333	-	814.333	207.110	-	207.110
4.1 Bills		814.333	-	814.333	207.110	-	207.110
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	719.705	743.221	1.462.926	971.302	221.318	1.192.620
7.1 Derivative financial liabilities at fair value through profit or loss		719.705	743.221	1.462.926	855.261	221.318	1.076.579
7.2 Derivative financial liabilities at fair value through other comprehensive income	II-8	-	-	-	116.041	-	116.041
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	II-7	198.362	-	198.362	-	-	-
X. PROVISIONS	II-9	223.288	17.151	240.439	109.730	21.594	131.324
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		13.901	-	13.901	11.847	-	11.847
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		209.387	17.151	226.538	97.883	21.594	119.477
XI. CURRENT TAX LIABILITIES	II-10	47.886	-	47.886	48.582	-	48.582
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	-	1.623.350	1.623.350	-	1.636.012	1,636.012
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		-	1.623.350	1.623.350	-	1.636.012	1,636.012
XV. OTHER LIABILITIES	II-6	261.644	1,045.475	1,307.119	227.591	169.227	396.818
XVI. SHAREHOLDERS' EQUITY		3,212.652	9,544	3,222.196	3,218.328	1,494	3,219.822
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		2,700	3,550	6,250	2,700	1,494	4,194
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		(55,228)	5,994	(49,234)	(88,901)	-	(88,901)
16.5 Profit reserves		(43,577)	-	(43,577)	735	-	735
16.5.1 Legal reserves	II-13	26,149	-	26,149	25,291	-	25,291
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		(69,726)	-	(69,726)	(24,556)	-	(24,556)
16.5.4 Other profit reserves		-	-	-	-	-	-
16.6 Profit or loss		22,113	-	22,113	17,150	-	17,150
16.6.1 Prior periods profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		22,113	-	22,113	17,150	-	17,150
16.7 Minority Shares	II-14	-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,405,029	19,337,195	31,742,224	13,281,131	18,119,487	31,400,618

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

Convenience translation of unconsolidated financial statements and independent auditor's limited 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 30 SEPTEMBER 2019

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

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

	Note Ref. (Section Five)	Reviewed Current Period 30 September 2019			Audited Prior Period 31 December 2018		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		13.545.759	72.330.283	85.876.042	16.577.715	69.256.341	85.834.056
I. GUARANTEES	III-1	925.298	3.095.472	4.020.770	842.498	2.843.284	3.685.782
1.1 Letters of guarantee		909.478	880.173	1.789.651	837.641	957.928	1.795.569
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		909.478	880.173	1.789.651	837.641	957.928	1.795.569
1.2 Bank acceptances		-	366.860	366.860	4.857	646.200	651.057
1.2.1 Import letter of acceptance		-	366.860	366.860	4.857	646.200	651.057
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		15.820	896.228	912.048	-	669.337	669.337
1.3.1 Documentary letters of credit		15.820	896.228	912.048	-	669.337	669.337
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		-	952.211	952.211	-	569.819	569.819
1.9 Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-1	1.891.984	4.621.282	6.513.266	1.059.791	7.405.555	8.465.346
2.1 Irrevocable commitments		1.891.984	4.621.282	6.513.266	1.059.791	7.405.555	8.465.346
2.1.1 Forward asset purchase and sales commitments		1.141.963	4.609.218	5.751.181	295.906	7.335.418	7.631.324
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		158.485	2.112	160.597	171.113	60.801	231.914
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		60.853	-	60.853	58.384	-	58.384
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		530.683	-	530.683	534.388	-	534.388
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		-	9.952	9.952	-	9.336	9.336
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		10.728.477	64.613.529	75.342.006	14.675.426	59.007.502	73.682.928
3.1 Derivative financial instruments for hedging purposes		-	-	-	800.000	-	800.000
3.1.1 Fair value hedge		-	-	-	-	-	-
3.1.2 Cash flow hedge		-	-	-	800.000	-	800.000
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Trading derivatives		10.728.477	64.613.529	75.342.006	13.875.426	59.007.502	72.882.928
3.2.1 Forward foreign currency buy/sell transactions		1.136.242	2.408.281	3.544.523	1.983.668	2.513.650	4.497.318
3.2.1.1 Forward foreign currency transactions-buy		892.316	901.317	1.793.633	1.516.808	786.294	2.303.102
3.2.1.2 Forward foreign currency transactions-sell		243.926	1.506.964	1.750.890	466.860	1.727.356	2.194.216
3.2.2 Swap transactions related to foreign currency, and interest rates		7.651.079	58.605.457	66.256.536	7.249.820	49.321.679	56.571.499
3.2.2.1 Foreign currency swaps-buy		1.380.674	13.357.516	14.738.190	1.287.179	9.179.708	10.466.887
3.2.2.2 Foreign currency swaps-sell		2.121.805	12.676.023	14.797.828	3.164.239	7.302.811	10.467.050
3.2.2.3 Interest rate swaps-buy		2.074.300	16.285.959	18.360.259	1.399.201	16.419.580	17.818.781
3.2.2.4 Interest rate swaps-sell		2.074.300	16.285.959	18.360.259	1.399.201	16.419.580	17.818.781
3.2.3 Foreign currency, interest rate and securities options		1.941.156	3.599.791	5.540.947	4.641.938	7.172.173	11.814.111
3.2.3.1 Foreign currency options-buy		690.583	1.818.657	2.509.240	2.321.435	3.155.683	5.477.118
3.2.3.2 Foreign currency options-sell		1.250.573	1.325.364	2.575.937	2.320.503	3.260.630	5.581.133
3.2.3.3 Interest rate options-buy		-	227.885	227.885	-	377.930	377.930
3.2.3.4 Interest rate options-sell		-	227.885	227.885	-	377.930	377.930
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)		72.214.133	47.290.870	119.505.003	66.328.631	44.036.050	110.364.681
IV. ITEMS HELD IN CUSTODY		1.595.039	386.155	1.981.194	427.543	334.423	761.966
4.1 Assets under management		732.205	-	732.205	72.163	-	72.163
4.2 Investment securities held in custody		732.663	193.039	925.702	206.929	32.605	239.534
4.3 Checks received for collection		3.177	167.373	170.550	2.843	233.584	236.427
4.4 Commercial notes received for collection		126.994	25.743	152.737	145.608	68.234	213.842
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		70.619.094	46.904.715	117.523.809	65.901.088	43.701.627	109.602.715
5.1 Marketable securities		-	-	-	-	-	-
5.2 Guarantee notes		25.783.572	5.890.421	31.673.993	25.360.317	5.538.591	30.898.908
5.3 Commodities		10.090.014	-	10.090.014	4.015.884	-	4.015.884
5.4 Warrants		-	-	-	-	-	-
5.5 Properties		25.241.234	26.243.713	51.484.947	26.108.685	22.429.525	48.538.210
5.6 Other pledged items		9.504.274	14.770.581	24.274.855	10.416.202	15.733.511	26.149.713
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF - BALANCE SHEET ITEMS (A+B)		85.759.892	119.621.153	205.381.045	82.906.346	113.292.391	196.198.737

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 30 SEPTEMBER 2019

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

III. STATEMENT OF PROFIT OR LOSS

	Note (Section Five)	Reviewed Current Period 1 January- 30 September 2019	Reviewed Prior Period 1 January- 30 September 2018	Reviewed Current Period 1 July- 30 September 2019	Reviewed Prior Period 1 July- 30 September 2018
I. INTEREST INCOME	IV-1	2.326.869	2.443.464	748.526	900.017
1.1 Interest on loans		1.800.820	2.053.361	570.823	744.559
1.2 Interest received from reserve deposits		32.273	38.879	7.965	15.110
1.3 Interest received from banks		150.367	111.790	45.825	37.919
1.4 Interest received from money market transactions		67.742	27.616	37.663	11.446
1.5 Interest received from marketable securities portfolio		237.838	175.305	76.138	75.643
1.5.1 Financial assets at fair value through profit or loss		603	975	237	802
1.5.2 Financial assets at fair value through other comprehensive income		59.624	34.099	11.636	14.053
1.5.3 Financial assets measured at amortized cost		177.611	140.231	64.265	60.788
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		37.829	36.513	10.112	15.340
II. INTEREST EXPENSE	IV-2	1.570.976	1.538.781	476.794	617.104
2.1 Interest on deposits		1.265.287	1.338.553	365.043	524.602
2.2 Interest on funds borrowed		64.354	101.691	18.006	45.549
2.3 Interest on money market transactions		5.442	2.335	1.605	2.177
2.4 Interest on securities issued		210.350	94.718	83.247	43.646
2.5 Finance lease interest expenses		24.796	-	8.735	-
2.6 Other interest expenses		747	1.484	158	1.130
III. NET INTEREST INCOME (I - II)		755.893	904.683	271.732	282.913
IV. NET FEES AND COMMISSIONS INCOME		83.781	89.182	24.322	30.294
4.1 Fees and commissions received		105.186	116.938	31.239	40.024
4.1.1 Non-cash loans		36.474	25.158	11.052	9.043
4.1.2 Other		68.712	91.780	20.187	30.981
4.2 Fees and commissions paid (-)	IV-12	21.405	27.756	6.917	9.730
4.2.1 Non-cash loans		-	-	-	-
4.2.2 Other	IV-12	21.405	27.756	6.917	9.730
V. DIVIDEND INCOME	IV-3	13	12	-	5
VI. TRADING PROFIT/LOSS (Net)	IV-4	16.953	70.402	(39.670)	63.673
6.1 Profit/losses from capital market transactions		25.123	(59.463)	(2.465)	(58.764)
6.2 Profit/losses from derivative financial transactions		(8.347)	808.720	6.539	528.153
6.3 Foreign exchange profit/losses		177	(678.855)	(43.744)	(405.716)
VII. OTHER OPERATING INCOME	IV-5	101.233	24.003	39.668	10.427
GROSS PROFIT FROM OPERATING ACTIVITIES					
VIII. (III+IV+V+VI+VII)		957.873	1.088.282	296.052	387.312
IX. EXPECTED CREDIT LOSSES (-)	IV-6	352.744	416.658	89.265	213.962
X. OTHER PROVISION EXPENSES (-)	IV-6	118.397	-	36.632	-
XI. PERSONNEL EXPENSES (-)		164.530	140.872	56.215	46.821
XII. OTHER OPERATING EXPENSES (-)	IV-7	294.314	320.790	98.776	126.501
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		27.888	209.962	15.164	28
EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XIV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-	-	-
XV. NET MONETARY POSITION GAIN/LOSS		-	-	-	-
PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	IV-8	27.888	209.962	15.164	28
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	IV-9	(5.775)	(46.154)	(3.261)	98
18.1 Current tax provision		-	-	-	69.662
18.2 Expense effect of deferred tax (+)		(5.775)	(46.154)	(3.261)	(69.564)
18.3 Income effect of deferred tax (-)		-	-	-	-
NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-10	22.113	163.808	11.903	126
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1 Income from assets held for sale		-	-	-	-
20.2 Profit from sale of associates, subsidiaries and joint ventures		-	-	-	-
20.3 Other income from discontinued operations		-	-	-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1 Expenses on assets held for sale		-	-	-	-
21.2 Losses from sale of associates, subsidiaries and joint ventures		-	-	-	-
21.3 Other expenses from discontinued operations		-	-	-	-
PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (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	22.113	163.808	11.903	126
Profit / Loss per Share		0,007	0,050	0,004	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 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed Current Period 1 January- 30 September 2019	Reviewed Prior Period 1 January- 30 September 2018
I. CURRENT PERIOD PROFIT / (LOSS)	22.113	163.808
II. OTHER COMPREHENSIVE INCOME	41.723	(16.321)
2.1 Other comprehensive income that will not be reclassified to profit or loss	2.056	1.518
2.1.1 Gains (Losses) on revaluation of property, plant and equipment	-	-
2.1.2 Gains (losses) on revaluation of intangible assets	-	-
2.1.3 Gains (losses) on remeasurements of defined benefit plans	-	-
2.1.4 Other Components of other comprehensive income that will not be reclassified to profit or loss	2.636	1.946
2.1.5 Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	(580)	(428)
2.2 Other comprehensive income that will be reclassified to profit or loss	39.667	(17.839)
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	20.735	(5.801)
2.2.3 Income (loss) related with cash flow hedges	30.121	(17.069)
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	(11.189)	5.031
III. TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	63.836	147.487

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 30 SEPTEMBER 2019
 (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 Three)	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 30/09/2019															
I.	Balance at the beginning of the period		3.288.842	-	-	(2.198)	-	(551)	4.745	-	(20.043)	(68.858)	735	-	17.150	3.219.822
II.	Adjustment in accordance with TAS 8		-	-	-	-	-	-	-	-	-	-	(61.462)	-	-	(61.462)
2.1	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	XXIII	-	-	-	-	-	-	-	-	-	-	(61.462)	-	-	(61.462)
III.	New Balance (I-II)		3.288.842	-	-	(2.198)	-	(551)	4.745	-	(20.043)	(68.858)	(60.727)	-	17.150	3.158.360
IV.	Total comprehensive income (loss)		-	-	-	-	-	-	2.056	-	16.173	23.494	-	-	22.113	63.836
V.	Capital increase in cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	-	-	-	-	17.150	-	(17.150)	-
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves		-	-	-	-	-	-	-	-	-	-	17.150	-	(17.150)	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	End Balance (III+IV+.....+X+XI)		3.288.842	-	-	(2.198)	-	(551)	6.801	-	(3.870)	(45.364)	(43.577)	-	22.113	3.222.196

(*) 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 CHANGES IN SHAREHOLDERS' EQUITY
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note (Section Five)	Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	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			Profit Reserves (*)	Prior Period Income and Losses	Current Year Income and Losses(**)	Total Shareholders' Equity	
						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)					
	Prior Period 30/09/2018															
I.	Balance at the beginning of the period	3.288.842	-	-	(2.198)	-	-	3.996	-	(35.083)	-	182.001	-	320.572	3.758.130	
II.	Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	35.083	-	(1.838)	-	-	33.245	
2.1	Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effect of changes made in accounting policies	-	-	-	-	-	-	-	-	35.083	-	(1.838)	-	-	33.245	
III.	New Balance (I-II)	3.288.842	-	-	(2.198)	-	-	3.996	-	-	-	180.163	-	320.572	3.791.375	
IV.	Total comprehensive income (loss)	-	-	-	-	-	-	1.518	-	(4.525)	(13.314)	-	-	163.808	147.487	
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	-	-	-	-	-	-	-	-	-	-	320.572	-	(320.572)	-	
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	320.572	-	(320.572)	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	End Balance (III+IV+.....+X+XI)	3.288.842	-	-	(2.198)	-	-	5.514	-	(4.525)	(13.314)	500.735	-	163.808	3.938.862	

(*) The Bank, in accordance with Article 519 of the Turkish Commercial Code No.6102, decided in the Extraordinary General Assembly on March 29, 2018 to book legal reserves of TL 16.028, which is 5% of the distributable net statutory profit of TL 320.572 and the remaining amount of TL 304.544 has been decided to be reserved as extraordinary reserves.

(**) In accordance with the option provided by the transition provisions of TFRS 9 "Financial Instruments", the Bank did not restate the prior period financial statements but the transition effect of the standard amounting to TL 1.838 has been recognized in the "Extraordinary Reserves" in equity as of January 2018 and negative difference amounting to TL 35,083 for the securities the difference is classified under shareholders' equity under "the difference in the fair value reserves of accumulated revaluation and / or classification gains on financial assets that are reflected in other comprehensive income".

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 30 SEPTEMBER 2019

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

VI. STATEMENT OF CASH FLOWS

	Note (Section Five)	Reviewed Current Period 1 January- 30 September 2019	Reviewed Prior Period 1 January- 30 September 2018
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit / (loss) before changes in operating assets and liabilities		504.488	(124.635)
1.1.1 Interest received		2.087.628	2.306.016
1.1.2 Interest paid		(1.560.978)	(1.476.065)
1.1.3 Dividend received		13	12
1.1.4 Fees and commissions received		105.186	108.625
1.1.5 Other income/(expense)		35.710	(59.463)
1.1.6 Collections from previously written off loans		134.044	86.939
1.1.7 Payments to personnel and service suppliers		(345.175)	(383.395)
1.1.8 Taxes paid		(105.431)	(260.259)
1.1.9 Others		153.491	(447.045)
1.2 Changes in operating assets and liabilities		(1.070.670)	41.807
1.2.1 Net (increase) decrease in financial assets held for trading at fair value through profit or loss		(8.140)	(777)
1.2.2 Net (increase) decrease in due from banks		(240.448)	852.954
1.2.3 Net (increase) decrease in loans		(283.409)	(189.269)
1.2.4 Net (increase) decrease in other assets		543.290	200.195
1.2.5 Net increase (decrease) in bank deposits		(177.072)	310.475
1.2.6 Net increase (decrease) in other deposits		(1.031.088)	(1.431.978)
1.2.7 Net (increase) decrease in financial liabilities at fair value through profit or loss		(23.076)	108.069
1.2.8 Net increase (decrease) in funds borrowed		(711.861)	35.955
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		861.134	156.183
I. Net cash provided from banking operations		(566.182)	(82.828)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(50.024)	782.180
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		(24.609)	(3.558)
2.4 Fixed assets sales		98.593	25.299
2.5 Cash paid for purchase of financial assets available for sale		(517.121)	(230.611)
2.6 Cash obtained from sale of financial assets available for sale		-	922.463
2.7 Cash paid for purchase of investment securities		(371.324)	(1.311.029)
2.8 Cash obtained from sale of investment securities		764.437	1.379.616
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		636.816	244.179
3.1 Cash obtained from funds borrowed and securities issued		3.066.530	244.179
3.2 Cash used for repayment of funds borrowed and securities issued		(2.458.660)	-
3.3 Issued equity instrument		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		28.946	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		234.513	576.910
V. Net increase in cash and cash equivalents		255.123	1.520.441
VI. Cash and cash equivalents at beginning of the period		5.287.542	4.597.836
VII. Cash and cash equivalents at end of the period		5.542.665	6.118.277

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 30 SEPTEMBER 2019

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

SECTION THREE
ACCOUNTING PRINCIPLES

I. Basis of Presentation

a. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures numbered 5411 Regarding Banks’ Accounting Application and Keeping 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 Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”) (all “Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Legislation).

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

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

b. Information on accounting policies and changes in financial statements:

Accounting policies and valuation principles used in the preparation of the unconsolidated financial statements are determined in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“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

The Bank has started to apply TFRS 16 Leases standard in the accompanying unconsolidated financial statements starting from 1 January 2019 for the first time based on the regulation published in the Official Gazette no. 29826 dated 16 April 2018 which came into force starting from 1 January 2019. The effects of TFRS 16 on the financial statements of the Bank are presented in section three, note XXIII.

Standards effective as of 1 January 2019

TFRS 16 Leases

TFRS 16 Leases standard (“TFRS 16”), effective starting from 1 January 2019, removes the distinction between operating and finance leases applied by the lessee in TAS 17 Leases (“TAS 17”). Instead, it is set forth a single accounting model similar to the accounting of finance leases on balance sheet. For lessors, the accounting stays almost the same.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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 30 SEPTEMBER 2019

(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. Effective interest rate is also used during the calculation of loss given default rate in expected credit loss models and accordingly, the calculation of expected credit losses includes an interest amount. Therefore, a 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 "IFRS 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 30 SEPTEMBER 2019

(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 30 SEPTEMBER 2019

(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 30 SEPTEMBER 2019

(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 30 SEPTEMBER 2019
(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 IFRS 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 or,
- 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:

- Delinquency in principal and/or interest payments, which is between 30 days and 90 days,
- 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:

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VII. Explanations on Expected Credit Losses (continued)

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 IFRS 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.

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VII. Explanations on Expected Credit Losses (continued)

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.

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 IFRS9 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.

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets measured at amortized cost depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities.

Funds given against securities purchased under agreements to resell ("reverse repo") are accounted under "Receivables from reverse repurchase agreements" on the balance sheet. The difference between the purchase and determined re-sell price is accrued over the life of repurchase agreements.

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

X. Explanations on Assets Held for Sale and Discontinued Operations

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

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

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

Results of discontinued operations are included in the income statement separately. As of 30 September 2019 and 31 December 2018 the Bank does not have any discontinued operations.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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.

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. Implementation and impacts related to the transition of TFRS 16 are explained in Note XXIII of Section Three.

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.

With the “TFRS 16 Leases” standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognised under “Tangible Fixed Assets” as an asset (tenure) and under “Liabilities from Leasing” as a liability. Impact and application of TFRS 16 concerning the transition were explained in Section Three, Note XXIII.

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

XV. Explanations on Liabilities Regarding Employee Benefits

In accordance with the existing labor law, the Bank is required to make lump-sum termination indemnities to each employee who has completed over one year of service and whose employment is terminated due to retirement or for reasons other than resignation and misconduct.

The Bank has calculated provision for employee severance benefits in the accompanying financial statements in accordance with TAS 19 "Employee Benefits" by using the "Projection Method" and discounted the total provision by using the current market yield at the balance sheet date on government bonds based on their past experiences in the issues of completion of personnel service period and severance pay eligibility.

The Bank has no retirement fund or foundation that the employees are the member of.

Defined Contribution Plans:

The Bank pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Short-term Employee Benefits:

In accordance with TAS 19 "Turkish Accounting Standard on Employee Benefits"; defined liabilities that arise from unused leave payments are accrued in the related period and are not discounted.

XVI. Explanations on Taxation

Corporate Tax:

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

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

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

Tax returns are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The Bank makes necessary provisions over results of current period operations related with Income Tax and Corporate Tax liabilities.

The balance resulting from netting off prepaid taxes and the corporate tax provision is shown 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

XVI. Explanations on Taxation (continued)

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.

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

XXI. Explanations on Segment Reporting

Reporting according to the operational segment is presented in Note VIII of Section Four.

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 "Statement of Financial Position" and "Profit or Loss Statement" as at 31 December 2018 and 30 September 2018, in order to comply with the presentation of 30 September 2019 financial statements.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

XXIII. Explanations on Other Cases

a. Disclosures of TFRS 16

The Bank has applied the new standards, amendments and interpretations effective from 1 January 2019, in accordance with the transition obligations of the related standard.

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 36 Impairment of Assets is applied to determine whether the real estates considered as right-of-use assets are impaired and to account for any impairment loss identified.

The Lease Obligations:

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank's average borrowing interest rates.

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

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

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

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

"TFRS 16 Leasing" Standard was promulgated in Official Gazette No. 29826, dated 16 April 2018 to be applied in the accounting period starting on 31 December 2018. The Bank applied TFRS 16 "Leasing" standard, which replaced TAS 17 "Leasing", as of 1 January 2019, the date of first implementation. The impact of the said transition on the equities were classified under "Extraordinary Reserves" in expense equities amounting TL 76.829 Within this scope, deferred tax asset amounting TL 15.367 was reflected in the financial figures of 1 January 2019 and classified under "Extraordinary Reserves" in equities. Reclassifications and remeasurements during the first time application of TFRS 16 Leases Standard dated 1 January 2019 are presented in the below table.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

XXIII. Explanations on Other Cases (continued)

a. Disclosures of TFRS 16 (continued)

	31 December 2018	TFRS 16 Reclassification Effect	TFRS 16 Measurement Effect	1 January 2019
Tangible assets (Net)	86.823	38.788	114.952	240.563
Other assets (Net)	1.235.592	(38.788)	-	1.196.804
Deferred tax asset	272.167	-	15.367	287.534
Extraordinary Reserves	735	-	(61.462)	(60.727)
Lease Payables (Net)	-	-	(191.781)	(191.781)

Lease agreements for vehicles lease agreements with a duration of 12 months or less and ATMs which are determined as low value by the Bank have been evaluated within the scope of the exemption granted by the standard. Within this scope, TL 2.813 has been paid in the relevant period.

The right and obligation of the lessee to use assets classified as finance leases has been measured at the carrying amount of such assets before the transition period.

As of 1 January 2019, the weighted average of the incremental borrowing interest rates applied to TL and EUR lease liabilities presented in the statement of financial position of the Bank are 19,8% and 2% respectively.

	1 January 2019
Operational leasing commitments	304.964
- Contracts that are excluded from the scope of TFRS 16 (-)	3.916
Total leasing liability	301.048
Discount obligations (1 January 2019)	191.781

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
 (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 30 September 2019, Bank's total capital has been calculated as TL 5.421.143 and capital adequacy ratio is 20,60%. As of 31 December 2018, Bank's total capital amounted to TL 5.535.732 and capital adequacy ratio was 21,40%. These ratios are above the minimum ratio required by the legislation.

a. Information about Total Capital:

	Current Period 30 September 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 (*)	(43.577)
Gains recognized in equity as per TAS	9.544
Profit	22.113
Current Period Profit	22.113
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	3.276.922
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	9.362
Improvement costs for operating leasing	40.095
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	64.939
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	45.364
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
Total Deductions From Common Equity Tier 1 Capital	159.760
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	3.535.356

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. Explanations on Equity (continued)

	Current Period 30 September 2019
ADDITIONAL TIER I CAPITAL	
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
Transition from the Core Capital to Continue to deduce Components	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	3.535.356
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA (**)	1.694.207
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	282.559
Tier II Capital Before Deductions	1.976.766
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	90.979
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	90.979
Total Tier II Capital	1.885.787
Total Capital (The sum of Tier I Capital and Tier II Capital)	5.421.143
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 30 SEPTEMBER 2019

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

I. Explanations on Equity (continued)

	Current Period 30 September 2019
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital)	5.421.143
Total risk weighted amounts	26.310.639
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	13,44
Tier 1 Capital Adequacy Ratio	13,44
Capital Adequacy Ratio	20,60
BUFFERS	
Total buffer requirement	2,533
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,033
Systemic important bank buffer ratio	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	8,94
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)	943.180
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	282.559
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 is reflected in the reserve funds line.

(**) 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 16.110 thousands of Tier II sub-loan as of 30 September 2019, 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 30 SEPTEMBER 2019

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

I. Explanations on Equity (continued)

	Prior Period 31 December 2018
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(*)	735
Gains recognized in equity as per TAS	1.494
Profit	17.150
Current Period Profit	17.150
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	3.308.221
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 (**)	88.400
Improvement costs for operating leasing	41.929
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	62.942
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	-
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	193.271
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	557.592
Total Common Equity Tier 1 Capital	3.672.542

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

I. Explanations on Equity (continued)

	Prior Period 31 December 2018
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	3.672.542
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	3.672.542
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA(***)	1.589.332
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	277.408
Tier II Capital Before Deductions	1.939.876
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	(3.550)
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	(3.550)
Total Tier II Capital	1.863.190
Total Capital (The sum of Tier I Capital and Tier II Capital)	5.535.732
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)	5.535.732

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. Explanations on Equity (continued)

	Prior Period 31 December 2018
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital)	5.535.732
Total risk weighted amounts	25.873.673
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	14,19
Tier I Capital Adequacy Ratio	14,19
Capital Adequacy Ratio	21,40
BUFFERS	
Total buffer requirement	1,934
Capital conservation buffer requirement	1,875
Bank specific counter-cyclical buffer requirement	0,059
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	9,69
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)	1.008.822
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	277.408
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, 2018 to book legal reserves of TL 16.028, which is 5% of the distributable net statutory profit of TL 320.572 and the remaining amount of TL 304.544 has been decided to be reserved as extraordinary reserves. The effect of TFRS 9 on equity 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 5 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 30 SEPTEMBER 2019

(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) (**)	1.603.228
Per value of instrument (Thousand USD) (***)	283.890
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 1.603.228 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 16.110 thousands of Tier II sub-loan as of 30 September 2019, 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 30 SEPTEMBER 2019

(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 30 September 2019, 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	3.535.356	3.395.962	3.256.564	3.117.166
Transition Process Unapplied Core Capital	3.114.950	3.117.166	3.117.166	3.117.166	3.117.166
Tier I Capital	3.672.542	3.535.356	3.395.962	3.256.564	3.117.166
Transition Process Unapplied Main Capital	3.114.950	3.117.166	3.117.166	3.117.166	3.117.166
Equity	5.535.732	5.421.143	5.281.749	5.142.351	5.002.953
Transition Process Unapplied Equity	4.978.141	5.002.953	5.002.953	5.002.953	5.002.953
TOTAL RISK WEIGHTED AMOUNTS					
Total Risk Weighted Amounts	25.873.673	26.310.639	26.310.639	26.310.639	26.310.639
CAPITAL ADEQUACY RATIO					
Core Capital Adequacy Ratio (%)	14,19%	13,44%	12,91%	12,38%	11,85%
Transition Process Unapplied Core Capital Adequacy Ratio (%)	12,04%	11,85%	11,85%	11,85%	11,85%
Main Capital Adequacy Ratio (%)	14,19%	13,44%	12,91%	12,38%	11,85%
Transition Period Unapplied Main Capital Adequacy Ratio (%)	12,04%	11,85%	11,85%	11,85%	11,85%
Capital Adequacy Ratio (%)	21,40%	20,60%	20,07%	19,54%	19,01%
Transition Process Unapplied Capital Adequacy Ratio (%)	19,24%	19,01%	19,01%	19,01%	19,01%
LEVERAGE RATIO					
Total Leverage Ratio Risk Exposure	44.358.365	42.826.243	42.826.243	42.826.243	42.826.243
Leverage Ratio	8,53	7,88	7,88	7,88	7,88
Transition Process Unapplied Leverage Ratio	7,76	6,93	6,93	6,93	6,93

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

II. Explanations on Currency Risk

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

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

The announced foreign exchange buying rates of the Bank at 30 September 2019 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	24 September 2019	25 September 2019	26 September 2019	27 September 2019	30 September 2019
USD	5,6903	5,6921	5,6670	5,6574	5,6474
CHF	5,7522	5,7655	5,7135	5,6974	5,6663
GBP	7,1064	7,0493	7,0032	6,9707	6,9535
100 JPY	5,2855	5,2915	5,2700	5,2342	5,2277
EURO	6,2567	6,2518	6,2109	6,1838	6,1556

	25 December 2018	26 December 2018	27 December 2018	28 December 2018	31 December 2018
USD	5,2972	5,2825	5,2869	5,2673	5,2978
CHF	5,3417	5,3231	5,3494	5,3759	5,3810
GBP	6,7193	6,6992	6,6805	6,6776	6,7744
100 JPY	4,7867	4,7786	4,7724	4,7697	4,8133
EURO	6,0432	6,0135	6,0250	6,0322	6,0619

The simple arithmetic averages of foreign exchange buying rates of the Bank for major currencies the thirty days before 30 September 2019 are as follows:

	Monthly Average Foreign Exchange Rate
USD	5,7065
CHF	5,7607
GBP	7,0508
100 JPY	5,3077
EURO	6,2835

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

II. Explanations on Currency Risk (continued)

30 September 2019	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	1.380.301	1.660.248	297.562	3.338.111
Banks	62.807	2.224.436	7.826	2.295.069
Financial Assets at Fair Value through Profit and Loss	725	7.058	-	7.783
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	26.045	101.278	-	127.323
Loans (*)	5.083.603	4.727.264	1.394	9.812.261
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Financial Assets measured at Amortized Cost	455.123	1.494.225	5.450	1.954.798
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	22.181	993.342	360	1.015.883
Total Assets (**)	7.030.785	11.207.851	312.592	18.551.228
Liabilities				
Bank Deposits	93.375	2.149	-	95.524
Other Deposits	5.830.031	7.353.110	336.822	13.519.963
Money Market Balances	-	158.432	-	158.432
Funds Provided From Other Financial Institutions (***)	928.804	2.817.687	1.394	3.747.885
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	145.009	900.200	266	1.045.475
Total Liabilities (**)	6.997.219	11.231.578	338.482	18.567.279
Net Balance Sheet Position	33.566	(23.727)	(25.890)	(16.051)
Net Off-Balance Sheet Position	(787.046)	1.289.766	66.419	569.139
Derivative Financial Assets	5.781.199	9.314.909	981.382	16.077.490
Derivative Financial Liabilities	6.568.245	8.025.143	914.963	15.508.351
Non-Cash Loans (****)	1.428.483	1.657.895	9.094	3.095.472
Prior Period				
Total Assets	7.266.836	9.631.363	386.623	17.284.822
Total Liabilities	4.639.976	13.073.700	161.405	17.875.081
Net Balance Sheet Position	2.626.860	(3.442.337)	225.218	(590.259)
Net Off-Balance Sheet Position	(2.280.410)	3.527.822	(235.158)	1.012.254
Financial Derivative Assets	4.459.011	11.710.936	710.130	16.880.077
Financial Derivative Liabilities	6.739.421	8.183.114	945.288	15.867.823
Forward Deposit Purchase Commitments	1.903.428	1.837.344	17.621	3.758.393
Forward Deposit Sales Commitments	1.737.411	1.815.771	23.843	3.577.025
Non-Cash Loans (****)	1.411.721	1.426.717	4.846	2.843.284

(*) Foreign currency indexed loans amounting to TL 315.141 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 30 SEPTEMBER 2019

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

II. Explanations on Currency Risk (continued)

Foreign currency sensitivity:

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

As of 30 September 2019, the Bank's net foreign exchange exposure as per internal calculation is presented below:

30 September 2019	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	1.209	(175.445)	440	(173.796)
31 December 2018	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	3.885	51.180	221	55.286

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 836 and TL (961), respectively (31 December 2018: TL 317 and TL (433)).

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(*)	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
USD	10%	(17.545)	5.118	(17.545)	5.118
USD	-10%	17.545	(5.118)	17.545	(5.118)
EUR	10%	121	389	121	389
EUR	-10%	(121)	(389)	(121)	(389)

(*) Represents before tax amounts.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

III. Explanations on Interest Rate Risk

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

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

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

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

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

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
30 September 2019							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.505.864	-	-	-	-	1.999.145	3.505.009
Banks	2.140.494	-	-	-	-	855.129	2.995.623
Financial Assets at Fair Value Through Profit and Loss	-	1.761	737	4.050	4.386	-	10.934
Money Market Placements	878.893	-	-	-	-	-	878.893
Financial assets at fair value through other comprehensive income	-	-	25.330	94.494	418.624	11.515	549.963
Loans	7.991.139	2.721.835	3.096.453	2.148.426	724.055	2.395.209	19.077.117
Financial assets measured at amortized cost	62.120	429.648	548.493	1.103.170	597.187	-	2.740.618
Other Assets (*)	119	61	201	357	-	1.983.329	1.984.067
Total Assets	12.578.629	3.153.305	3.671.214	3.350.497	1.744.252	7.244.327	31.742.224
Liabilities							
Bank Deposits	60.038	35.088	25.878	-	-	870	121.874
Customer Deposits	12.551.063	4.386.486	1.350.723	20.231	-	2.090.042	20.398.545
Money Market Borrowings	161.013	-	-	-	-	-	161.013
Marketable Securities Issued	637.278	81.945	95.110	-	-	-	814.333
Funds Provided From Other Financial Institutions	-	-	313.971	355.453	1.474.757	-	2.144.181
Subordinated Loans(**)	-	-	-	-	1.623.350	-	1.623.350
Other Liabilities (***)	88	41	262	295	-	6.478.242	6.478.928
Total Liabilities	13.409.480	4.503.560	1.785.944	375.979	3.098.107	8.569.154	31.742.224
Balance Sheet Long Position	-	-	1.885.270	2.974.518	-	-	4.859.788
Balance Sheet Short Position	(830.851)	(1.350.255)	-	-	(1.353.855)	(1.324.827)	(4.859.788)
Off-Balance Sheet Long Position	10.673.141	3.640.858	5.878.821	5.693.424	11.742.963	-	37.629.207
Off-Balance Sheet Short Position	(10.722.676)	(3.643.686)	(5.963.927)	(5.639.547)	(11.742.963)	-	(37.712.799)
Total Position	(880.386)	(1.353.083)	1.800.164	3.028.395	(1.353.855)	(1.324.827)	(83.592)

(*) 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-domiciled 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 16.110 thousands of Tier II sub-loan as of 30 September 2019, and the relevant amount has been discounted 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 3.222.196, tax liabilities amounting to TL 47.886, provisions amounting to TL 240.439, lease payables to TL 198.362 and other liabilities amounting to TL 1.307.119. In addition, other liabilities include derivative financial liabilities amounting to TL 1.462.629.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

III. Explanations on Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 December 2018							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.617.779	-	-	-	-	2.381.161	3.998.940
Banks	1.057.886	-	-	-	-	944.988	2.002.874
Financial Assets at Fair Value Through Profit and Loss	-	-	2.461	555	253	-	3.269
Money Market Placements	739.611	510	-	-	-	-	740.121
Financial assets at fair value through other comprehensive income	-	-	-	36.464	259.296	9.698	305.458
Loans (*)	7.572.131	3.392.925	3.858.235	3.057.006	856.392	(127.043)	18.609.646
Financial assets measured at amortized cost	-	703.003	311.287	1.169.710	518.342	-	2.702.342
Other Assets (**)	186.598	293.073	388.580	52.491	164.558	1.952.668	3.037.968
Total Assets	11.174.005	4.389.511	4.560.563	4.316.226	1.798.841	5.161.472	31.400.618
Liabilities							
Bank Deposits	831.634	321.160	-	-	-	1.783	1.154.577
Customer Deposits	13.926.529	4.413.564	778.714	2.227	-	1.285.437	20.406.471
Money Market Borrowings	100	-	-	-	-	-	100
Marketable Securities Issued	-	207.110	-	-	-	-	207.110
Subordinated Loans(***)	-	-	-	-	1.636.012	-	1.636.012
Funds Provided From Other Financial Institutions	-	-	925.908	756.975	1.324.299	-	3.007.182
Other Liabilities (****)	102.254	98.787	180.133	511.961	299.484	3.796.547	4.989.166
Total Liabilities	14.860.517	5.040.621	1.884.755	1.271.163	3.259.795	5.083.767	31.400.618
Balance Sheet Long Position	-	-	2.675.808	3.045.063	-	77.705	5.798.576
Balance Sheet Short Position	(3.686.512)	(651.110)	-	-	(1.460.954)	-	(5.798.576)
Off-Balance Sheet Long Position	9.941.110	12.395.364	5.464.903	3.427.213	5.615.228	-	36.843.818
Off-Balance Sheet Short Position	(9.641.890)	(11.610.913)	(5.543.736)	(3.821.517)	(6.221.054)	-	(36.839.110)
Total Position	(3.387.292)	133.341	2.596.975	2.650.759	(2.066.780)	77.705	4.708

(*) The net amount of the non-performing loans and its third stage expected credit losses and the first and second stage 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 670 thousand of Tier II sub-loan on 5 December 2018, and the relevant amount has been discounted 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 3.219.822, tax liabilities amounting to TL 48.582, provisions amounting to TL 131.324 and other liabilities amounting to TL 396.818. In addition, other liabilities include derivative financial liabilities amounting to TL 1.192.620.

Current period interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
30 September 2019				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	5,00
Banks	-	1,83	-	15,86
Financial Assets at Fair Value Through Profit and Loss	4,21	6,43	-	17,90
Money Market Placements	-	-	-	16,31
Financial Assets at Fair Value Through Other Comprehensive Income	4,47	6,58	-	8,40
Loans	5,68	8,73	-	18,30
Financial Assets Measured at Amortized Cost	1,88	5,91	-	20,77
Liabilities				
Bank Deposits	1,48	4,67	-	16,63
Customer Deposits	0,77	2,63	-	14,91
Money Market Borrowings	-	3,18	-	13,99
Subordinated Loans	-	7,63	-	-
Marketable Securities Issued	-	-	-	17,35
Funds Provided From Other Financial Institutions	1,74	5,27	-	16,44

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

III. Explanations on Interest Rate Risk (continued)

	EURO %	USD %	JPY %	TL %
31 December 2018				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	2,00	-	13,00
Banks	-	1,46	-	23,41
Financial Assets at Fair Value Through Profit and Loss	-	-	-	17,99
Money Market Placements	-	-	-	23,98
Available-For-Sale Financial Assets	-	-	-	35,95
Loans	6,04	8,52	-	22,65
Held-To-Maturity Investments	2,06	5,59	-	14,25
Liabilities				
Bank Deposits	1,62	3,83	-	19,61
Customer Deposits	2,42	4,73	-	22,44
Money Market Borrowings	-	-	-	16,50
Subordinated Loans	-	7,63	-	-
Marketable Securities Issued	-	-	-	23,99
Funds Provided From Other Financial Institutions	1,67	4,42	-	8,71

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	(165.404)	-3,08%
	-400	154.101	2,87%
EUR	200	(22.950)	-0,43%
	-200	(5.660)	-0,11%
USD	200	(8.011)	-0,14%
	-200	8.750	0,16%
Total (For Positive Shock)	-	(196.365)	-3,65%
Total (For Negative Shock)	-	157.191	2,92%

* 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.

IV. 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 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

V. 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 30 SEPTEMBER 2019

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

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

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

Information regarding weekly solo liquidity coverage ratios realized in the third quarter of 2019 is as follows:

Current Period- 30 September 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				5.439.796	3.252.015
1	High quality liquid assets	6.770.625	4.556.165	5.439.796	3.252.015
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	15.127.969	9.759.079	1.432.810	975.908
3	Stable deposits	1.599.740	-	79.987	-
4	Less stable deposits	13.528.229	9.759.079	1.352.823	975.908
5	Unsecured Funding other than Retail and Small Business Customer Deposits	4.603.952	2.858.774	2.615.062	1.337.213
6	Operational deposits	906	33	227	8
7	Non-Operational Deposits	3.376.943	2.588.078	1.388.732	1.066.542
8	Other Unsecured Funding	1.226.103	270.663	1.226.103	270.663
9	Secured funding	-	-	-	-
10	Other Cash Outflows	5.570.015	4.357.057	1.045.895	1.607.124
11	Liquidity needs related to derivatives and market	524.419	1.239.297	524.419	1.239.297
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	5.045.596	3.117.760	521.476	367.827
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			5.093.767	3.920.245
CASH INFLOWS					
17	Secured Lending Transactions	774.027	-	-	-
18	Unsecured Lending Transactions	3.360.064	1.891.298	2.530.990	1.603.096
19	Other contractual cash inflows	206.079	1.333.572	206.079	1.333.572
20	TOTAL CASH INFLOWS	4.340.170	3.224.870	2.737.069	2.936.668
				Upper Limit Applied Amounts	
21	TOTAL HQLA	-	-	5.439.796	3.252.015
22	TOTAL NET CASH OUTFLOWS	-	-	2.357.285	1.240.597
23	Liquidity Coverage Ratio (%)	-	-	242,73	274,33

(*) 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 30 SEPTEMBER 2019

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

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

Information regarding weekly unconsolidated liquidity coverage ratios realized in the last three month of 2018 is as follows:

Prior Period- 31 December 2018		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				6.208.238	3.623.138
1	High quality liquid assets	6.864.013	4.278.798	6.208.238	3.623.138
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	15.806.394	7.956.685	1.490.758	795.669
3	Stable deposits	1.797.627	-	89.881	-
4	Less stable deposits	14.008.767	7.956.685	1.400.877	795.669
5	Unsecured Funding other than Retail and Small Business Customer Deposits	6.189.246	4.429.787	3.480.782	2.591.903
6	Operational deposits	580	28	145	7
7	Non-Operational Deposits	5.326.154	3.845.889	2.618.126	2.008.026
8	Other Unsecured Funding	862.512	583.870	862.511	583.870
9	Secured funding	-	-	-	-
10	Other Cash Outflows	5.623.925	4.684.430	1.446.835	2.172.052
11	Liquidity needs related to derivatives and market	997.877	1.859.520	997.877	1.859.520
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	4.626.048	2.824.910	448.958	312.532
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	-	-	6.418.375	5.559.624
CASH INFLOWS					
17	Secured Lending Transactions	920.967	-	-	-
18	Unsecured Lending Transactions	3.571.735	1.737.497	2.874.332	1.514.067
19	Other contractual cash inflows	581.366	1.415.681	581.366	1.415.681
20	TOTAL CASH INFLOWS	5.074.068	3.153.178	3.455.698	2.929.748
				Upper Limit Applied Amounts	
21	TOTAL HQLA			6.208.238	3.623.138
22	TOTAL NET CASH OUTFLOWS			2.962.677	2.629.875
23	Liquidity Coverage Ratio (%)			219,26	141,93

(*) 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 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

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

	Current Period-30 September 2019		Prior Period-31 December 2018	
	TL+FC	FC	TL+FC	FC
Lowest Week	156,20	157,16	144,62	96,83
	05.07.2019	05.07.2019	12.10.2018	26.10.2018
Highest Week	431,79	384,26	311,33	199,41
	04.10.2019	27.09.2019	16.11.2018	23.11.2018
Average	242,73	274,33	219,26	141,93

Presentation of assets and liabilities according to their remaining maturities:

30 September 2019	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	165.923	3.339.086	-	-	-	-	-	3.505.009
Banks	855.129	2.140.494	-	-	-	-	-	2.995.623
Financial Assets at Fair Value Through Profit and Loss	-	-	1.761	737	4.050	4.386	-	10.934
Money Market Placements	-	878.893	-	-	-	-	-	878.893
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	25.330	132.421	380.697	11.515	549.963
Loans	-	2.899.385	485.027	2.906.485	5.249.823	5.141.188	2.395.209	19.077.117
Financial Assets Measured at Amortized Cost	-	62.120	429.648	548.493	1.103.170	597.187	-	2.740.618
Other Assets (**)	-	45	21	181	497	559	1.982.764	1.984.067
Total Assets	1.021.052	9.320.023	916.457	3.481.226	6.489.961	6.124.017	4.389.488	31.742.224
Liabilities								
Bank Deposits	870	60.038	35.088	25.878	-	-	-	121.874
Customer Deposits	2.090.042	12.551.063	4.386.486	1.350.723	20.231	-	-	20.398.545
Funds Provided From Other Financial Institutions	-	122.065	215.106	132.860	711.805	962.345	-	2.144.181
Money Market Borrowings	-	161.013	-	-	-	-	-	161.013
Marketable Securities Issued	-	637.278	81.945	95.110	-	-	-	814.333
Subordinated Loans (***)	-	-	-	-	-	1.623.350	-	1.623.350
Other Liabilities (****)	-	82	48	292	429	557	6.477.520	6.478.928
Total Liabilities	2.090.912	13.531.539	4.718.673	1.604.863	732.465	2.586.252	6.477.520	31.742.224
Liquidity (Gap)/ Surplus	(1.069.860)	(4.211.516)	(3.802.216)	1.876.363	5.757.496	3.537.765	(2.088.032)	-
Net Off-Balance Sheet Position	-	(49.535)	(2.828)	(85.106)	53.877	-	-	(83.592)
Financial Derivative Assets	-	10.673.141	3.640.858	5.878.821	5.693.424	11.742.963	-	37.629.207
Financial Derivative Liabilities	-	10.722.676	3.643.686	5.963.927	5.639.547	11.742.963	-	37.712.799
Non-Cash Loans	1.262.644	417.162	843.982	1.496.982	-	-	-	4.020.770

Prior period

Total Assets	2.079.608	6.934.965	1.424.687	3.176.091	9.361.125	6.588.819	1.835.323	31.400.618
Total Liabilities	1.287.220	15.338.309	5.495.743	1.565.744	1.213.540	2.703.515	3.796.547	31.400.618
Liquidity Gap	792.388	(8.403.344)	(4.071.056)	1.610.347	8.147.585	3.885.304	(1.961.224)	-

(*) 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 16.110 thousands of Tier II sub-loan as of 30 September 2019, 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 3.222.196, tax liabilities amounting to TL 47.886, provisions amounting to TL 240.439, leasing liabilities amounting to 198.362 and other liabilities amounting to TL 1.307.119. In addition, other liabilities include derivative financial liabilities amounting to TL 1.462.926.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

VI. Explanations on Leverage Ratio

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

“Regulation on the Measurement and Evaluation of Banks Leverage Levels” regulates the procedures and principles regarding to ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 7,88% (31 December 2018: 8,53%). According to Regulations, minimum leverage ratio is 3%.

Disclosure of Leverage ratio template:

	Current Period	Prior Period
	30 September	31 December
	2019 (*)	2018 (*)
Balance sheet transactions		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	31.022.552	32.488.062
2 (Assets deducted from Core capital)	(107.208)	(105.419)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	30.915.344	32.382.643
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	1.142.050	800.395
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)	1.142.050	800.395
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	-	-
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	15.242.292	13.563.413
11 (Correction amount due to multiplication with credit conversion rates)	(2.930.929)	(2.632.575)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	12.311.363	10.930.838
Capital and total risk		
13 Core Capital	3.488.700	3.764.166
14 Total risk amount(sum of lines 3, 6, 9 and 12)	44.368.757	44.113.876
Leverage ratio		
15 Leverage ratio	7,88	8,53

(*) 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 30 SEPTEMBER 2019

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

VII. Explanations on Risk Management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to Communiqué these notes have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented as of 30 September 2019:

- RWA flow statements of credit risk exposures under IRB
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an IMA

a) Overview of RWA

	Risk Weighted Amount		Minimum Capital Requirement
	Current Period 30 September 2019	Prior Period 31 December 2018	Current Period 30 September 2019
1 Credit risk (excluding counterparty credit risk) (CCR)	22.114.911	21.831.729	1.769.193
2 Standardised approach (SA)	22.114.911	21.831.729	1.769.193
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	489.801	804.718	39.184
5 Standardised approach for counterparty credit risk (SA-CCR)	489.801	804.718	39.184
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	999.914	815.213	79.993
17 Standardised approach (SA)	999.914	815.213	79.993
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	2.706.013	2.422.013	216.481
20 Basic Indicator Approach	2.706.013	2.422.013	216.481
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)	26.310.639	25.873.673	2.104.851

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

VIII. Explanations on Business Segments

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, Debit and Credit Cards and Wealth Management, serves to the financial needs of customers through branches, internet and mobile channels. Treasury and Capital Markets department is managing TL and FCY liquidity in healthy and sustainable manner, performing profit oriented trading activities in the market within the limits given by the Board. In addition, Treasury sales unit delivers pricing services of government bills and bonds, Eurobonds and derivatives to the Bank customers.

Current Period (1 January-30 September 2019)	Commercial Banking	Retail Banking	Treasury	Other and Unallocated (*)	Bank's Total Activities
Net Interest Income	265.307	162.886	76.114	251.586	755.893
Net Fee and Commission Income	89.627	37.428	(1.416)	(41.858)	83.781
Dividend Income	-	-	-	13	13
Other Operating Income and Net Profit/Loss	14.486	29.425	1.562	72.713	118.186
Operating Income	369.420	229.739	76.260	282.454	957.873
Other Operating Expenses (**)	-	-	-	(458.844)	(458.844)
Credit and Other Provisions	(304.167)	(48.471)	-	(118.503)	(471.141)
Profit Before Tax	-	-	-	27.888	27.888
Tax Provision	-	-	-	(5.775)	(5.775)
Net Profit	-	-	-	22.113	22.113
Total Asset	17.341.414	1.080.740	6.841.322	6.478.748	31.742.224
Segment Assets	17.341.414	1.080.740	6.841.322	6.478.748	31.742.224
Total Liability	5.178.987	15.194.328	4.677.971	6.690.938	31.742.224
Segment Liability	5.178.987	15.194.328	4.677.971	1.845.392	26.896.678
Subordinated Loan	-	-	-	1.623.350	1.623.350
Equity	-	-	-	3.222.196	3.222.196

(*) 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.

(**) Other operating expenses includes personnel expenses.

Prior Period (1 January-30 September 2018)	Commercial Banking	Retail Banking	Treasury	Other and Unallocated (*)	Bank's Total Activities
Net Interest Income	434.534	160.385	47.191	262.573	904.683
Net Fee and Commission Income	58.823	38.796	(1.210)	(7.227)	89.182
Dividend Income	-	-	-	12	12
Other Operating Income and Net Profit/Loss	4.935	14.868	57.602	17.000	94.405
Operating Income	498.292	214.049	103.583	272.358	1.088.282
Other Operating Expenses (**)	-	-	-	(461.662)	(461.662)
Credit and Other Provisions	(528.795)	(67.536)	-	179.673	(416.658)
Profit Before Tax	-	-	-	209.962	209.962
Tax Provision	-	-	-	(46.154)	(46.154)
Net profit	-	-	-	163.808	163.808
Total Asset	18.246.462	1.637.463	4.638.411	6.878.282	31.400.618
Segment Assets	18.246.462	1.637.463	4.638.411	6.878.282	31.400.618
Total Liability	5.170.473	15.552.063	4.921.387	5.756.695	31.400.618
Segment Liability	5.170.473	15.552.063	4.921.387	900.861	26.544.784
Subordinated Loan	-	-	-	1.636.012	1.636.012
Equity	-	-	-	3.219.822	3.219.822

(*) 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 30 SEPTEMBER 2019

(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:

	30 September 2019		31 December 2018	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	27.017	98.043	35.273	139.924
Balances with the Central Bank of Turkey	139.881	3.240.068	987.509	2.836.234
Other	-	-	-	-
Total	166.898	3.338.111	1.022.782	2.976.158

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

	30 September 2019		31 December 2018	
	TL	FC	TL	FC
Unrestricted Demand Deposit	131.916	1.411.985	276.490	1.449.846
Unrestricted Time Deposit	7.965	-	711.019	-
Restricted Time Deposit	-	1.828.083	-	1.386.388
Total	139.881	3.240.068	987.509	2.836.234

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. CBRT started paying interest on reserve balances held in USD starting from May 2015 and held in TL starting from November 2014.

The reserve rates for TL liabilities vary between 1% and 7% for TL deposits and other liabilities according to their maturities as of 30 September 2019 (31 December 2018: 1,5% and 8% 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 30 September 2019 (31 December 2018: 4% and 20% for all foreign currency liabilities).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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 2018: None).
- a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2018: None).
- b) Positive differences related to derivative financial assets held-for-trading:

	30 September 2019		31 December 2018	
	TL	FC	TL	FC
Forward Transactions	38.219	13.340	105.821	2.492
Swap Transactions	651.601	762.165	611.872	208.332
Futures Transactions	-	-	-	-
Options	14.142	2.160	144.883	11.901
Other	-	-	-	-
Total	703.962	777.665	862.576	222.725

3. Information on banks:

	30 September 2019		31 December 2018	
	TL	FC	TL	FC
Banks				
Domestic	700.554	441	1.058.065	1
Foreign	-	2.294.628	-	944.808
Branches and head office abroad	-	-	-	-
Total	700.554	2.295.069	1.058.065	944.809

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

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

	30 September 2019		31 December 2018	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	266.032	120.705	103.131	-
Other	-	-	-	-
Total	266.032	120.705	103.131	-

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

As of 30 September 2019, there has no financial assets at fair value through other comprehensive income subject to repurchase agreements (31 December 2018: None).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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:

	30 September 2019	31 December 2018
Debt securities	534.635	275.717
Quoted on a stock exchange	534.635	275.717
Not quoted	-	-
Share certificates	15.066	11.192
Quoted on a stock exchange	-	-
Not quoted	15.066	11.192
Value Increase/Impairment Losses (-)	(262)	(18.549)
Total	549.963	305.458

5. Information on loans:

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

	30 September 2019		31 December 2018	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	2.676	-	2.587	-
Corporate shareholders	2.676	-	2.587	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	-	102.808	-	57.898
Loans granted to employees	3.715	-	4.972	-
Total	6.391	102.808	7.559	57.898

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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:

30 September 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	11.581.814	3.513.251	-	1.586.843
Loans given to enterprises	-	-	-	-
Export loans	761.111	52.089	-	1.319
Foreign loans	388.247	112	-	42.851
Loans given to financial sector	206.934	-	-	-
Consumer loans	523.751	76.290	-	58.489
Credit cards	168.494	37.221	-	-
Other	9.533.277	3.347.539	-	1.484.184
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	11.581.814	3.513.251	-	1.586.843

(*) In accordance with TFRS 9 and the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside the loans subject to significant increase in the credit risk of the borrower are included in the above table amounting to TL 1.914.163.

31 December 2018

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	12.702.468	4.929.231	-	1.104.990
Loans given to enterprises	-	-	-	-
Export loans	642.481	41.053	-	3.193
Foreign loans	514.379	-	-	49.029
Loans given to financial sector	12.353	-	-	-
Consumer loans	896.440	136.708	-	45.059
Credit cards	326.805	19.281	-	39.731
Other	10.310.010	4.732.189	-	967.978
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	12.702.468	4.929.231	-	1.104.990

(*) In accordance with TFRS 9 and the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside the loans subject to significant increase in the credit risk of the borrower are included in the above table amounting to TL 1.888.887.

First and Second Stage Expected Loss Provisions	30 September 2019		31 December 2018	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month provisions for possible losses	119.612	-	107.550	-
Significant increase in credit risk	-	773.059	-	851.197
Total	119.612	773.059	107.550	851.197

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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: (*)

30 September 2019	Commercial	Retail	Total
Standard Loans	10.907.685	674.129	11.581.814
Watchlist	2.999.209	186.722	3.185.931
Significant Increase in Credit Risk	1.914.163	-	1.914.163
Non-performing Loans	2.259.483	135.726	2.395.209
Specific Provision (-)	(1.211.518)	(71.005)	(1.282.523)
Total	16.869.022	925.572	17.794.594

(*) According to the internal segmentation of the bank

31 December 2018	Commercial	Retail	Total
Standard Loans	11.514.792	1.187.676	12.702.468
Watchlist	3.876.453	268.881	4.145.334
Significant Increase in Credit Risk	1.888.887	-	1.888.887
Non-performing Loans	1.725.561	36.095	1.761.656
Specific Provision (-)	(915.650)	(14.302)	(929.952)
Total	18.090.043	1.478.350	19.568.393

(*) According to the internal segmentation of the bank

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(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:

30 September 2019	Short Term	Medium and Long Term	Total
Consumer Loans – TL	4.379	628.553	632.932
Housing Loans	-	346.912	346.912
Car Loans	-	2.939	2.939
General Purpose Loans	4.379	278.702	283.081
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	183.622	17.188	200.810
With Installments	31.745	17.188	48.933
Without Installments	151.877	-	151.877
Individual Credit Cards-FC	277	-	277
With Installments	-	-	-
Without Installments	277	-	277
Personnel Loans - TL	122	2.359	2.481
Housing Loans	-	-	-
Car Loans	-	109	109
General Purpose Loans	122	2.250	2.372
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	1.228	6	1.234
With Installments	227	6	233
Without Installments	1.001	-	1.001
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	23.117	-	23.117
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	212.745	648.106	860.851

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(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 2018	Short Term	Medium and Long Term	Total
Consumer Loans – TL	8.175	1.037.557	1.045.732
Housing Loans	-	427.651	427.651
Car Loans	-	7.654	7.654
General Purpose Loans	8.175	602.252	610.427
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	356.706	19.936	376.642
With Installments	80.742	19.936	100.678
Without Installments	275.964	-	275.964
Individual Credit Cards-FC	167	-	167
With Installments	-	-	-
Without Installments	167	-	167
Personnel Loans - TL	93	3.337	3.430
Housing Loans	-	-	-
Car Loans	-	50	50
General Purpose Loans	93	3.287	3.380
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	1.540	2	1.542
With Installments	386	2	388
Without Installments	1.154	-	1.154
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	29.045	-	29.045
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	395.726	1.060.832	1.456.558

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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:

30 September 2019	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	202.264	2.866.527	3.068.791
Business Loans	-	4.875	4.875
Car Loans	-	3.165	3.165
General Purpose Loans	202.264	2.858.487	3.060.751
Other	-	-	-
Commercial loans with installment facility-Indexed to FC	-	224.490	224.490
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	224.490	224.490
Other	-	-	-
Commercial loans with installment facility -FC	90.286	8.777.282	8.867.568
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	90.286	8.777.282	8.867.568
Other	-	-	-
Corporate Credit Cards-TL	3.391	-	3.391
With Installments	142	-	142
Without Installments	3.249	-	3.249
Corporate Credit Cards-FC	3	-	3
With Installments	-	-	-
Without Installments	3	-	3
Overdraft Accounts-TL (Legal Entities)	10.744	-	10.744
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	306.688	11.868.299	12.174.987

31 December 2018	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	228.345	4.000.830	4.229.175
Business Loans	-	5.597	5.597
Car Loans	-	9.870	9.870
General Purpose Loans	228.345	3.985.363	4.213.708
Other	-	-	-
Commercial loans with installment facility-Indexed to FC	2.356	458.277	460.633
Business Loans	-	-	-
Car Loans	-	121	121
General Purpose Loans	2.356	458.156	460.512
Other	-	-	-
Commercial loans with installment facility -FC	5.509	8.759.983	8.765.492
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	5.509	8.759.983	8.765.492
Other	-	-	-
Corporate Credit Cards-TL	7.418	-	7.418
With Installments	661	-	661
Without Installments	6.757	-	6.757
Corporate Credit Cards-FC	48	-	48
With Installments	-	-	-
Without Installments	48	-	48
Overdraft Accounts-TL (Legal Entities)	29.427	-	29.427
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	273.103	13.219.090	13.492.193

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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:

	30 September 2019	31 December 2018
Domestic loans	16.250.698	18.173.281
Foreign loans	431.210	563.408
Total	16.681.908	18.736.689

g) Loans granted to subsidiaries and associates: None. (31 December 2018: None)

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

	30 September 2019	31 December 2018
Expected credit losses		
Loans with limited collectability	137.978	144.485
Loans with doubtful collectability	249.925	501.665
Uncollectible loans	894.620	283.802
Total	1.282.523	929.952

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

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

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 2018 balance	288.130	894.700	578.826
Additions (+)	900.619	-	-
Transfers from other categories of non-performing loans (+)	-	738.233	1.077.506
Transfers to other categories of non-performing loans (-)	738.233	1.077.506	-
Collections (-)	97.104	92.267	77.695
Write-offs (-)	-	-	-
Sold	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other (-)	-	-	-
30 September 2019 balance	353.412	463.160	1.578.637
Specific provision (-)	137.978	249.925	894.620
Net Balances on Balance Sheet	215.434	213.235	684.017

i.3) Information on foreign currency non-performing loans and other receivables: None. (31 December 2018: None)

i.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
30 September 2019 (Net)	215.434	213.235	684.017
Loans to Real Persons and Legal Entities (Gross)	353.412	463.160	1.578.637
Specific provision (-)	137.978	249.925	894.620
Loans to Real Persons and Legal Entities (Net)	215.434	213.235	684.017
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
31 December 2018 (Net)	143.645	393.035	295.024
Loans to Real Persons and Legal Entities (Gross)	288.130	894.700	578.826
Specific provision (-)	144.485	501.665	283.802
Loans to Real Persons and Legal Entities (Net)	143.645	393.035	295.024
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 30 SEPTEMBER 2019

(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	3.303	51.867	165.109
Special Provision Amount (-)	3.303	51.867	165.109
Prior Period (Net)	-	-	-
Interest Accruals, Rediscounts and Valuation Differences	4.414	31.110	17.415
Special Provision Amount (-)	4.414	31.110	17.415

j) Main principles of liquidation policies of non-performing loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 29750 dated June 22, 2016; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 30 September 2019, the net amount after provisions of the non-performing loans and receivables is TL 684.017 (31 December 2018: TL 295.024).

k) Explanations on write-off policy:

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.

The Bank has no written-off loans in the current period (31 December 2018: TL 11.935).

6. Information on financial assets measured at amortized cost:

a) Information on financial assets given as collateral or blocked: As of 30 September 2019, financial assets measured at amortized cost given as collateral is amounting to TL 1.297.051.

As of 31 December 2018, amortized cost investments given as collateral is amounting to TL 1.590.108.

b) Investments and legal liabilities subject to repurchase agreements: As of 30 September 2019, financial assets measured at amortized cost subject to repurchase agreements is amounting to TL 225.707 (31 December 2018: TL 103).

c) The Bank has TL 2.740.618 financial assets measured at amortized cost as of 30 September 2019 (31 December 2018: TL 2.702.342).

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

	30 September 2019	31 December 2018
Beginning Balance	2.702.342	447.133
Foreign Currency Differences on Monetary Assets (*)	442.520	970.579
Purchases During Year	360.193	1.409.714
Transfers (**)	-	1.254.532
Disposals Through Sales and Redemptions	(764.437)	(1.379.616)
Impairment Provision (-)	-	-
Total	2.740.618	2.702.342

(*) Represents exchange differences and accrual interest.

(**) As of January 1, 2018, the Group has changed its business model for some government debt securities with the adoption of TFRS 9. As a result government bonds with an amount of TL 1.254.532 has been classified from “Financial assets at fair value through other comprehensive income” to “Financial assets measured at mortized cost”.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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 2018: None).

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period (31 December 2018: None).

9. Information on jointly controlled entities:

The Bank has no jointly controlled entities in the current period (31 December 2018: None).

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period (31 December 2018: None).

11. Information on derivative financial assets for hedging purposes:

As of 30 September 2019, The Bank has no derivative financial assets for hedging purposes (31 December 2018: TL 800 Million).

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 2018: None).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

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

15. Explanations on deferred tax assets:

- a) As of 30 September 2019, the Bank has deferred tax asset amounting to TL 278.808 arising from deductible temporary differences (31 December 2018: TL 272.167).

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	982.707	203.696	1.037.267	215.699
Provisions (*)	337.664	74.285	137.510	30.252
TFRS 16 – Leasings	80.730	16.146	-	-
Deferred commissions	43.242	9.513	53.399	11.748
Other	166.346	36.596	118.957	26.171
Deferred Tax Asset	1.610.689	340.236	1.347.133	283.870
Tangible assets differences	21.885	4.688	41.084	8.861
Other	258.643	56.740	15.109	2.842
Deferred Tax Liability (-)	280.528	61.428	56.193	11.703
Total deferred tax assets, net	1.330.161	278.808	1.290.940	272.167

(*) Provisions does not include loan impairment.

- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None (31 December 2018: None).

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

As of 30 September 2019 the Bank has assets held for sale and discontinued operations amounting to TL 592.496 (31 December 2018: TL 238.525).

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 30 September 2019, the right of repurchase value of assets of the Bank is TL 303.717 (31 December 2018: TL 109.922).

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 2018: None).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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) 30 September 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	255.402	-	1.772.850	2.534.791	33.257	23.228	797.606	-	5.417.134
Foreign currency deposits	1.169.332	-	2.137.436	8.195.002	1.647.208	97.729	58.467	-	13.305.174
Residents in Turkey	1.099.838	-	2.112.458	7.924.358	1.566.185	93.944	48.591	-	12.845.374
Residents abroad	69.494	-	24.978	270.644	81.023	3.785	9.876	-	459.800
Public sector deposits	201.966	-	-	-	-	-	-	-	201.966
Commercial deposits	248.755	-	194.420	747.137	45	2.527	6.199	-	1.199.083
Other institutions deposits	514	-	8.970	50.216	48	11	1.353	-	61.112
Precious metals deposits	214.076	-	-	-	-	-	-	-	214.076
Interbank deposits	867	-	-	72.708	3.759	39.850	4.690	-	121.874
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	6.538	-	-	4.690	-	11.228
Foreign Banks	867	-	-	66.170	3.759	39.850	-	-	110.646
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	2.090.912	-	4.113.676	11.599.854	1.684.317	163.345	868.315	-	20.520.419

31 December 2018

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	181.519	-	2.178.815	3.514.392	884.176	180.701	214.209	-	7.153.812
Foreign currency deposits	824.303	-	1.783.651	8.800.322	276.357	109.017	29.399	-	11.823.049
Residents in Turkey	712.093	-	1.759.733	8.508.407	272.268	100.614	25.726	-	11.378.841
Residents abroad	112.210	-	23.918	291.915	4.089	8.403	3.673	-	444.208
Public sector deposits	21.063	-	-	23	2.897	-	-	-	23.983
Commercial deposits	159.718	-	331.912	635.614	26.447	14.265	24.095	-	1.192.051
Other institutions deposits	791	-	2.236	106.013	1.377	4.204	912	-	115.533
Precious metals deposits	98.043	-	-	-	-	-	-	-	98.043
Interbank deposits	1.783	-	694.775	416.915	15.727	25.377	-	-	1.154.577
Central Bank of Turkey	-	-	694.775	-	-	-	-	-	694.775
Domestic Banks	-	-	-	8.713	-	-	-	-	8.713
Foreign Banks	1.783	-	-	408.202	15.727	25.377	-	-	451.089
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	1.287.220	-	4.991.389	13.473.279	1.206.981	333.564	268.615	-	21.561.048

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Saving deposits	2.481.969	2.276.735	2.935.165	4.877.077
Foreign currency saving deposits	1.328.742	661.989	9.710.662	8.492.055
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	3.810.711	2.938.724	12.645.827	13.369.132

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

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

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

	30 September 2019	31 December 2018
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	7.780	5.939
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities at fair value through profit or loss:

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

	30 September 2019		31 December 2018	
	TL	FC	TL	FC
Forward Transactions	16.868	5.513	53.932	4.127
Swap Transactions	683.780	734.822	611.320	210.786
Futures Transactions	-	-	-	-
Options	19.057	2.886	190.009	6.405
Other	-	-	-	-
Total	719.705	743.221	855.261	221.318

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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:

	30 September 2019		31 December 2018	
	TL	FC	TL	FC
From Domestic Banks and Institutions	19.646	39.627	2.549	12.812
From Foreign Banks, Institutions and Funds	-	2.084.908	-	2.991.821
Total	19.646	2.124.535	2.549	3.004.633

b) Maturity analysis of borrowings:

	30 September 2019		31 December 2018	
	TL	FC	TL	FC
Short-term	19.646	294.388	2.549	923.360
Medium and long-term	-	1.830.147	-	2.081.273
Total	19.646	2.124.535	2.549	3.004.633

4. Information on funds provided from repurchase agreement transactions:

a) Funds Provided Under Repurchase Agreements:

	30 September 2019	31 December 2018
Funds Provided Under Repurchase Agreements	161.013	100
Total	161.013	100

5. Marketable Securities Issued (Net):

	30 September 2019	31 December 2018
Bond	814.333	207.110
Total	814.333	207.110

	30 September 2019	31 December 2018
Beginning Balance	207.110	-
Issued Amount In The Current Year	3.066.530	460.149
Repurchased Amount In The Current Year	(2.458.660)	(244.179)
Rediscount Change	(647)	(8.860)
Total	814.333	207.110

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 2018: None).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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):

	30 September 2019	
	Gross	Net
Less Than 1 Year	66.965	35.359
Between 1-4 Years	166.140	112.113
More Than 4 Years	61.524	50.890
Total	294.629	198.362

The Bank has no lease obligation as of 31 December 2018.

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

	30 September 2019		31 December 2018	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	-	-	116.041	-
Total	-	-	116.041	-

As of 30 September 2019, The Bank has no cash flow hedge (31 December 2018: 800 Million TL).

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 recognized in the income statement from equity. In this context, after tax loss of TL 28.760 was transferred from equity to income statement in 2019 (31 December 2018: 20.299 TL).

9. Information on provisions:

- a) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: None (31 December 2018: None).
- b) Information on employee termination benefits and unused vacation accrual:
 - b.1) Information on employee termination benefits and unused vacation accrual:

	30 September 2019	31 December 2018
Employee termination benefit provision	8.114	6.644
Unused vacation provision	5.787	5.203
Total of provision for employee benefits	13.901	11.847

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 30 SEPTEMBER 2019
(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:

	30 September 2019	31 December 2018
Balance at the beginning of period	6.644	5.745
Service Cost	3.607	1.689
Interest expense	-	632
Actuarial gain/loss transferred to equity	-	706
The amount of provision	(2.137)	(2.128)
Balance at the end of period	8.114	6.644

c) Information on other provisions:

c.1) Provisions for possible losses: TL 134.782 (31 December 2018: TL 16.385).

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 20.000 (31 December 2018: TL 20.000), provision for credit cards promotion and banking services amounting to TL 307 (31 December 2018: TL 539) and other provisions amounting to TL 27.489 (31 December 2018: TL 34.250).

c.3) Expected loss provisions for non-cash loans: TL 43.960 (31 December 2018: TL 48.303 provision).

d) Liabilities on pension rights: None.

d.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2018: None).

d.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None (31 December 2018: None).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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 30 September 2019, the Bank has no provision of corporate income tax. The Bank's corporate tax liability is amounting to TL 12.742 is shown in the assets (31 December 2018: TL 78.747 current tax assets).

a.2) Explanations on taxes payable:

	30 September 2019	31 December 2018
Withholding tax on deposits	25.262	23.343
BITT	12.862	15.780
Payroll Tax	-	3.073
Property Tax	400	494
Value Added Tax Payable	593	1.692
Stamp Tax	-	94
Corporate Taxes Payable	-	-
Foreign Exchange Tax	-	-
Other	4.960	1.010
Total	44.077	45.486

a.3) Information on premiums:

	30 September 2019	31 December 2018
Social Security Premiums-Employee	1.631	1.325
Social Security Premiums-Employer	1.835	1.491
Unemployment Insurance-Employer	114	187
Unemployment Insurance-Employee	229	93
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	3.809	3.096

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

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

11. Information on liabilities regarding assets held for sale and discounted operations: None (31 December 2018: None).

12. Information on subordinated loans:

	30 September 2019		31 December 2018	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks	-	-	-	-
From other foreign institutions	-	1.623.350	-	1.636.012
Total	-	1.623.350	-	1.636.012

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 5 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. As of 30 September 2019, the total amount of Tier II sub-loan the Bank has bought back amounts to USD 16.110 thousand. 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 30 September 2019 the Bank's paid in capital consists of TL 3.288.842.000 shares which nominal value is TL 1(full TL).

TL	30 September 2019	31 December 2018
Common stock (*)	3.288.842	3.288.842
Preferred stock	-	-
Total	3.288.842	3.288.842

(*) Nominal Capital

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

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

13. Information on Shareholders' Equity:

b) Information on marketable securities value increase fund:

	30 September 2019	31 December 2018
Valuation Difference	(3.870)	(20.043)
Foreign Exchange Difference	-	-
Total	(3.870)	(20.043)

c) Information on legal reserves:

	30 September 2019	31 December 2018
Primary Legal Reserves	26.149	25.291
Secondary Legal Reserve	-	-
Other Legal Reserves Per Special Legislation	-	-
Total	26.149	25.291

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.

14. Information on minority shares: None.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	30 September 2019	31 December 2018
Forward asset purchase and sales commitments	5.751.181	7.631.324
Loan granting commitments	160.597	231.914
Commitments for checks	60.853	58.384
Credit card limit commitments	530.683	534.388
Other irrevocable commitments	9.952	9.336
Total	6.513.266	8.465.346

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

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

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

	30 September 2019	31 December 2018
Letters of guarantee	1.789.651	1.795.569
Letters of credit	912.048	669.337
Bank acceptance loans	366.860	651.057
Other guarantees	952.211	569.819
Total	4.020.770	3.685.782

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

	30 September 2019	31 December 2018
Definite letter of guarantees	976.615	927.740
Temporary letter of guarantees	60.773	55.550
Other letter of guarantees	752.263	812.279
Total	1.789.651	1.795.569

c) Total amount of non-cash loans:

	30 September 2019	31 December 2018
Non-cash loans given to cover cash loans	600.166	624.151
With maturity of 1 year or less than 1 year	600.166	624.151
With maturity of more than 1 year	-	-
Other non-cash loans	3.420.604	3.061.631
Total	4.020.770	3.685.782

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

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

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 30 SEPTEMBER 2019

(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:

	30 September 2019		30 September 2018	
	TL	FC	TL	FC
Interest on loans				
Short term loans	532.919	57.688	496.860	34.937
Medium and long term loans	717.766	486.547	951.672	564.052
Interest collected from non-performing loans	5.900	-	5.840	-
Total	1.256.585	544.235	1.454.372	598.989

b) Information on interest received from banks:

	30 September 2019		30 September 2018	
	TL	FC	TL	FC
From The Central Bank of Republic of Turkey	2.691	-	-	-
From domestic banks	74.431	2.011	103.542	2.732
From foreign banks	44	71.190	20	5.496
From branches and offices abroad	-	-	-	-
Total	77.166	73.201	103.562	8.228

c) Interest received from marketable securities portfolio:

	30 September 2019		30 September 2018	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss (Net)	408	195	974	1
Financial assets at fair value through other comprehensive income	54.392	5.232	14.052	20.047
Financial Assets Measured at Amortized Cost	91.119	86.492	47.330	92.901
Total	145.919	91.919	62.356	112.949

2. a) Information on interest on funds borrowed:

	30 September 2019		30 September 2018	
	TL	FC	TL	FC
Interest on funds borrowed				
Banks	1.067	63.287	102	101.589
The Central Bank of Turkey	-	-	-	-
Domestic banks	1.067	537	102	408
Foreign banks	-	62.750	-	101.181
Branches and offices abroad	-	-	-	-
Other institutions	-	-	-	-
Total	1.067	63.287	102	101.589

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 30 SEPTEMBER 2019

(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 30 September 2019, the Bank has interest expense to Tier II sub-loan issued amounting to TL 210.350 (30 September 2018: TL 94.718).

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

30 September 2019								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TL								
Bank deposits	-	1.985	-	-	-	-	-	1.985
Saving deposits	-	284.739	436.074	48.879	19.667	75.726	-	865.085
Public sector deposits	-	-	169	191	-	-	-	360
Commercial deposits	23	32.300	74.920	1.578	1.280	3.827	-	113.928
Other deposits	-	545	8.568	120	359	160	-	9.752
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	23	319.569	519.731	50.768	21.306	79.713	-	991.110
Foreign Currency								
Foreign currency deposits	145	46.209	206.613	14.860	2.839	1.237	-	271.903
Bank deposits	-	2.274	-	-	-	-	-	2.274
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	145	48.483	206.613	14.860	2.839	1.237	-	274.177
Grand Total	168	368.052	726.344	65.628	24.145	80.950	-	1.265.287
30 September 2018								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TL								
Bank deposits	-	1.743	-	-	-	-	-	1.743
Saving deposits	166	233.104	553.350	5.599	890	1.002	-	794.111
Public sector deposits	-	64	27	465	-	-	-	556
Commercial deposits	32	29.464	121.725	4.365	66	361	-	156.013
Other deposits	-	341	5.861	-	16	-	-	6.218
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	198	264.716	680.963	10.429	972	1.363	-	958.641
Foreign Currency								
Foreign currency deposits	102	28.986	333.036	1.653	5.018	868	-	369.663
Bank deposits	-	10.249	-	-	-	-	-	10.249
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	102	39.235	333.036	1.653	5.018	868	-	379.912
Grand Total	300	303.951	1.013.999	12.082	5.990	2.231	-	1.338.553

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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: At the end of September, the Bank has TL 13 dividend income collected from share certificates (30 September 2018: TL 12).

4. Information on net trading income:

	30 September 2019	30 September 2018
Income	36.658.478	54.577.443
Gains on capital market operations	31.302	196
Gains on derivative financial instruments	2.490.978	5.829.295
Foreign exchange gains	34.136.198	48.747.952
Losses (-)	36.641.525	54.507.041
Losses on capital market operations	6.179	59.659
Losses on derivative financial instruments	2.499.325	5.020.575
Foreign exchange losses	34.136.021	49.426.807
Net Amount	16.953	70.402

5. Information on other operating income:

	30 September 2019	30 September 2018
Income from Reversal of Prior Years' Provisions	91.428	11.273
Other Income	9.805	12.730
Total	101.233	24.003

6. Provision for impairment of loans and other receivables:

a) Expected credit loss provisions:

	30 September 2019	30 September 2018(*)
Expected Credit Loss Provisions	352.744	416.658
12-Month Expected Credit Losses (Stage 1)	-	-
Significant Increase In Credit Risk (Stage 2)	-	33.566
Credit-Impaired (Stage 3)	352.744	383.092
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	352.744	416.658

(*) Includes reversal amounting to TL 213.776 which do not meet the required accounting criteria under TAS 37.

b) Other Provisions:

As of 30 September 2019, provision for possible risks amounting to TL 118.397 is included.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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:

	30 September 2019	30 September 2018
Amortization expenses of intangible assets	23.531	24.609
Depreciation expenses of fixed assets	17.973	19.353
Depreciation expenses of leasings	28.187	-
Employee termination benefit provision	1.470	806
Depreciation expenses of assets to be disposed	-	-
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	223.153	276.022
Leasing expenses related to TFRS 16 exemptions (*)	5.608	61.888
Advertisement expenses	15.075	14.828
Maintenance expenses	5.853	3.287
Other expenses (**)	196.617	196.019
Loss on sales of assets	-	-
Total	294.314	320.790

(*) 30 September 2018 amount represents total of operational lease expenses.

(**) 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 30 September 2019, the Bank's profit before tax from continued operations is TL 27.888 (30 September 2018: TL 209.962).

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

As of 30 September 2019, The Bank has deferred tax expense amounting to TL 5.775 (30 September 2018: TL 46.154 deferred tax income).

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

As of 30 September 2019, the Bank's net profit from continued operations is TL 22.113 (30 September 2018: TL 163.808).

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

- Net income includes a provision for possible risks provided by the Bank Management for possible results of the circumstances which may arise from possible changes in the economy and market conditions amounting to TL 118.397.
- Financial effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None.
- Profit or loss attributable to minority shares: 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 30 SEPTEMBER 2019

(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) 30 September 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	-	-	2.676	102.808	-	125
Interest and commission income	-	-	149	-	-	-

31 December 2018:

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	-	-	304	21.257	-	147
Balance at end of period	-	-	2.587	57.898	-	125
Interest and commission income (*)	-	-	9	-	-	-

(*) As of 30 September 2018.

b.1) Information on related party deposits balances:

30 September 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
Deposits					
Balance at beginning of period	-	-	452.934	-	1.326
Balance at end of period	-	-	126.341	-	1.154
Interest on deposits	-	-	2.734	-	146

31 December 2018:

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
Deposits					
Balance at beginning of period	-	-	584.775	-	-
Balance at end of period	-	-	452.934	-	1.326
Interest on deposits (*)	-	-	8.277	-	8

(*) As of 30 September 2018

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

(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:

30 September 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
Financial assets at fair value through profit and loss			
Balance at beginning of period	-	10.673.688	-
Balance at end of period	-	11.368.130	-
Total loss/ profit (*)	-	658.520	-

(*) Represents derivative financial assets due to outstanding IRS transactions with the Bank's parent company as of 30 September 2019, 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.

31 December 2018:

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
Financial assets at fair value through profit and loss			
Balance at beginning of period	-	64.525	-
Balance at end of period	-	10.673.688	-
Total loss/ profit (*)	-	(41.228)	-

(*) As of 30 September 2018

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

Gross payment made to the executive management as of 30 September 2019 is TL 14.231 (30 September 2018: TL 11.630).

VI. Explanations and Disclosures Related To Subsequent Event

Freddie Baz has resigned from his duty and Mouayed Makhoulf has been appointed as Member of Board of Directors beginning from 30 October 2019 per Board of Directors resolution dated 6 August 2019.

Alpaslan Yurdagül has resigned from his duty as of 31 October 2019 and no appointment has been performed for the vacant position as of reporting date.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(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 30 September 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 5 November 2019 is presented preceding the unconsolidated financial statements.

II. Explanations and Notes Prepared By Independent Auditor

None.

SECTION SEVEN

INTERIM ACTIVITY REPORT

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

Brief Information on Odea Bank A.Ş:

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

Capital and shareholders' structure:

As of 30 September 2019 and 31 December 2018, 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%

Information on number of branches and personnel:

As of 30 September 2019 the Bank has 47 domestic branches and 1.093 personnel.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(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
	Aristeidis VOURAKIS	Vice Chairman of the Board of Directors	Master's 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
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 (**)	Alpaslan YURDAGÜL	Credit Allocation	Master's Degree
Assistant General Managers (*)	Cem MURATOĞLU	Retail Banking	Master's Degree
	Emir Kadir ALPAY	Treasury and Capital Markets	Master's Degree
	Yalçın AVCI	Commercial Banking	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

(*) Gökhan Erkıralp has resigned from his duty beginning from 6 August 2019 and Emir Kadir Alpay has been appointed as Assistant General Manager of Treasury and Capital Markets beginning from 9 September 2019.

(**) Alpaslan Yurdagül has resigned from his duty as of 31 October 2019 and no appointment has been performed for the vacant position as of reporting date.

(***) Freddie Baz has resigned from his duty and Mouayed Makhoulouf has been appointed as Member of Board of Directors beginning from 30 October 2019 per Board of Directors resolution dated 6 August 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 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

Message from the Chairman

Dear Stakeholders,

Turkish economy has been in a sustainable rebalancing macro environment in the 3rd quarter of 2019, with lower inflation, declining interest rates and Lira appreciation, which is likely to promise positive GDP growth rates as of year-end, supported by a dynamic and diversified private sector, solid public finances and a financially sound banking industry that has been able to witness a net activity expansion amid relatively atypical macro conditions.

Within this context, our key priority at Odeabank is to serve our core relationships while managing tightly our asset quality and protecting the interest of our shareholders. Our improved earnings generation capacity, reflected in income before provisions and taxes, enabled us to achieve our priorities once again in the current period.

We continue to stand behind our commitment to sound banking by providing the financing needs to Turkish economy as we believe in the strong fundamentals of Turkey and opportunities its economy and banking sector has to offer despite the current uncertainties prevailing at the level of the global economy.

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

Respectfully yours,

Sincerely 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 30 SEPTEMBER 2019

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

CEO's Message

Dear Stakeholders,

Even though economic recession concerns diminished after the expansionary and loose monetary policy steps taken by the central banks in the third quarter of 2019, the concerns about growth continued with weak data, especially from European economies. In this environment Turkish economy, signals the continuation of the growth process with the positive impact of supportive legal measures and executive improvements on inflation and interest rates. Improvement in financial conditions, recovery in investor confidence and increased predictability indicates acceleration in investments.

We, as Odeabank, will continue to contribute to the national economy with our strong capital structure and strong equity in the coming period as we have been for seven years. In this direction, we maintain our strategic priority to create added value and to strengthen our asset quality increasingly with the importance given to risk management. In this scope, we will keep our efforts to further improve our business model and to deliver higher added value to all our stakeholders.

With our customer-oriented business strategy, we continue to take steps to move our customers, shareholders and our country forward. In this context, we focus on providing services to export and production oriented, higher value added sectors and companies with our wide range of products.

With our boutique banking approach, we continue to offer top quality, modern asset management services with our expert staff to all our customers. In order to meet customer needs quickly and easily, we continue our development and innovations on our digital banking channels. We continue to maintain our focus on operational excellence in order to reduce risks and to further improve our service quality and cost efficiency.

When we review our financial results of the third quarter of the year, our loans totaled TRY 19.6 billion, our deposits reached up to TRY 20.5 billion. With these results achieving a loan-deposit ratio of 95.6%, Odeabank has maintained its self-funding and strong balance sheet structure. In line with our long-term targets, we continue to expand funding base and diversify funding sources. In this scope, bond issuance volume reached up to TRY 814 million. Our pre-provision net revenue was TRY 499 million. Our capital adequacy ratio remained at its high level of 13.44% with our CET1 ratio at 20.60% through precise asset management and strong equity structure.

In this period that we celebrate our 7th year, I would like to extend my gratitude to our team for their dedicated and target-driven professional work, to our shareholders for their unfaltering support, and most important of all, to our customers who add to our strength with their trust in us.

Sincerely,

Mert Öncü
CEO and Board Member

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

Brief financial information of the Bank

ASSETS:

	Reviewed Current Period 30 September 2019			Audited Prior Period 31 December 2018		
	TL	FC	Total	TL	FC	Total
CASH AND CASH EQUIVALENTS	1.746.202	5.631.715	7.377.917	2.820.844	3.920.663	6.741.507
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	3.151	7.783	10.934	3.269	-	3.269
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	422.640	127.323	549.963	300.657	4.801	305.458
DERIVATIVE FINANCIAL ASSETS	703.962	777.665	1.481.627	862.576	222.725	1.085.301
FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	8.606.755	11.012.423	19.619.178	9.291.634	11.998.653	21.290.287
NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM INVESTMENT IN ASSOCIATES SUBSIDIARIES AND JOINT VENTURES"	592.496	-	592.496	238.525	-	238.525
TANGIBLE ASSETS (NET)	225.128	-	225.128	86.823	-	86.823
INTANGIBLE ASSETS AND GOODWILL (NET)	64.939	-	64.939	62.942	-	62.942
CURRENT TAX ASSETS	12.742	-	12.742	78.747	-	78.747
DEFERRED TAX ASSETS	278.808	-	278.808	272.167	-	272.167
OTHER ASSETS	512.609	1.015.883	1.528.492	627.587	608.005	1.235.592
Total	13.169.432	18.572.792	31.742.224	14.645.771	16.754.847	31.400.618

LIABILITIES:

	Reviewed Current Period 30 September 2019			Audited Prior Period 31 December 2018		
	TL	FC	Total	TL	FC	Total
DEPOSITS	6.904.932	13.615.487	20.520.419	8.495.839	13.065.209	21.561.048
LOANS RECEIVED	19.646	2.124.535	2.144.181	2.549	3.004.633	3.007.182
MONEY MARKET FUNDS	2.581	158.432	161.013	100	-	100
MARKETABLE SECURITIES (Net)	814.333	-	814.333	207.110	-	207.110
FUNDS	-	-	-	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	-	-	-
DERIVATIVE FINANCIAL LIABILITIES	719.705	743.221	1.462.926	971.302	221.318	1.192.620
FACTORING PAYABLES	-	-	-	-	-	-
LEASE PAYABLES	198.362	-	198.362	-	-	-
PROVISIONS	223.288	17.151	240.439	109.730	21.594	131.324
CURRENT TAX LIABILITIES	47.886	-	47.886	48.582	-	48.582
DEFERRED TAX LIABILITIES	-	-	-	-	-	-
LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	-	-	-	-	-	-
SUBORDINATED DEBT	-	1.623.350	1.623.350	-	1.636.012	1.636.012
OTHER LIABILITIES	261.644	1.045.475	1.307.119	227.591	169.227	396.818
SHAREHOLDERS' EQUITY	3.212.652	9.544	3.222.196	3.218.328	1.494	3.219.822
Total	12.405.029	19.337.195	31.742.224	13.281.131	18.119.487	31.400.618

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

STATEMENT OF PROFIT OR LOSS:

	Reviewed Current Period 1 January- 30 September 2019	Reviewed Prior Period 1 January- 30 September 2018
INTEREST INCOME	2.326.869	2.443.464
INTEREST EXPENSE	1.570.976	1.538.781
NET INTEREST INCOME (I - II)	755.893	904.683
NET FEES AND COMMISSIONS INCOME	83.781	89.182
DIVIDEND INCOME	13	12
NET TRADING PROFIT/LOSS (Net)	16.953	70.402
OTHER OPERATING INCOME	101.233	24.003
GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII+VIII)	957.873	1.088.282
ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	352.744	416.658
OTHER PROVISION EXPENSES	118.397	-
PERSONNEL EXPENSES (-)	164.530	140.872
OTHER OPERATING EXPENSES (-)	294.314	320.790
NET OPERATING PROFIT/(LOSS) (VIII-IX-X)	27.888	209.962
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)	27.888	209.962
PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.775)	(46.154)
NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)	22.113	163.808
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)	-	-
Profit / Loss per Share	-	-
NET PROFIT/LOSSES (XVIII+XXIII)	22.113	163.808