

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

Odea Bank Anonim Şirketi

**Unconsolidated Financial Statements, Related Disclosures and
Independent Auditors' Report Thereon
as of and for the year-ended
31 December 2021**

4 February 2022

*This report includes "Auditors' Report" comprising 4 pages and;
"Unconsolidated Financial Statements and Related Disclosures
and Footnotes" comprising 113 pages.*

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

To the General Assembly of Odea Bank Anonim Şirketi

A) Report on the Audit of the Unconsolidated Financial Statements

Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Odea Bank Anonim Şirketi ("the Bank") which comprise the unconsolidated statement of financial position as at 31 December 2021 and the unconsolidated statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity, cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matter described in the *Basis For Qualified Opinion* section of our report, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of Odea Bank Anonim Şirketi as at 31 December 2021, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Board Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by Banking Regulation and Supervision Agency ("BRSA") and requirements of Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by the aforementioned legislations.

Basis for Qualified Opinion

As stated in Note 2.9. of Section Five, the accompanying unconsolidated financial statements as at 31 December 2021 include a general provision of total of TRL 130,000 thousand, which was recognized as expense in the current period; with a deferred tax asset on this general provision amounting to TRL 32,500 thousand which does not meet the requirements of BRSA Accounting and Reporting Legislation. This general provision is provided by the Bank management for the possible effects of the negative circumstances which may arise in economy or market conditions.

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

Key Audit Matters

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

Impairment of loans measured at amortized cost

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

Key audit matter

As of 31 December 2021, loans measured at amortized cost comprise 50% of the Bank's total assets.

The Bank recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 29750 dated 22 June 2016 and TFRS 9 Financial Instruments standard ("Standard").

The Bank applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Bank management annually.

The significant assumptions and estimates of the Bank's management are as follows:

- significant increase in credit risk
- incorporating the forward looking macroeconomic information in calculation of credit risk
- design and implementation of expected credit loss model

The determination of the impairment of loans measured at amortized cost depends on the credit default status, the model based on the change in the credit risk at the first recognition date and the classification of the loans measured at amortized cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets.

The Bank calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the market value of the collateral provided for credit transactions.

The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward looking expectations are reflected by macroeconomic models.

Impairment on loans measured at amortized cost was considered to be a key audit matter, due to the significance of the estimates, assumptions including the impact of COVID-19, the level of judgements and its complex structure as explained above.

How the matter is addressed in our audit

Our procedures for auditing the expected credit losses on loans include below:

- We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists.
- We evaluated the adequacy of the subjective and objective criteria that is defined in the Bank's impairment accounting policy compared with the Regulation and Standard.
- We evaluated the Banks's business model and methodology and the evaluation of the calculations carried out with the control testing and detail analysis by the involvement of specialist.
- We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and evaluation of their classification. In this context, the current status of the loan customer has been evaluated by including forward looking information and macroeconomic expectations.
- We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis including the impact of COVID-19 on the assumptions and estimates.
- We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated.
- We assessed the macroeconomic models including the effects of COVID-19, that are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method.
- We evaluated the qualitative and quantitative assessments, including the effects of COVID-19, which are used in determining the significant increase in credit risk.
- We evaluated the adequacy of the disclosures in the unconsolidated financial statements related to impairment provisions.

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

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

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

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

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

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

As part of an audit in accordance with BRSA Audit Regulation and TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and if any, actions taken to eliminate threats or safeguards applied.

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

B) Report on Other Legal and Regulatory Requirements

Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code No. 6102 ("TCC"); no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2021 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.

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

Additional paragraph for convenience translation to English:

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Erdal Tıkmak, SMMM

Partner

4 February 2022

Istanbul, Turkey

Translated into English from the original Turkish report and financial statements

**ODEA BANK A.Ş.
UNCONSOLIDATED FINANCIAL REPORT
AS OF DECEMBER 31, 2021**

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

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITORS’ REPORT

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

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

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

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

INDEX

SECTION ONE
General Information About the Bank

	<u>Page</u>
I. Bank's Incorporation Date, Beginning Statute, Changes in the Existing Statute	1
II. Explanations Regarding Bank's Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Bank	1
III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares and Areas of Responsibility in the Bank	2
IV. Information about the Persons and Institutions that have Qualified Shares	3
V. Summary on the Bank's Functions and Areas of Activity	3
VI. Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the institutions subject to full consolidation method or proportional consolidation and institutions which are deducted from equity or not included in these three methods	3
VII. The existing or potential, actual or legal obstacles on the transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities	3

SECTION TWO

Unconsolidated Financial Statements of the Bank

I. 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
VII. Statement of Profit Distribution	12

SECTION THREE

Accounting Policies

I. Basis of Presentation	13
II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions	14
III. Explanations on Futures and Options Contracts and Derivative Instruments	14
IV. Explanations on Interest Income and Expenses	15
V. Explanations on Fees and Commission Income and Expenses	15
VI. Explanations on Financial Assets	16
VII. Explanations on Expected Credit Losses	19
VIII. Explanations on Offsetting of Financial Instruments	22
IX. Explanations on Sales and Repurchase Agreements and Lending of Securities	22
X. Explanations on Assets Held for Sale and Discontinued Operations	22
XI. Explanations on Goodwill and Other Intangible Assets	22
XII. Explanations on Tangible Fixed Assets	23
XIII. Explanations on Leasing Transactions	23
XIV. Explanations on Provisions and Contingent Liabilities	25
XV. Explanations on Liabilities Regarding Employee Benefits	25
XVI. Explanations on Taxation	25
XVII. Additional Explanations on Borrowings	26
XVIII. Explanations on Issued Share Certificates	26
XIX. Explanations on Avalized Drafts and Acceptances	26
XX. Explanations on Government Incentives	26
XXI. Explanations on Segment Reporting	26
XXII. Explanations on Reclassifications	26
XXIII. Explanations on Other Disclosures	27

SECTION FOUR

Information Related to Financial Position and Risk Management of the Bank

I. Explanations on Equity	28
II. Explanations on Credit Risk	36
III. Explanations on Currency Risk	47
IV. Explanations on Interest Rate Risk	50
V. Explanations on Share Certificates Position Risk	53
VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio	54
VII. Explanations on Leverage Ratio	59
VIII. Explanations on Presentation of Financial Assets and Liabilities at Fair Value	60
IX. Explanations Related to Transactions Carried Out on Behalf of Customers, Items Held in Trust	61
X. Explanations on Risk Management	61
XI. Explanations on Hedge Accounting	78
XII. Explanations on Segment Reporting	79
XIII. Information on International Risk Rating	80

SECTION FIVE

Explanations and Disclosures on Financial Statements

I. Explanations and Disclosures Related to the Assets	81
II. Explanations and Disclosures Related to the Liabilities	95
III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments	102
IV. Explanations and Disclosures Related to Statement of Profit or Loss	106
V. Explanations and notes related to consolidated statement of changes in shareholders' equity	110
VI. Explanations and Disclosures On Statement of Cash Flows	110
VII. Explanations on the Risk Group of the Bank	111
VIII. Domestic, Foreign and Off-Shore Branches or Equity Investments, and Foreign Representative Offices of Bank	112
IX. Explanations and Disclosures Related to Subsequent Event	112

SECTION SIX

Other Explanations

I. Other explanations on the Bank's operations	113
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SECTION SEVEN

Explanation on Independent Auditor's Report

I. Explanations on Independent Auditor's Report	113
II. Explanations and Notes Prepared by Independent Auditor	113

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

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

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

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

As of 31 December 2021 and 31 December 2020, the shareholders' structure and their ownerships are summarized as follows:

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

Bank Audi sal

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

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

The Group ranks among the top banks in Lebanon in terms of asset size, shareholders' equity, customer deposits, loans and net income. Having one of the largest branch networks in Lebanon, the Group has 114 branches as of 31 December 2021.

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

<u>Title</u>	<u>Name-Surname</u>	<u>Responsibility</u>	<u>Education</u>
Chair of the Board of Directors	Imad ITANI	Chair of the Board of Directors	Ph.D. Degree
Vice Chair of the Board of Directors	Tamer GHAZALEH	Vice Chair of the Board of Directors	Bachelor's Degree
Members of the Board of Directors	Khalil El DEBS	Member of the Board of Directors	Master's Degree
	Dragica PILIPOVIC- CHAFFEY	Member of the Board of Directors	Master's Degree
	Mouayed MAKHLOUF	Member of the Board of Directors and Member of the Audit Committee	Master's Degree
	Antoine NAJM	Member of the Board of Directors	Bachelor's Degree
	Ayşe Botan BERKER	Member of the Board of Directors	Ph.D. Degree
	Farid LAHOUD	Member of the Board of Directors and Member of the Audit Committee	Ph.D. Degree
	Chahdan JEBEYLI	Member of the Board of Directors	Master's Degree
	Oya AYDINLIK	Member of the Board of Directors and Chair of the Audit Committee	Bachelor's Degree
	Ebru OĞAN KNOTTNERUS	Member of the Board of Directors	Bachelor's Degree
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	Yağın AVCI	Commercial Banking	Master's Degree
	Mehmet Gökmen UÇAR(*)	Finance, Financial Control and Strategy	Bachelor's Degree
Assistant General Managers	Cem MURATOĞLU	Retail Banking	Master's Degree
	Emir Kadir ALPAY	Treasury and Capital Markets	Master's Degree
	Sinan Erdem ÖZER	Technology and Operations	Master's Degree
	Hüseyin GÖNÜL	Internal Systems	Bachelor's Degree
	Cenk DEMİRÖZ	Credit Allocation	Master's Degree

(*) On 24 December 2021 Mr. Mehmet Gökmen Uçar was appointed as the Deputy General Manager.

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

Information about the persons and institutions that have qualified shares as of 31 December 2021:

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

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

The headquarters of the Bank is located in Istanbul and as of 31 December 2021. The Bank has 48 domestic branches with 1.111 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 2020: 48 domestic branches, 1.109 employees).

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

The Bank has no consolidated subsidiaries.

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

None.

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

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
- VII. Statement of Profit Distribution

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2021

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

I. BALANCE SHEET – ASSETS

	Note Ref (Section Five)	Audited Current Period 31 December 2021			Audited Prior Period 31 December 2020		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		8.897.971	18.235.706	27.133.677	6.326.607	11.202.414	17.529.021
1.1 Cash and cash equivalents		698.155	12.591.571	13.289.726	739.014	7.261.076	8.000.090
1.1.1 Cash and balances at Central Bank	I-1	698.223	8.744.186	9.442.409	278.774	4.597.321	4.876.095
1.1.2 Banks	I-3	186	3.849.928	3.850.114	150.215	2.665.257	2.815.472
1.1.3 Receivables from Money Markets		-	-	-	310.151	-	310.151
1.1.4 Allowance for expected credit losses (-)		254	2.543	2.797	126	1.502	1.628
1.2 Financial assets at fair value through profit or loss	I-2	82.571	19.184	101.755	167.166	31.047	198.213
1.2.1 Public debt securities		723	201	924	679	20.246	20.925
1.2.2 Equity instruments		-	18.983	18.983	-	10.801	10.801
1.2.3 Other financial assets		81.848	-	81.848	166.487	-	166.487
1.3 Financial assets at fair value through other comprehensive income	I-4	6.015.351	4.024.089	10.039.440	4.589.660	2.491.578	7.081.238
1.3.1 Public debt securities		3.839.372	3.477.533	7.316.905	3.153.523	2.012.359	5.165.882
1.3.2 Equity instruments		4.897	359	5.256	4.897	213	5.110
1.3.3 Other financial assets		2.171.082	546.197	2.717.279	1.431.240	479.006	1.910.246
1.4 Derivative financial assets	I-2	2.101.894	1.600.862	3.702.756	830.767	1.418.713	2.249.480
1.4.1 Derivative financial assets at fair value through profit or loss		2.009.458	1.600.862	3.610.320	830.767	1.418.713	2.249.480
1.4.2 Derivative financial assets at fair value through other comprehensive income	I-11	92.436	-	92.436	-	-	-
II. FINANCIAL ASSET MEASURED AT AMORTISED COST (Net)		12.343.360	14.203.781	26.547.141	10.828.423	9.626.143	20.454.566
2.1 Loans	I-5	13.422.045	14.147.077	27.569.122	11.916.386	9.343.578	21.259.964
2.2 Receivables from leasing transactions	I-10	-	-	-	-	-	-
2.3 Factoring receivables		-	-	-	-	-	-
2.4 Other financial assets measured at amortized cost	I-6	270.117	1.064.923	1.335.040	196.335	862.528	1.058.863
2.4.1 Public debt securities		198.108	1.064.923	1.263.031	196.335	862.528	1.058.863
2.4.2 Other financial assets		72.009	-	72.009	-	-	-
2.5 Allowance for expected credit losses (-)		1.348.802	1.008.219	2.357.021	1.284.298	579.963	1.864.261
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS" (Net)	I-16	296.839	-	296.839	672.505	-	672.505
3.1 Held for sale		296.839	-	296.839	672.505	-	672.505
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	181.790	-	181.790	189.036	-	189.036
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	I-13	147.126	-	147.126	97.369	-	97.369
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		147.126	-	147.126	97.369	-	97.369
VII. INVESTMENT PROPERTIES (Net)	I-14	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		4.739	-	4.739	27.428	-	27.428
IX. DEFERRED TAX ASSETS	I-15	256.329	-	256.329	227.363	-	227.363
X. OTHER ASSETS	I-17	710.991	187.373	898.364	643.970	194.571	838.541
TOTAL ASSETS		22.839.145	32.626.860	55.466.005	19.012.701	21.023.128	40.035.829

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2021

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

I. BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY

	Note Ref. (Section Five)	Audited Current Period 31 December 2021			Audited Prior Period 31 December 2020		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	11.162.411	27.254.677	38.417.088	7.914.614	17.724.580	25.639.194
II. LOANS RECEIVED	II-3	-	1.708.596	1.708.596	1.040	1.406.131	1.407.171
III. MONEY MARKET FUNDS	II-4	1.884.402	340.500	2.224.902	2.868.068	677.925	3.545.993
IV. MARKETABLE SECURITIES (Net)	II-5	-	-	-	563.046	-	563.046
4.1 Bills		-	-	-	499.471	-	499.471
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	63.575	-	63.575
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	1.155.844	1.572.905	2.728.749	762.984	1.423.732	2.186.716
7.1 Derivative financial liabilities at fair value through profit or loss		1.155.844	1.572.905	2.728.749	762.984	1.423.732	2.186.716
7.2 Derivative financial liabilities at fair value through other comprehensive income	II-8	-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	II-7	120.180	-	120.180	120.954	-	120.954
X. PROVISIONS	II-9	288.862	62.439	351.301	138.985	33.566	172.551
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		35.868	-	35.868	24.506	-	24.506
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		252.994	62.439	315.433	114.479	33.566	148.045
XI. CURRENT TAX LIABILITIES	II-10	73.803	-	73.803	67.042	-	67.042
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	-	3.833.893	3.833.893	-	2.109.077	2.109.077
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		-	3.833.893	3.833.893	-	2.109.077	2.109.077
XV. OTHER LIABILITIES	II-6	564.536	1.876.007	2.440.543	420.103	348.152	768.255
XVI. SHAREHOLDERS' EQUITY		3.725.750	(158.800)	3.566.950	3.388.122	67.708	3.455.830
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		(5.961)	-	(5.961)	(3.931)	-	(3.931)
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		91.338	(158.800)	(67.462)	(46.298)	67.708	21.410
16.5 Profit reserves		148.041	-	148.041	17.498	-	17.498
16.5.1 Legal reserves	II-13	36.415	-	36.415	29.705	-	29.705
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		111.626	-	111.626	(12.207)	-	(12.207)
16.5.4 Other profit reserves		-	-	-	-	-	-
16.6 Profit or loss		205.688	-	205.688	134.209	-	134.209
16.6.1 Prior periods profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		205.688	-	205.688	134.209	-	134.209
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		18.975.788	36.490.217	55.466.005	16.244.958	23.790.871	40.035.829

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

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 31 DECEMBER 2021

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

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

		Audited Current Period 31 December 2021			Audited Prior Period 31 December 2020		
	Note Ref. (Section Five)	TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		36.143.655	148.048.781	184.192.436	29.013.648	87.556.663	116.570.311
I. GUARANTEES	III-1	3.412.776	5.270.535	8.683.311	2.239.071	3.146.535	5.385.606
1.1 Letters of guarantee		3.061.521	1.333.953	4.395.474	1.687.371	645.127	2.332.498
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		3.061.521	1.333.953	4.395.474	1.687.371	645.127	2.332.498
1.2 Bank acceptances		-	4.976	4.976	-	9.759	9.759
1.2.1 Import letter of acceptance		-	4.976	4.976	-	9.759	9.759
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		4.211	2.211.783	2.215.994	-	867.081	867.081
1.3.1 Documentary letters of credit		4.211	2.211.783	2.215.994	-	867.081	867.081
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		347.044	1.719.823	2.066.867	551.700	1.624.568	2.176.268
1.9 Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-1	13.618.283	2.521.407	16.139.690	9.567.154	3.063.959	12.631.113
2.1 Irrevocable commitments		1.680.493	2.521.407	4.201.900	1.224.838	3.063.959	4.288.797
2.1.1 Forward asset purchase and sales commitments		595.909	2.497.633	3.093.542	335.537	3.050.880	3.386.417
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		620.130	-	620.130	430.136	-	430.136
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		62.333	-	62.333	48.352	-	48.352
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		396.015	-	396.015	404.739	-	404.739
2.1.10 Commitments for promotions related with credit cards and banking activities		2.413	-	2.413	6.074	-	6.074
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		3.693	23.774	27.467	-	13.079	13.079
2.2 Revocable commitments		11.937.790	-	11.937.790	8.342.316	-	8.342.316
2.2.1 Revocable loan granting commitments		11.937.790	-	11.937.790	8.342.316	-	8.342.316
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	III-2	19.112.596	140.256.839	159.369.435	17.207.423	81.346.169	98.553.592
3.1 Derivative financial instruments for hedging purposes		2.250.000	-	2.250.000	-	-	-
3.1.1 Fair value hedge		-	-	-	-	-	-
3.1.2 Cash flow hedge		2.250.000	-	2.250.000	-	-	-
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Trading derivatives		16.862.596	140.256.839	157.119.435	17.207.423	81.346.169	98.553.592
3.2.1 Forward foreign currency buy/sell transactions		2.078.511	7.235.331	9.313.842	838.395	3.024.469	3.862.864
3.2.1.1 Forward foreign currency transactions-buy		1.693.029	2.925.800	4.618.829	704.788	1.254.165	1.958.953
3.2.1.2 Forward foreign currency transactions-sell		385.482	4.309.531	4.695.013	133.607	1.770.304	1.903.911
3.2.2 Swap transactions related to foreign currency, and interest rates		10.142.298	93.932.934	104.075.232	14.757.089	58.027.396	72.784.485
3.2.2.1 Foreign currency swaps-buy		789.765	17.710.189	18.499.954	833.409	12.077.136	12.910.545
3.2.2.2 Foreign currency swaps-sell		4.552.533	13.292.433	17.844.966	3.493.680	9.453.770	12.947.450
3.2.2.3 Interest rate swaps-buy		2.400.000	31.465.156	33.865.156	5.215.000	18.248.245	23.463.245
3.2.2.4 Interest rate swaps-sell		2.400.000	31.465.156	33.865.156	5.215.000	18.248.245	23.463.245
3.2.3 Foreign currency, interest rate and securities options		4.641.787	39.088.574	43.730.361	1.611.939	20.275.745	21.887.684
3.2.3.1 Foreign currency options-buy		3.320.031	4.963.669	8.283.700	984.684	1.933.212	2.917.896
3.2.3.2 Foreign currency options-sell		1.321.756	7.144.617	8.466.373	627.255	3.161.253	3.788.508
3.2.3.3 Interest rate options-buy		-	13.490.144	13.490.144	-	7.590.640	7.590.640
3.2.3.4 Interest rate options-sell		-	13.490.144	13.490.144	-	7.590.640	7.590.640
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		-	-	-	-	18.559	18.559
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		74.646.303	113.840.341	188.486.644	71.658.526	56.146.034	127.804.560
IV. ITEMS HELD IN CUSTODY		5.471.688	3.692.871	9.164.559	5.628.951	1.508.628	7.137.579
4.1 Assets under management		5.426.545	1.142.809	6.569.354	5.060.521	336.073	5.396.594
4.2 Investment securities held in custody		5.989	1.363.782	1.369.771	509.349	442.778	952.127
4.3 Checks received for collection		4.244	1.185.098	1.189.342	4.124	723.459	727.583
4.4 Commercial notes received for collection		11.401	1.182	12.583	54.957	6.318	61.275
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		23.509	-	23.509	-	-	-
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		69.144.605	110.065.382	179.209.987	65.979.409	54.598.185	120.577.594
5.1 Marketable securities		2.123.355	3.062.952	5.186.307	2.221.576	1.672.962	3.894.538
5.2 Guarantee notes		29.307.079	14.140.699	43.447.778	26.981.755	7.903.308	34.885.063
5.3 Commodities		10.522.916	5.677.350	16.200.266	8.790.103	1.705.633	10.495.736
5.4 Warrants		-	-	-	-	-	-
5.5 Properties		17.054.937	55.367.793	72.422.730	18.782.042	24.786.473	43.568.515
5.6 Other pledged items		10.136.318	31.816.588	41.952.906	9.203.933	18.529.809	27.733.742
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		30.010	82.088	112.098	50.166	39.221	89.387
TOTAL OFF - BALANCE SHEET ITEMS (A+B)		110.789.958	261.889.122	372.679.080	100.672.174	143.702.697	244.374.871

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 DECEMBER 2021

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

III. INCOME AND EXPENSE ITEMS

	Note (Section Five)	Audited Current Period 1 January- 31 December 2021	Audited Prior Period 1 January- 31 December 2020
I. INTEREST INCOME	IV-1	3.967.219	2.634.527
1.1 Interest on loans		2.656.174	1.848.864
1.2 Interest received from reserve deposits		45.685	2.552
1.3 Interest received from banks		17.877	62.734
1.4 Interest received from money market transactions		7.438	60.834
1.5 Interest received from marketable securities portfolio		1.218.541	620.038
1.5.1 Financial assets at fair value through profit or loss		21.618	12.982
1.5.2 Financial assets at fair value through other comprehensive income		1.123.171	499.946
1.5.3 Financial assets measured at amortized cost		73.752	107.110
1.6 Finance lease income		-	-
1.7 Other interest income		21.504	39.505
II. INTEREST EXPENSE	IV-2	2.781.774	1.555.837
2.1 Interest on deposits		1.988.938	987.203
2.2 Interest on funds borrowed		45.227	42.579
2.3 Interest on money market transactions		432.557	173.087
2.4 Interest on securities issued		285.678	278.410
2.5 Finance lease interest expenses		23.497	27.805
2.6 Other interest expenses		5.877	46.753
III. NET INTEREST INCOME (I - II)		1.185.445	1.078.690
IV. NET FEES AND COMMISSIONS INCOME		102.646	77.519
4.1 Fees and commissions received		129.359	101.585
4.1.1 Non-cash loans		65.470	53.346
4.1.2 Other		63.889	48.239
4.2 Fees and commissions paid (-)		26.713	24.066
4.2.1 Non-cash loans		2	4
4.2.2 Other		26.711	24.062
V. DIVIDEND INCOME	IV-3	-	-
VI. TRADING PROFIT/LOSS (Net)	IV-4	7.221	42.888
6.1 Profit/losses from capital market transactions		35.028	42.457
6.2 Profit/losses from derivative financial transactions		956.184	(88.021)
6.3 Foreign exchange profit/losses		(983.991)	88.452
VII. OTHER OPERATING INCOME	IV-5	851.911	430.386
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		2.147.223	1.629.483
IX. EXPECTED CREDIT LOSSES (-)	IV-6	964.560	769.366
X. OTHER PROVISION EXPENSES (-)	IV-6	173.748	11.940
XI. PERSONNEL EXPENSES (-)		354.445	293.116
XII. OTHER OPERATING EXPENSES (-)	IV-7	415.885	387.135
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		238.585	167.926
XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-
XVI. NET MONETARY POSITION GAIN/LOSS		-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVD)	IV-8	238.585	167.926
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	IV-9	(32.897)	(33.717)
18.1 Current tax provision		(37.749)	(20.885)
18.2 Expense effect of deferred tax (+)		(535.702)	(284.159)
18.3 Income effect of deferred tax (-)		540.554	271.327
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-10	205.688	134.209
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1 Income from assets held for sale		-	-
20.2 Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3 Other income from discontinued operations		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1 Expenses on assets held for sale		-	-
21.2 Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3 Other expenses from discontinued operations		-	-
XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)		-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1 Current tax provision		-	-
23.2 Expense effect of deferred tax (+)		-	-
23.3 Income effect of deferred tax (-)		-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV. NET PROFIT/LOSSES (XIX+XXIV)	IV-11	205.688	134.209
Profit / Loss per Share (*)		0,063	0,041

(*) Presented in Full TL.

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

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited Current Period 1 January- 31 December 2021	Audited Prior Period 1 January- 31 December 2020
I. CURRENT PERIOD PROFIT / (LOSS)	205.688	134.209
II. OTHER COMPREHENSIVE INCOME	(94.568)	22.040
2.1 Other comprehensive income that will not be reclassified to profit or loss	(5.696)	(7.918)
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	(7.120)	(5.717)
2.1.4 Other Components of other comprehensive income that will not be reclassified to profit or loss	-	(4.204)
2.1.5 Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	1.424	2.003
2.2 Other comprehensive income that will be reclassified to profit or loss	(88.872)	29.958
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	(134.538)	33.745
2.2.3 Income (loss) related with cash flow hedges	22.976	3.861
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	22.690	(7.648)
III. TOTAL COMPREHENSIVE INCOME (I+II)	111.120	156.249

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

						Other Comprehensive Income/Expense Items Not To Be Recycled To Profit and Loss			Other Comprehensive Income/Expense Items To Be Recycled To Profit and Loss							
		Note (Section Five)	Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans (**)	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Recycled to Profit or Loss)	Translation Differences	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss) (*)	Profit Reserves	Prior Period Income and Losses	Current Year Income and Losses	Total Shareholders' Equity
	Current Period 31/12/2021															
I.	Balance at the beginning of the period		3.288.842	-	-	(2.198)	-	(7.182)	3.251	-	64.066	(42.656)	17.498	-	134.209	3.455.830
II.	Adjustment in accordance with TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I-II)		3.288.842	-	-	(2.198)	-	(7.182)	3.251	-	64.066	(42.656)	17.498	-	134.209	3.455.830
IV.	Total comprehensive income (loss)		-	-	-	-	-	(5.696)	-	-	(107.590)	18.718	-	-	205.688	111.120
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		-	-	-	-	-	-	3.666	-	-	-	130.543	-	(134.209)	-
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves (*)		-	-	-	-	-	-	-	-	-	-	134.209	-	(134.209)	-
11.3	Others		-	-	-	-	-	-	3.666	-	-	-	(3.666)	-	-	-
	End Balance (III+IV+.....+X+XI)		3.288.842	-	-	(2.198)	-	(12.878)	6.917	-	(43.524)	(23.938)	148.041	-	205.688	3.566.950

(*) At the Ordinary General Assembly meeting dated March 24, 2021, TL 6.710, which is 5% of the Bank's net profit for the year 2020, TL 134.209, was reserved as 1st Arrangement Legal Reserve in accordance with Article 519 of the Turkish Commercial Code numbered 6102 and the remaining amount of TL 127. 499 has been decided to reserve as extraordinary Reserves.

(**) TL 3.666 presented under extraordinary reserves includes the share sales gain benefited from corporate tax exemption and transferred to the Revaluation Surplus on Tangible and Intangible Assets account.

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

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

						Other Comprehensive Income/Expense Items Not To Be Recycled To Profit and Loss			Other Comprehensive Income/Expense Items To Be Recycled To Profit and Loss							
		Note (Section Five)	Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Recycled to Profit or Loss)	Translation Differences	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)	Profit Reserves	Prior Period Income and Losses	Current Year Income and Losses	Total Shareholders' Equity
	Prior Period 31/12/2020															
I.	Balance at the beginning of the period		3.288.842	-	-	(2.198)	-	(2.543)	6.530	-	36.052	(44.600)	(53.624)	-	71.122	3.299.581
II.	Adjustment in accordance with TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I-II)		3.288.842	-	-	(2.198)	-	(2.543)	6.530	-	36.052	(44.600)	(53.624)	-	71.122	3.299.581
IV.	Total comprehensive income (loss)		-	-	-	-	-	(4.639)	(3.279)	-	28.014	1.944	-	-	134.209	156.249
V.	Capital increase in cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	-	-	-	-	71.122	-	(71.122)	-
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves (*)		-	-	-	-	-	-	-	-	-	-	71.122	-	(71.122)	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	End Balance (III+IV+.....+X+XI)		3.288.842	-	-	(2.198)	-	(7.182)	3.251	-	64.066	(42.656)	17.498	-	134.209	3.455.830

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

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

VI. STATEMENT OF CASH FLOWS

	Footnotes (Section Five)	Audited Current Period 1 January- 31 December 2021	Audited Prior Period 1 January- 31 December 2020
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit / (loss) before changes in operating assets and liabilities		317.027	(179.737)
1.1.1 Interest received		3.478.628	2.134.797
1.1.2 Interest paid		(2.455.754)	(1.539.586)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		129.359	101.585
1.1.5 Other income/(expense)		102.319	179.784
1.1.6 Collections from previously written off loans		518.325	391.648
1.1.7 Payments to personnel and service suppliers		(579.746)	(492.275)
1.1.8 Taxes paid		(82.125)	(55.532)
1.1.9 Others	VI-1	(793.979)	(900.158)
1.2 Changes in operating assets and liabilities		665.587	725.393
1.2.1 Net (increase) decrease in financial assets held for trading		91.193	(188.601)
1.2.2 Net (increase) decrease in due from banks and other financial institutions		(2.333.989)	(569.828)
1.2.3 Net (increase) decrease in loans		(6.434.186)	(2.801.337)
1.2.4 Net (increase) decrease in other assets	VI-1	37.608	(1.380.849)
1.2.5 Net increase (decrease) in bank deposits		(465.503)	773.752
1.2.6 Net increase (decrease) in other deposits		12.999.250	2.765.126
1.2.7 Net (increase) decrease in financial liability at fair value through profit or loss		(3.605.485)	(332.343)
1.2.8 Net increase (decrease) in funds borrowed		(1.025.265)	2.916.878
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	VI-1	1.401.964	(457.405)
I. Net cash used in from banking operations		982.614	545.656
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(279.393)	(3.863.386)
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		(112.443)	(86.167)
2.4 Fixed assets sales		378.251	234.348
2.5 Cash paid for purchase of financial assets available for sale		(3.757.908)	(6.393.597)
2.6 Cash obtained from sale of financial assets available for sale		2.963.813	1.208.346
2.7 Cash paid for purchase of investment securities		(71.232)	(30.193)
2.8 Cash obtained from sale of investment securities		320.126	1.203.877
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities		(786.009)	(36.085)
3.1 Cash obtained from funds borrowed and securities issued		1.528.052	5.296.951
3.2 Cash used for repayment of funds borrowed and securities issued		(2.280.702)	(5.317.091)
3.3 Issued equity instrument		-	-
3.4 Dividends paid		-	-
3.5 Payments for leases		(33.359)	(15.945)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		3.038.506	958.149
V. Net increase in cash and cash equivalents		2.955.718	(2.395.666)
VI. Cash and cash equivalents at beginning of the period	VI-2	4.013.859	6.409.525
VII. Cash and cash equivalents at end of the period	VI-2	6.969.577	4.013.859

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED 31 DECEMBER 2021

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

VII. STATEMENT OF PROFIT DISTRIBUTION

	Audited Current Period 31.12.2021 (*)	Audited Prior Period 31.12.2020 (**)
I. DISTRIBUTION OF CURRENT YEAR INCOME/(LOSS)		
1.1 CURRENT YEAR INCOME	238.585	167.926
1.2 TAXES AND DUTIES PAYABLE (-)	32.897	33.717
1.2.1 Corporate tax (Income tax)	37.749	20.885
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(4.852)	12.832
A. NET INCOME FOR THE YEAR (1.1-1.2)	205.688	134.209
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	6.710
1.5 OTHER STATUTORY RESERVES (-)	-	3.666
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	205.688	123.833
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	123.833
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE (***)		
3.1 TO OWNERS OF ORDINARY SHARES	0,063	0,041
3.2 TO OWNERS OF ORDINARY SHARES (%)	6,3%	4,1%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) The decision regarding the 2021 Profit Distribution will be taken at the General Assembly meeting.

(**) At the Ordinary General Assembly meeting dated March 24, 2021, TL 6.710, which is 5% of the Bank's net profit for the year 2020, TL 134.209, was reserved as 1st Arrangement Legal Reserve in accordance with Article 519 of the Turkish Commercial Code numbered 6102 and the remaining amount of TL 127. 499 has been decided to reserve as extraordinary Reserves. TL 3.666 presented under extraordinary reserves includes the share sales gain benefited from corporate tax exemption and transferred to the Revaluation Surplus on Tangible and Intangible Assets account.

(***) Presented in Full TL.

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

SECTION THREE
ACCOUNTING PRINCIPLES

I. Basis of Presentation

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

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

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

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

b. Information on accounting policies and changes in financial statements

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

Pursuant to the announcement made by the POA on January 20, 2022, since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (“CPI”) is 74.41%, It has been stated that businesses applying TFRS will not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting Standard in High Inflation Economies. Therefore, no inflation adjustment was made according to TAS 29 while preparing the financial statements as of 31 December 2021.

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

c. Changes in accounting policies and disclosures

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2021 have no material effect on the financial statements, financial performance and on the Bank’s accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance and on the Bank’s accounting policies.

The Indicator Interest Rate Reform - 2nd Phase, which brings changes in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from the beginning of 2021, was published in December 2020 and early implementation of the changes is allowed. With the modifications made, certain exceptions are provided for the basis used in the determination of contractual cash flows and hedge accounting implementations. The effects of the changes on the Bank’s financials are being assessed.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

I. Basis of Presentation (continued)

Explanation for convenience translation into English

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

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

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

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

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

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

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

III. Explanations on Futures and Options Contracts and Derivative Instruments

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

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

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

Derivative financial instruments held for hedging purpose

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

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

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

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

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

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

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

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

IV. Explanations on Interest Income and Expenses

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

V. Explanations on Fees and Commission Income and Expenses

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(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 at their fair values.

Financial Assets at Fair Value Through Profit and Loss:

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

Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. Transaction costs related to such assets are recorded as expense at the time of occurrence.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

VI. Explanations on Financial Assets (continued)

Financial Assets at Fair Value Through Other Comprehensive Income:

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

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

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

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

Financial Assets Measured at Amortized Cost:

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

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

“Fair value through other comprehensive income” and “measured at amortized cost” securities portfolio of the Bank contains Consumer Price Indexed (CPI) bonds. These securities are valued and accounted for using the effective interest method based on the CPI of two months before the reporting date together with the real coupon rates and the reference index at the issuance date, with the index coefficient generated on the inflation rate is estimated by the Bank. The inflation rate estimated by the inflation expectations of Central Bank and the Bank, is updated when necessary during the year. Securities are valued at the end of the year with reference index announced by the Ministry of Treasury and Finance.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(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
AS OF 31 DECEMBER 2021

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

VII. Explanations on Expected Credit Losses

As of 1 January 2018, a loss allowance for expected credit losses is provided by Bank for all financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income, all financial assets which are not measured at fair value through profit or loss, commitments and financial guarantee contracts in accordance with TFRS 9 International Financial Reporting Standard and "Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside" published in the Official Gazette No. 29750 dated 22 June 2016. Equity instruments are not subject to impairment assessment as they are measured at fair value.

The Bank has started its credit calculation method with the expected credit loss models in accordance with IFRS 9 rules as of 1 January 2018. Expected credit losses include a probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that are current conditions and forecasts of future economic conditions and the time value of money. The financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

They are financial assets that do not have a significant increase in credit risk at initial recognition or since initial recognition. Loss allowance for impairment of credit risk for these assets is recorded in the amount of 12-month expected credit loss.

Stage 2:

In the case of a significant increase in credit risk since initial recognition the financial asset is transferred to Stage 2. Loss allowance for impairment of credit risk is determined on the basis of the instrument's lifetime expected credit losses.

Stage 3 (Default):

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. In the calculation of expected credit losses, probability of default is considered as 100%. In determining the impairment, the Bank considers the following criteria:

- Delinquency in interest and/or principal payments by more than 90 days. On the other hand, based on the BRSA's decision numbered 8948 dated 17 March 2020 and numbered 9312 and dated 8 December 2020 and numbered 9624 and dated 17 June 2021, the default definition is that the debt is delayed more than 180 days instead of 90 days is terminated with the decision numbered 9795 and dated 16 September 2021. Again, based on the same date and numbered decision, as of 1 October 2021, it was decided to continue the application of the aforementioned default definition for loans with a delay period of more than 91 days and not exceeding 180 days. In this context, the Bank measures the expected credit loss according to risk models, while considering the temporariness of the process and the liquidity shortage experienced by the borrower due to Covid-19 outbreak in calculating the expected credit loss within the scope of IFRS 9 for loans delayed between 91-180 days.
- Having the opinion that collection of principal and /or interest will be past due more than 90 days from its maturity or due date due to reasons such as having problems in the financing operating capital or creating additional liquidity due to unfavourable developments in macroeconomic conditions or in the sectors the debtor operates or, independent from all, due to adverse developments peculiar to the debtor.

The collections made based on provision provided for loans in the current period are deducted from "Expected Credit Losses" account in income statement, and the principal collections made in respect of loans that have been provision set aside in the previous periods or write-off exposures under off-balance sheet are recognized under "Other Operating Income" account.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

VII. Explanations on Expected Credit Losses (continued)

Significant Increase in Credit Risk

The Bank performs qualitative and quantitative assessments for the determination of financial assets that will be classified as Stage 2 due to the significant increase in credit risk.

To make the quantitative assessment, the Bank compares the rating information of the financial asset at the reporting date with the rating information at the date of initial recognition. The change above the defined threshold is considered as significant increase in credit risk, meaning that the credit is classified under Stage 2 loans.

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

- Delinquency in principal and/or interest payments, which is between 30 days and 90 days. In accordance with the BRSA Decision numbered 8970 dated 27 March 2020 and numbered 9312 dated 8 December 2020 and numbered 9624 and dated 17 June 2021 loans with an overdue more than 90 days instead of 30 days are taken into consideration was terminated with the decision numbered 9795 and dated 16 September 2021. Again, based on the same date and numbered decision, as of 1 October 2021, it was decided to continue the aforementioned stage 2 limit for loans with a delay period of more than 31 days and not exceeding 90 days. In accordance with the related decisions, borrowers with a DPD between 30 and 90 days were classified as Stage 1, however lifetime ECL (S2 ECL) was calculated for them.
- Watchlist exposures,
- Forborne exposures,
- The other retail exposures which belong to an obligor who has a retail exposure that is classified as non-performing loans.

Measurement of Expected Credit Losses

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

Exposure at Default (EAD): The EAD represents the incurred amortized cost for cash obligations as of reporting date. It refers to the value calculated through credit conversion factors for non-cash loans and commitments.

Credit Conversion Factor (CCF): As of the reporting date, CCF corresponds to the rate used to convert non-cash loans and commitments to loan equivalents. Conversion rates are determined based on Circular 2016/1 published by local regulatory (BRSA) under the Basel 1 Framework.

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

Probability of Default (PD): PD represent the likelihood of default over a specified time period. Based on TFRS 9, the Bank uses two different PDs in order to calculate expected credit losses:

- 12-month PD: as the estimated probability of default occurring within the next 12 months following the reporting date.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

The Bank uses two separate internal rating systems for non-retail portfolio in the Corporate and SME segment. The both internal rating models include the borrower’s financial information and the answers to the qualitative question set. PD’s used in ECL calculation consider both current conditions and historical data. For retail portfolio, the cumulative multiplication of the 12-month averages of the roll rates for each delinquency cluster on the basis of products that are sharing common characteristics is considered as PD.

When expected credit losses are estimated, it is considered that three different macroeconomic scenarios as “Base”, “Upside” and “Downside”. Macroeconomic scenarios should be reviewed and if necessary, updated at least on an annual basis or earlier in case of a major event necessitating a review. Each scenario has its own probability to occur.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

VII. Explanations on Expected Credit Losses (continued)

Significant Increase in Credit Risk (continued)

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 effective interest 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 an internal rate of return.

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. As of December 31, 2021, due to the negative effects of the COVID-19 epidemic, the Bank reviewed its cash flow expectations, collection forecasts and scenario weights for its individual assessed loans, and reflected the related effects to the expected loss provisions with the best estimation approach.

For retail products sharing similar credit risk characteristics, a collective approach is used for ECL measurement. In making this calculation, the Bank takes into consideration the transition rates between the clusters in the thirty-day intervals past due of the financial assets sharing the similar credit risk characteristics as of the end of the month. The probability of loss for related cluster is calculated by multiplying the average of the 12-month transition rates corresponding to each cluster with the average of the 12-month transition rates of afterthought clusters. The outstanding balance per cluster is multiplied by the probability of loss, LGD and weighted average remaining maturity. Finally, expected credit loss is computed by applying the respective impact from the forward looking model which accounts 3 probability weighted scenarios considering the stage and the remaining maturity of the retail product.

The Bank updates TFRS 9 models at least once a year in accordance with its internal policies. The model update for the probability of default and future expectations was made in the 4th quarter of 2021, and the Bank calculated the expected loss provision with the model updated at the end of 2021.

Approaches to Determine Forward Looking Economic Scenario

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

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

VII. Explanations on Expected Credit Losses (continued)

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)

As of 1 January 2018, The Bank applied the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income in accordance with TFRS 9 principles. However, the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

When the related financial asset is de-recognised from the financial statement, the loss allowance for expected credit losses previously reflected to the other comprehensive income is classified under the profit-loss statement.

VIII. Explanations on Offsetting of Financial Instruments

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

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

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

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

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

X. Explanations on Assets Held for Sale and Discontinued Operations

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

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

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

Results of discontinued operations are included in the income statement separately. As of 31 December 2021 and 31 December 2020 the Bank does not have any discontinued operations.

XI. Explanations on Goodwill and Other Intangible Assets

There is no goodwill regarding the investments in associates and subsidiaries.

Other intangible assets are accounted for at cost less accumulated amortization. Other intangible assets are amortized with straight-line method based on their economic lives. There have been no changes in the amortization calculation method during the current period.

As of the balance sheet date, all software are purchased and there are no completed or continuing software development projects by the Bank.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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	6-20
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.

XIII. Explanations on Leasing Transactions

Tangible assets acquired through financial leasing are recognized as assets and the related liabilities as lease payables in assets and liabilities, respectively. Financial costs on leasing agreements are distributed throughout the lease periods at fixed interest rates. Interest expenses and foreign exchange losses related with financial leasing are accounted in income statement. Depreciation for assets acquired through financial leases is calculated consistently with the same principle as for the tangible assets.

As of the balance sheet date, the Bank does not have authorization for any financial leasing transactions as lessor.

a. Disclosures of TFRS 16

Bank- lessee:

The Bank assesses whether the contract has the quality of a lease or whether the lease includes the transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Bank reflects the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

XIII. Explanations on Leasing Transactions (continued)

Right of use assets:

The right to use asset is first recognized by cost method and includes:

- a) The initial measurement amount of the lease obligation,
- b) The amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;
- c) All initial direct costs incurred by the Bank and

When Bank applying the cost method, the existence of the right to use:

- a) Accumulated depreciation and accumulated impairment losses are deducted and
- b) Measures the restatement of the lease obligation at the restated cost.

TAS 16 Impairment of Assets is applied to determine whether the real estates considered as right-of-use assets are impaired and to account for any impairment loss identified.

The Lease Obligations:

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

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

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

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

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

XIV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation and discounted to present value if material.

XV. Explanations on Liabilities Regarding Employee Benefits

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

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

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

Defined Contribution Plans:

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

Short-term Employee Benefits:

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

XVI. Explanations on Taxation

Corporate Tax:

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

According to Provisional Article 13 added to the Corporate Tax Law, Corporate Tax at 20% shall be applied as 25% for corporate earnings for the 2021 taxation period and 23% for corporate earnings for the 2022 taxation period.

In accordance with tax legislation, temporary tax is paid at the rate in force in the relevant period on earnings generated as of quarterly periods, and the amounts paid are deducted from the calculated tax on annual earnings.

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

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

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

The balance resulting from netting off prepaid taxes and the corporate tax provision is shown in the current tax asset or liability as being positive or negative, respectively.

The Law No. 7352, dated January 20, 2022, on the amendment of the Tax Procedure Law and the Corporate Tax Law was enacted with the Official Gazette numbered 31734 on January 29, 2022. It has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

XVI. Explanations on Taxation (continued)

Deferred Tax Liability / Asset:

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In accordance with TAS 12 "Turkish Accounting Standard on Income Taxes" the Bank calculates deferred tax asset on carry forward tax losses and all deductible temporary differences, if sufficient taxable profit within five-year period to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences.

The book value of the deferred tax asset is reviewed at the end of each reporting period. The book value of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient financial profit will be available to allow the benefit of part or all of the deferred tax asset to be obtained.

If the deferred tax transactions and other issues are recognized (accounted) in profit and loss, related tax effects are recognized in profit and loss. On the other hand, if the deferred tax transactions and other issues are recognized (accounted) in equity accounts, related tax effects are also recognized (accounted) in equity accounts.

Deferred tax assets and liabilities are reflected in the accompanying financial statements on a net basis.

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet.

In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. The Law regarding amendments on Certain Tax Laws was approved in The Grand National Assembly of Turkey on 15 April 2021 and the Law was published in the Official Gazette on 22 April 2021. Accordingly, the corporate income tax rate will be determined as 25% and 23% for the years 2021 and 2022. According to the Law that have been enacted, deferred tax asset and liabilities shall be measured at the tax rate 25% that are expected to apply to these periods when the assets is realised or the liability is settled. For the periods 2022 and after deferred tax assets and liabilities were measured by 23% and 20% tax rate. As of 31 December 2021, the Bank calculated deferred tax on its assets and liabilities according to the rates corresponding to the relevant periods.

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 XII of Section Four.

XXII. Explanations on Reclassifications

The Bank has made some classifications on the financial statements in order to comply with the presentation of the financial statements dated 31 December 2021. These classifications does not have any impact over Bank's asset size or financial performance.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

XXIII. Explanations on Other Disclosures

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

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

The Bank has reflected possible effects of the COVID-19 outbreak on the estimates and judgments used in preparation of the financial statements as of 31 December 2021.

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

- TFRS 9 – Within Financial Instruments Standard, the adequacy of the Expected Credit Losses has been evaluated taking into account the effects of outbreak and accounting estimates and assumptions has been reviewed and the necessary updates have been reflected.
- TFRS 16 - The effects within Leasing standard has been reviewed and deemed that no change is required.
- TAS 12 – The effects of recoverable amounts within Income Taxes Standard has been reviewed and deemed that no change is required.

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

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

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Explanations on Equity

As of 31 December 2021, Bank's total capital has been calculated as TL 7.936.802 and capital adequacy ratio is 25,67%. As of 31 December 2020, Bank's total capital amounted to TL 5.976.985 and capital adequacy ratio was 19,82%. These ratios are above the minimum ratio required by the legislation.

a. Information about Total Capital:

	Current Period 31 December 2021
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 (*)	148.041
Gains recognized in equity as per TAS	300.954
Profit	205.688
Current Period Profit	205.688
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	3.943.525
Deductions from Common Equity Tier 1 Capital	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-
Improvement costs for operating leasing	32.393
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	147.126
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	23.938
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	203.457
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	139.398
Total Common Equity Tier 1 Capital	3.879.466

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

I. Explanations on Equity (continued)

	Current Period 31 December 2021
ADDITIONAL TIER 1 CAPITAL	
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-
Additional Tier I Capital before Deductions	
Deductions from Additional Tier I Capital	
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
Transition from the Core Capital to Continue to deduce Components	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	3.879.466
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA (**)	4.047.043
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	341.274
Tier II Capital Before Deductions	4.388.317
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	330.981
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	330.981
Total Tier II Capital	4.057.336
Total Capital (The sum of Tier I Capital and Tier II Capital)	7.936.802
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)	7.936.802

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

I. Explanations on Equity (continued)

	Current Period 31 December 2021
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital) (***)	7.936.802
Total risk weighted amounts	30.920.469
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	12,55
Tier I Capital Adequacy Ratio	12,55
Capital Adequacy Ratio	25,67
BUFFERS	
Total buffer requirement	2,515
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,015
Systemic important bank buffer ratio	-
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	8,05
Amounts Lower Than Excesses as per Deduction Rules	
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Amount arising from deferred tax assets based on temporary differences	-
Limits related to provisions considered in Tier II calculation	-
Limits related to provisions considered in Tier II calculation	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.514.119
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	341.274
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 24, 2021 to book legal reserves of TL 6.710, which is 5% of the distributable net statutory profit of TL 134.209 and the remaining amount of TL 127.499 has been decided to be reserved as extraordinary reserves.

(**) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2021, 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.

(***) Pursuant to the decision of the Banking Regulation and Supervision Agency dated December 21, 2021 and numbered 9996, the net negative valuation differences of the securities in the "Securities at Fair Value through Other Comprehensive Income" portfolio amounting to TL 352.637 are not taken into account in the total capital calculation. Apart from that, the amounts included in the total capital calculation are compatible with the amounts in the balance sheet.

As of December 31, 2021 in accordance with BRSA's decision dated December 8, 2020 and numbered 9312 and dated September 16 2021 and numbered 9795, the amount subject to credit risk in capital adequacy calculations calculated by taking into account the simple arithmetic average of the Central Bank foreign exchange buying rates for the last 252 business days before the calculation date. Additionally, negative revaluation differences of the securities classified under "Financial Assets Measured at Fair Value through Other Comprehensive Income" which acquired before 21 December 2021 has not been included in capital calculation. Had the Bank not applied these regulations, the equity amount as of 31 December 2021 would be calculated as TL 7.663.009 and the capital adequacy standard ratio would be calculated as 20,58 %.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

I. Explanations on Equity (continued)

	Prior Period
	31 December 2020
COMMON EQUITY TIER 1 CAPITAL	
Paid-up Capital following all debts in terms of claim in liquidation of the Bank	3.288.842
Share issue premiums	-
Reserves (*)	17.498
Gains recognized in equity as per TAS	67.708
Profit	134.209
Current Period Profit	134.209
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	3.508.257
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	7.043
Improvement costs for operating leasing	37.291
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	97.369
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	42.656
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	184.359
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	278.796
Total Common Equity Tier 1 Capital	3.602.694

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

I. Explanations on Equity (continued)

	Prior Period 31 December 2020
ADDITIONAL TIER 1 CAPITAL	
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
Transition from the Core Capital to Continue to deduce Components	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	3.602.694
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA(**)	2.226.375
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	329.996
Tier II Capital Before Deductions	2.556.371
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	182.080
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	182.080
Total Tier II Capital	2.374.291
Total Capital (The sum of Tier I Capital and Tier II Capital)	5.976.985
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)	5.976.985

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

I. Explanations on Equity (continued)

	Prior Period 31 December 2020
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital)	5.976.985
Total risk weighted amounts	30.153.312
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	11,95
Tier I Capital Adequacy Ratio	11,95
Capital Adequacy Ratio	19,82
BUFFERS	
Total buffer requirement	2,530
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,030
Systemic important bank buffer ratio	-
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	7,45
Amounts Lower Than Excesses as per Deduction Rules	
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Amount arising from deferred tax assets based on temporary differences	-
Limits related to provisions considered in Tier II calculation	-
Limits related to provisions considered in Tier II calculation	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.025.495
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	329.996
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

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

(**) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2020, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion.

As of December 31, 2020 in accordance with BRSA's decision dated December 8, 2020 and numbered 9312, the Bank, the amount subject to credit risk in capital adequacy calculations calculated by taking into account the simple arithmetic average of the Central Bank foreign exchange buying rates for the last 252 business days before the calculation date. Additionally, negative revaluation differences of the securities classified under "Financial Assets Measured at Fair Value through Other Comprehensive Income" which acquired before 23 March 2020 has not been included in capital calculation. Had the Bank not applied these regulations, the equity amount as of 31 December 2021 would be calculated as TL 5.989.862 and the capital adequacy standard ratio would be calculated as 19,07%.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(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) (**)	3.716.062
Per value of instrument (Thousand USD) (***)	275.465
Accounting classification	Liability-Subordinated Loans
Original date of issuance	01/08/2017
Perpetual or dated	10 Years Dated
Original maturity date	-
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	On 1 August 2022, there is an early repayment option. Amount to pay back: TL 3.716.062 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 24.535 thousands of Tier II sub-loan as of 31 December 2021, 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
AS OF 31 DECEMBER 2021

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

I. Explanations on Equity (continued)

Basic information in the TFRS 9 transition process: As of 31 December 2021, the Bank implements Provisional Article 5 of the “Regulation on Equity of Banks” published in the Official Gazette dated September 5, 2015 and numbered 29756. Therefore, in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside, eighty percent for the first year, sixty percent for the second year, forty percent for the third year, and twenty percent for the fourth year of the positive difference between the total expected loan loss provision calculated as of the date when the expected loan loss provisions are started to be recognized under TFRS 9 and the total provision amount calculated before starting the application of TFRS 9, can be added to the core capital amount after the tax deduction.

	2018	2019	2020	2021	2022
EQUITY COMPONENTS					
Core Capital	3.672.542	3.601.419	3.602.694	3.879.466	3.740.068
Transition Process Unapplied Core Capital	3.114.950	3.183.222	3.323.898	3.740.068	3.740.068
Tier I Capital	3.672.542	3.601.419	3.602.694	3.879.466	3.740.068
Transition Process Unapplied Main Capital	3.114.950	3.183.222	3.323.898	3.740.068	3.740.068
Equity	5.535.732	5.558.945	5.976.985	7.936.802	7.797.404
Transition Process Unapplied Equity	4.978.141	5.140.747	5.698.189	7.797.404	7.797.404
TOTAL RISK WEIGHTED AMOUNTS					
Total Risk Weighted Amounts	25.873.673	25.575.654	30.153.312	30.920.469	30.920.469
CAPITAL ADEQUACY RATIO					
Core Capital Adequacy Ratio (%)	14,19%	14,08%	11,95%	12,55%	12,10%
Transition Process Unapplied Core Capital Adequacy Ratio (%)	12,04%	12,45%	11,02%	12,10%	12,10%
Main Capital Adequacy Ratio (%)	14,19%	14,08%	11,95%	12,55%	12,10%
Transition Period Unapplied Main Capital Adequacy Ratio (%)	12,04%	12,45%	11,02%	12,10%	12,10%
Capital Adequacy Ratio (%)	21,40%	21,74%	19,82%	25,67%	25,22%
Transition Process Unapplied Capital Adequacy Ratio (%)	19,24%	20,10%	18,90%	25,22%	25,22%
LEVERAGE RATIO					
Total Leverage Ratio Risk Exposure	44.358.365	41.192.104	53.410.064	70.612.134	70.612.134
Leverage Ratio	8,53	8,70	6,62	5,55	5,49
Transition Process Unapplied Leverage Ratio	7,76	7,61	6,45	5,49	5,49

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

I. Explanations on Equity (continued)

Explanations on Internal Capital Management

To define Bank’s internal capital requirement assessment process; “Internal capital requirements assessment process” and “risk strategy” were prepared and approved by the Board of Directors in August 2012 and are being followed since then. In the related process and strategy; criterias are defined which provides maintaining of continuity of capital adequacy in compliance with risk profile and appetite. The assessment methodology of internal capital requirements is a developing process, accordingly the future improvement areas are determined and the working plans are set.

Capital adequacy ratio is calculated by Risk Management Group on a monthly basis, when requested by Senior Management capital requirement according to strategic plans is explained and studies on internal capital management is conducted. Capital requirement internal assessment process is designed and conducted by Risk Management Group. Risk Management Group informs Senior Management and Board of Directors about these issues directly or through Risk Committee.

II. Explanations on Credit Risk

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and cause to incur a financial loss.

The credit allocation is performed on a debtor and a debtor’s group basis within the limits and updated on a defined frequency based on market developments. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank’s loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

Risks and limits related to treasury activities and customer based commercial activities are monitored daily. Moreover, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

The credit worthiness of the debtors of the loans and other receivables is monitored regularly as prescribed in the Communiqué on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”. Most of the statement of accounts for the loans has been tried to derive from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies when the companies are audited. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

II. Explanations on Credit Risk (continued)

	Current Period Risk Amount (*)	Average Net Loan Amount After Provisions
Risk Types		
Contingent and Non-Contingent Receivables from central governments or central banks	14.308.586	12.398.381
Contingent and Non-Contingent Receivables from regional or local governments	165.054	128.863
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	925.470	917.888
Contingent and Non-Contingent Receivables from International Organizations	-	3
Contingent and Non-Contingent Receivables from banks and brokerage houses	7.960.592	9.592.306
Contingent and Non-Contingent Corporates	24.160.870	21.435.680
Contingent and Non-Contingent Retail Receivables	804.329	810.422
Contingent and Non-Contingent Receivables Secured by Mortgages	3.525.274	4.011.995
Past Due Receivables	605.993	787.445
Receivables defined in high risk category by Regulator	1.913	2.351
Secured by mortgages	-	-
Securitization positions	-	-
Short-Term Receivables from Banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other Receivables	1.943.811	1.569.537
Total	54.401.892	51.654.871

(*) The figures represent total risk amounts before credit risk mitigation and before credit conversion factor.

	Prior Period Risk Amount (*)	Average Net Loan Amount After Provisions
Risk Types(*)		
Contingent and Non-Contingent Receivables from central governments or central banks	11.119.892	8.911.629
Contingent and Non-Contingent Receivables from regional or local governments	47.188	16.247
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	870.611	795.432
Contingent and Non-Contingent Receivables from International Organizations	9	9
Contingent and Non-Contingent Receivables from banks and brokerage houses	8.255.563	10.920.290
Contingent and Non-Contingent Corporates	19.113.100	15.451.775
Contingent and Non-Contingent Retail Receivables	906.686	1.329.108
Contingent and Non-Contingent Receivables Secured by Mortgages	3.530.917	4.013.689
Past Due Receivables	921.166	887.688
Receivables defined in high risk category by Regulator	3.639	4.026
Secured by mortgages	-	-
Securitization positions	-	-
Short-Term Receivables from Banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other Receivables	1.715.238	1.632.705
Total	46.484.009	43.962.598

(*) The figures represent total risk amounts before credit risk mitigation and before credit conversion factor.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and acquirements related to forward transactions is normally realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

Indemnified non-cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity.

The proportion of the Bank's top 100 and 200 cash loan customers' in total cash loans is 80% and 88% respectively. (31 December 2020: 74% and 83%)

The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 63% and 82%. (31 December 2020: 70% and 87%)

The proportion of the Bank's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans is 38% and 45% respectively. (31 December 2020: 38% and 45%)

The Bank provided a collective loan loss provision for cash loans (stage 1 and stage 2) amounting to TL 1.416.555 (31 December 2020: TL 932.334).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

II. Explanations on Credit Risk (continued)

Information on loan types and provisions: (*)

31 December 2021	Commercial	Retail	Total
Standard Loans	16.447.515	292.273	16.739.788
Watchlist	8.350.732	43.754	8.394.486
Significant Increase in Credit Risk	445.720	-	445.720
Non-performing Loans	1.867.157	121.971	1.989.128
Specific Provision (-)	(869.302)	(65.008)	(934.310)
Total	26.241.822	392.990	26.634.812

31 December 2020	Commercial	Retail	Total
Standard Loans	12.121.279	377.680	12.498.959
Watchlist	5.054.517	86.168	5.140.685
Significant Increase in Credit Risk	1.339.837	-	1.339.837
Non-performing Loans	2.157.785	122.698	2.280.483
Specific Provision (-)	(857.564)	(68.904)	(926.468)
Total	19.815.854	517.642	20.333.496

(*) According to the internal segmentation of the bank

Information on past due loan and other receivables (*):

31 December 2021	Corporate and Commercial	SME	Consumer Loans	Total
Not past due and 30 days past due	23.568.930	992.144	299.295	24.860.369
30-90 days past due	133.575	136.157	36.367	306.099
Other (**)	358.992	54.169	365	413.526
Total	24.061.497	1.182.470	336.027	25.579.994

31 December 2020	Corporate and Commercial	SME	Consumer Loans	Total
Not past due and 30 days past due	15.836.271	1.477.270	382.086	17.695.627
30-90 days past due	24.692	44.024	38.566	107.282
Other (**)	1.111.822	21.554	43.196	1.176.572
Total	16.972.785	1.542.848	463.848	18.979.481

(*) According to the internal segmentation of the bank

(**) Refers to loans and receivables over 90 days.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

II. Explanations on Credit Risk (continued)

Significant Risks that are significant on the profile of the regions

Risk Classifications (*)

31 December 2021

	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	Total
Domestic	14.308.584	165.054	-	839.456	-	1.827.605	20.613.997	365.178	3.515.472	605.993	1.913	-	-	-	-	1.943.811	44.187.063
European Union Countries	-	-	-	86.014	-	1.996.604	7.622	25	-	-	-	-	-	-	-	-	2.090.265
OECD Countries**	-	-	-	-	-	344.878	-	2	-	-	-	-	-	-	-	-	344.880
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	1.556.418	-	-	-	-	-	-	-	-	-	-	1.556.418
Other Countries	-	-	-	-	-	743.621	141.805	328	-	-	-	-	-	-	-	-	885.754
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	14.308.584	165.054	-	925.470	-	6.469.126	20.763.424	365.533	3.515.472	605.993	1.913	-	-	-	-	1.943.811	49.064.380

31 December 2020

	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	Total
Domestic	10.666.991	47.188	-	-	2	1.753.783	17.403.637	450.528	3.501.663	871.011	3.639	-	-	-	-	1.715.238	36.413.680
European Union Countries	-	-	-	186.085	-	1.971.486	9.349	101	-	-	-	-	-	-	-	-	2.167.021
OECD Countries**	-	-	-	-	-	52.820	-	2	-	-	-	-	-	-	-	-	52.822
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	452.399	-	-	92.430	-	802.301	-	-	-	-	-	-	-	-	-	-	1.347.130
Other Countries	-	-	-	592.095	-	1.135.772	192.593	884	-	50.155	-	-	-	-	-	-	1.971.499
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	11.119.390	47.188	-	870.610	2	5.716.162	17.605.579	451.515	3.501.663	921.166	3.639	-	-	-	-	1.715.238	41.952.152

(*) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks."

(**) EU countries, OECD countries other than USA and Canada

(***) Assets and liabilities that are not distributed according to a consistent principle

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

II. Explanations on Credit Risk (continued)

Risk Classifications (*)

Sector concentrations for cash loans:

31 December 2021

Sectors/Counterparties (**)	Due from Central Governments or Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	TL	FC	Total
1 Agriculture	-	-	-	-	-	-	248.171	221	1.270	-	-	-	-	-	-	185.245	64.857	250.102
1.1 Farming and Raising Livestock	-	-	-	-	-	-	193.753	219	1.270	-	-	-	-	-	-	143.686	51.996	195.682
1.2 Fores TL, Wood and Paper	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Fishery	-	-	-	-	-	-	54.418	2	-	-	-	-	-	-	-	41.559	12.861	54.420
2 Manufacturing	-	-	-	-	-	-	8.425.524	6.343	153.046	8	-	-	-	-	-	4.610.633	4.368.678	8.979.311
2.1 Mining and Quarry	-	-	-	-	-	-	435.584	342	29.513	5.470	-	-	-	-	-	449.265	21.644	470.909
2.2 Production	-	-	-	-	-	-	6.441.343	6.000	280.958	141.239	8	-	-	-	-	3.561.430	3.308.118	6.869.548
2.3 Electricity, Gas and Water	-	-	-	-	-	-	1.548.597	1	83.919	6.337	-	-	-	-	-	599.938	1.038.916	1.638.854
3 Construction	-	-	-	-	-	-	4.937.232	2.949	1.223.465	203.050	30	-	-	-	-	3.089.677	3.277.049	6.366.726
4 Services	916.809	-	-	86.014	-	4.570.515	6.134.663	10.000	1.107.732	225.034	65	-	-	-	-	6.180.895	6.869.937	13.050.832
4.1 Wholesale and Retail Trade	-	-	-	-	-	-	2.072.918	6.174	126.316	80.489	38	-	-	-	-	1.800.189	485.746	2.285.935
4.2 Hotel, Tourism, Food and Beverage Services	-	-	-	-	-	-	1.950.309	401	783.035	95.047	-	-	-	-	-	342.105	2.486.687	2.828.792
4.3 Transportation and Communication	-	-	-	-	-	-	727.733	1.831	28.702	9.196	27	-	-	-	-	477.776	289.713	767.489
4.4 Financial Institutions	916.809	-	-	86.014	-	4.570.515	491.484	1.171	30.077	9.392	-	-	-	-	-	2.699.009	3.406.453	6.105.462
4.5 Real Estate and Renting Services.	-	-	-	-	-	-	209.094	150	4.089	3.005	-	-	-	-	-	174.609	41.729	216.338
4.6 Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7 Education Services	-	-	-	-	-	-	24.088	195	72.455	4.464	-	-	-	-	-	101.202	-	101.202
4.8 Health and Social Services	-	-	-	-	-	-	659.037	78	63.058	23.441	-	-	-	-	-	586.005	159.609	745.614
5 Other	13.391.775	165.054	-	839.456	-	1.898.611	1.017.834	346.020	789.445	23.593	1.810	-	-	-	-	1.943.811	9.713.673	10.703.736
Total	14.308.584	165.054	-	925.470	-	6.469.126	20.763.424	365.533	3.515.472	605.993	1.913	-	-	-	-	1.943.811	23.780.123	25.284.257

(*) The risk classes in the regulation is taken into consideration to measure and assess the capital adequacy of banks.

(**) Before credit risk mitigation and after credit conversion rate, refers to the amount of total risk

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

II. Explanations on Credit Risk (continued)

Risk Classifications (*)

Sector concentrations for cash loans:

31 December 2020

Sectors/Counterparties (**)	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	TL	FC	Total
1 Agriculture	-	-	-	-	-	-	283.049	54	7.737	3.992	-	-	-	-	-	190.959	103.873	294.832
1.1 Farming and Raising Livestock	-	-	-	-	-	-	216.198	53	6.707	3.992	-	-	-	-	-	180.835	46.115	226.950
1.2 Fores TL, Wood and Paper	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Fishery	-	-	-	-	-	-	66.851	1	1.030	-	-	-	-	-	-	10.124	57.758	67.882
2 Manufacturing	-	-	-	-	-	-	7.256.855	12.822	437.010	194.200	2	-	-	-	-	3.913.554	3.987.335	7.900.889
2.1 Mining and Quarry	-	-	-	-	-	-	304.179	951	5.940	21.403	-	-	-	-	-	314.846	17.627	332.473
2.2 Production	-	-	-	-	-	-	5.612.823	11.869	391.460	161.754	2	-	-	-	-	2.929.603	3.248.305	6.177.908
2.3 Electricity, Gas and Water	-	-	-	-	-	-	1.339.853	2	39.610	11.043	-	-	-	-	-	669.105	721.403	1.390.508
3 Construction	-	-	-	-	-	-	3.441.265	4.211	1.511.921	285.707	20	-	-	-	-	2.520.955	2.722.169	5.243.124
4 Services	521.383	-	-	100.747	-	4.030.114	4.921.421	23.712	1.042.879	398.882	3.009	-	-	-	-	4.646.274	6.395.873	11.042.147
4.1 Wholesale and Retail Trade	500	-	-	-	-	-	1.655.940	17.631	149.171	143.987	14	-	-	-	-	1.640.749	326.494	1.967.243
4.2 Hotel, Tourism, Food and Beverage Services	-	-	-	-	-	-	1.394.176	1.278	768.124	197.148	2.989	-	-	-	-	446.324	1.917.391	2.363.715
4.3 Transportation and Communication	-	-	-	-	-	-	932.670	2.612	27.864	14.589	-	-	-	-	-	554.057	423.678	977.735
4.4 Financial Institutions	520.883	-	-	100.747	-	4.030.114	213.909	212	-	9.089	-	-	-	-	-	1.398.676	3.476.278	4.874.954
4.5 Real Estate and Renting Services.	-	-	-	-	-	-	51.007	756	2.945	3.933	-	-	-	-	-	33.690	24.951	58.641
4.6 Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7 Education Services	-	-	-	-	-	-	38.721	709	33.313	5.773	-	-	-	-	-	78.516	-	78.516
4.8 Health and Social Services	-	-	-	-	-	-	634.998	514	61.462	24.363	6	-	-	-	-	494.262	227.081	721.343
5 Other	10.598.007	47.188	-	769.863	2	1.686.048	1.702.989	410.716	502.116	38.385	608	-	-	-	-	1.715.238	8.754.090	8.717.070
Total	11.119.390	47.188	-	870.610	2	5.716.162	17.605.579	451.515	3.501.663	921.166	3.639	-	-	-	-	1.715.238	20.025.832	21.926.320

(*) The risk classes in the regulation is taken into consideration to measure and assess the capital adequacy of banks.

(**) Before credit risk mitigation and after credit conversion rate, refers to the amount of total risk

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

II. Explanations on Credit Risk (continued)

Distribution of time exposures according to Remaining Maturities:

31 December 2021

Risk Types (*)	Time to Maturity						Over 1 Year	Total
	Demand	1 Month	1-3 Months	3-6 Months	6-12 Months			
Due from central governments or central banks	3.095.357	4.121.480	-	-	-	-	7.091.747	14.308.584
Regional or Local Government Receivables	-	-	-	-	-	-	165.054	165.054
Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-
Receivables on Multilateral Development Banks	42.985	-	-	186.131	107.198	-	589.156	925.470
Receivables on International Organizations	-	-	-	-	-	-	-	-
Receivables on Banks and Brokerage Houses	2.722.049	881.245	547.663	266.972	474.515	-	1.576.682	6.469.126
Receivables from Corporates	-	1.473.574	1.588.250	1.938.846	4.136.403	-	11.626.351	20.763.424
Retail Receivables	135.561	28.692	9.205	11.166	17.400	-	163.509	365.533
Receivables Secured by Mortgages	451.852	117.152	30.668	21.016	101.829	-	2.792.955	3.515.472
Past Due Receivables	605.598	75	-	-	-	-	320	605.993
Receivables defined in high risk category by Regulators	1.913	-	-	-	-	-	-	1.913
Secured by mortgages	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporates	-	-	-	-	-	-	-	-
Investment similar to collective investment funds	-	-	-	-	-	-	-	-
Other Receivables	1.943.811	-	-	-	-	-	-	1.943.811
Total	8.999.126	6.622.218	2.175.786	2.424.131	4.837.345	24.005.774	49.064.380	

31 December 2020

Risk Types (*)	Time to Maturity						Over 1 Year	Total
	Demand	1 Month	1-3 Months	3-6 Months	6-12 Months			
Due from central governments or central banks	2.506.689	2.590.311	3.124	18.735	-	-	6.000.531	11.119.390
Regional or Local Government Receivables	-	-	-	-	-	-	47.188	47.188
Receivables on Administrative Units and Non commercial Enterprises	-	-	-	-	-	-	-	-
Receivables on Multilateral Development Banks	-	-	-	18.676	-	-	851.934	870.610
Receivables on International Organizations	-	-	-	-	-	-	2	2
Receivables on Banks and Brokerage Houses	3.188.617	306.539	216.372	319.299	433.736	-	1.251.599	5.716.162
Receivables from Corporates	-	2.029.971	1.784.231	1.891.645	3.577.477	-	8.322.255	17.605.579
Retail Receivables	119.013	35.866	11.778	23.043	31.165	-	230.650	451.515
Receivables Secured by Mortgages	465.602	259.541	76.053	347.104	161.326	-	2.192.037	3.501.663
Past Due Receivables	886.828	8.815	758	1.352	1.745	-	21.668	921.166
Receivables defined in high risk category by Regulators	3.639	-	-	-	-	-	-	3.639
Secured by mortgages	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporates	-	-	-	-	-	-	-	-
Investment similar to collective investment funds	-	-	-	-	-	-	-	-
Other Receivables	1.715.238	-	-	-	-	-	-	1.715.238
Total	8.885.626	5.231.043	2.092.316	2.619.854	4.205.449	18.917.864	41.952.152	

Risk by Risk Weights Balances:

Risk Weights (*) Current Period	Deductions from the shareholders' equity											Total	
	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%		
1 Amount before the credit risk mitigation	16.008.228	-	3.978.293	-	2.513.880	383.311	25.204.778	975.890	-	-	-	-	49.064.380
2 Amount after the credit risk mitigation	16.158.452	-	3.978.293	26.502	4.397.089	323.050	23.022.370	504.650	-	-	-	-	48.410.406

(*) Balances with financial collateral are shown as 0% risk weight.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

II. Explanations on Credit Risk (continued)

Risk by Risk Weights Balances:

Risk Weights (*) Prior Period	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deductions from the shareholders' equity	Total
Amount before the credit													
1 risk mitigation	12.286.006	-	3.340.364	-	1.500.935	506.239	21.808.305	2.510.303	-	-	-	-	41.952.152
Amount after the credit													
2 risk mitigation	12.528.772	-	3.340.364	41.968	3.290.113	404.460	19.947.906	1.687.227	-	-	-	-	41.240.810

(*) Balances with financial collateral are shown as 0% risk weight.

Important sectors or type of information according to counterparty

31 December 2021	Loans		Provisions
Current Period	Impaired		
	Significant Increase in Credit Risk (Stage 2)	Non-performing Loans (Stage 3)	Allowance for expected credit losses (IFRS 9)
Sectors/Counterparties (*)			
Agricultural	23.373	6.591	14.379
Farming and raising livestock	-	6.591	5.744
Forestry	-	-	-
Fishing	23.373	-	8.635
Manufacturing	2.115.406	416.917	516.673
Mining	163.379	30.937	30.538
Production	891.454	361.695	302.458
Electricity, Gas, Water	1.060.573	24.285	183.677
Construction	3.199.112	594.682	874.831
Services	2.582.763	547.627	526.375
Wholesale and retail trade	300.889	190.934	77.712
Hotel, Food, Beverage services	2.069.876	242.646	369.100
Transportation and Telecommunication	154.857	22.965	22.714
Financial Institutions	3.677	20.314	15.043
Real Estate and Lending Service	6.883	7.713	4.000
Self employment service	-	-	-
Education Service	30.134	6.747	4.273
Health and social services	16.447	56.308	33.533
Other(**)	919.552	423.311	299.287
Total	8.840.206	1.989.128	2.231.545

(*) Sector classification is based on the type of principal activity of customers.

(**) Includes retail credit cards, retail loans and other loans.

31 December 2020	Loans		Provisions
Prior Period	Impaired		
	Significant Increase in Credit Risk (Stage 2)	Non-performing Loans (Stage 3)	Allowance for expected credit losses (IFRS 9)
Sectors/Counterparties (*)			
Agricultural	31.114	12.066	17.477
Farming and raising livestock	6.730	12.066	7.573
Forestry	-	-	-
Fishing	24.384	-	9.904
Manufacturing	1.591.248	459.728	432.503
Mining	142.988	35.191	36.307
Production	726.781	392.858	307.820
Electricity, Gas, Water	721.479	31.679	88.376
Construction	2.164.860	644.879	512.502
Services	1.880.379	714.199	451.292
Wholesale and retail trade	313.067	308.111	113.540
Hotel, Food, Beverage services	1.331.791	275.218	241.785
Transportation and Telecommunication	150.563	39.186	32.528
Financial Institutions	12.523	13.618	11.090
Real Estate and Lending Service	8.429	9.683	5.092
Self employment service	-	-	-
Education Service	44.664	6.345	6.193
Health and social services	19.342	62.038	41.064
Other(**)	812.921	449.611	352.255
Total	6.480.522	2.280.483	1.766.029

(*) Sector classification is based on the type of principal activity of customers.

(**) Includes retail credit cards, retail loans and other loans.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

II. Explanations on Credit Risk (continued)

Information related to Impairment and Expected Credit Loss Provisions:

Current Period	Opening Balance 31 December 2021	The Amount of Provision in the period	Reversal of Provision	Other	Closing Balance
Specific Provisions	926.468	429.867	389.840	(32.185)	934.310
Collective Provisions	932.334	912.608	428.387	-	1.416.555

Prior Period	Opening Balance 31 December 2020	The Amount of Provision in the period	Reversal of Provision	Other	Closing Balance
Specific Provisions	1.465.137	533.972	461.140	(611.501)	926.468
Collective Provisions	735.609	872.051	574.521	(100.805)	932.334

Risk included in counter-cyclical capital buffer calculation:

31 December 2021			
Ultimate country of risk	Private sector credit exposures in banking book	Risk Weighted Equivalent trading book	Total
Turkey	22.476.610	475.365	22.951.975
United Arab Emirates	35.705	-	35.705
Albania	78.424	-	78.424
Saudi Arabia	1.808	-	1.808
Switzerland	2	-	2
Azerbaijan	2	-	2
Netherlands	9	-	9
Lebanon	2	-	2
Germany	3	-	3
Austria	4	-	4
USA	-	-	-
Slovenia	-	-	-
Other	1.694.858	-	1.694.858
Total	24.287.427	475.365	24.762.792

Risk included in counter-cyclical capital buffer calculation:

31 December 2020			
Ultimate country of risk	Private sector credit exposures in banking book	Risk Weighted Equivalent trading book	Total
Turkey	20.195.395	130.382	20.325.777
United Arab Emirates	169.334	-	169.334
Albania	79.247	-	79.247
Saudi Arabia	1.781	-	1.781
Switzerland	47	-	47
Azerbaijan	40	-	40
Netherlands	30	-	30
Lebanon	24	-	24
Germany	11	-	11
Austria	4	-	4
USA	2	-	2
Slovenia	1	-	1
Other	1.647.840	-	1.647.840
Total	22.093.756	130.382	22.224.138

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

II. Explanations on Credit Risk (continued)

Internal credit rating system

Internal credit rating system is used by The Bank. As a basis for the rating classification; financial data of customers has been processed by the MRA - Moody's Risk Analyst software and output rate is considered.

The risks that are subject to rating models can be allocated as follows.

Rating	Risk	Description
	Grade	
(1) Excellent	1	Judged to be of the highest quality, with minimal credit risk. Superior asset quality and financial capacity; excellent and proven management; market leader.
(2) Strong	2+	Very good credit with very good asset quality, consistently strong liquidity and debt capacity; highly regarded in the industry with strong market share.
	2	
	2-	
(3) Good	3+	Good credit considered upper-medium grade, subject to low credit risk; good asset quality, strong liquidity and debt capacity. Company is above average size and holds a good position in the industry.
	3	
	3-	
(4) Satisfactory	4+	Acceptable credit subject to moderate credit risk, considered medium grade and as such may possess certain higher than average risk characteristics. Company has demonstrated adequate to good performance.
	4	
	4-	
(5) Adequate	5+	Average to low credit subject to moderate credit risk, considered medium grade and as such may possess certain higher risk characteristics. Company has demonstrated adequate performance. Monitoring status or II. Note that companies that are being followed in the group can have a maximum of 5 (+).
	5	
	5-	
(6) Marginal	6+	Below average credit subject to high credit risk. Company is likely a lower tier competitor in its industry. Acceptable but requiring close monitoring and support of strong risk mitigants. A company that can take the lowest note in the normal state is 7.
	6	
	6-	
(7) Vulnerable	7+	Weak credit: Judged to be of poor standing and subject to very high credit risk. Constitutes undue and unwarranted credit risk. Currently in performing status not to the point of justifying a Substandard classification.
	7	
	7-	
(8) Substandard	8	Substandard (Default): Unacceptable credit with normal repayment in jeopardy. As mentioned in the credit provisions III. Group (Stage 3) loans are monitored with this note.
(9) Doubtful	9	Doubtful (Default): Full repayment questionable. Serious problems to the point where partial loss of principal is likely. As mentioned in the credit provisions IV. Group (Stage 3) loans are monitored with this note.
(10) Loss	10	Loss (Default): Expected loss. Such an asset may have recovery but not to the point of avoiding loss classification. As mentioned in the credit provisions V. Group (Stage 3) loans are monitored with this note.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

II. Explanations on Credit Risk (continued)

Below table shows the portion of the performing cash loans as per BRSA's scale that is equivalent to the MRA ratings:

Debtors financial Position	Degree	31 December 2021 Portion in total	31 December 2020 Portion in total
Debtor has a solid financial position	1	%0	0%
Debtor has a good financial position	2	%37	46%
Debtor's financial position is at risk within short and medium term	3	%54	37%
Debtor's financial position is at high risk within short term	4	%1	2%
Debtor has been defaulted	5	%7	10%
Debtor has not been rated	6	%1	5%

Collateral Distribution(*)

31 December 2021	Corporate and Commercial	SME	Retail	Total
Deposit	647.408	60.583	17.192	725.183
Mortgage	8.223.941	1.755.900	131.427	10.111.268
Assignment of claim	22.052.426	936.285	-	22.988.711
Cheque	1.928.585	168.512	-	2.097.097
Pledge of vehicle	1.085.353	41.831	921	1.128.105
TOTAL	33.937.713	2.963.111	149.540	37.050.364

31 December 2020	Corporate and Commercial	SME	Retail	Total
Deposit	680.408	54.827	11.356	746.591
Mortgage	7.962.973	2.079.374	218.548	10.260.895
Assignment of claim	14.812.365	753.313	-	15.565.678
Cheque	954.829	102.530	-	1.057.359
Pledge of vehicle	732.235	138.940	2.058	873.233
TOPLAM	25.142.810	3.128.984	231.962	28.503.756

(*) Represents the amounts weighted by taking into consideration the credit risks of the customers.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

III. Explanations on Currency Risk

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

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

The announced foreign exchange buying rates of the Bank at 31 December 2021 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	24 December 2021	27 December 2021	28 December 2021	29 December 2021	30 December 2021	31 December 2021
USD	11,7985	11,3099	11,8267	12,6368	13,1524	13,4901
CHF	12,8422	12,3029	12,9065	13,7822	14,3558	14,8044
GBP	15,8168	15,1849	15,9183	17,0060	17,7423	18,2195
100 JPY	10,31596	9,85648	10,30868	10,99454	11,4204	11,72074
EURO	13,3573	12,7927	13,3932	14,3037	14,8711	15,3123

	24 December 2020	25 December 2020	28 December 2020	29 December 2020	30 December 2020	31 December 2020
USD	7,5601	7,5620	7,4478	7,3507	7,3636	7,4212
CHF	8,4919	8,4937	8,3743	8,3002	8,3366	8,4323
GBP	10,2750	10,2781	10,0633	9,9244	10,0140	10,1276
100 JPY	7,2935	7,2935	7,1878	7,0873	7,1454	7,1999
EURO	9,2159	9,2178	9,0967	9,0052	9,0483	9,1141

The simple arithmetic averages of foreign exchange buying rates of the Bank for major currencies the thirty days before 31 December 2021 are as follows:

	Monthly Average Foreign Exchange Rate
USD	13,7536
CHF	14,9392
GBP	18,3108
100 JPY	12,0829
EURO	15,5513

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

III. Explanations on Currency Risk (continued)

31 December 2021	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	3.798.382	4.680.921	264.883	8.744.186
Banks	167.474	3.577.633	104.821	3.849.928
Financial Assets at Fair Value through Profit and Loss	132	19.052	-	19.184
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	779.679	3.244.410	-	4.024.089
Loans (*)	7.988.548	6.209.981	-	14.198.529
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Financial Assets measured at Amortized Cost	222.706	842.217	-	1.064.923
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	12	187.607	8	187.627
Total Assets (**)	12.956.933	18.761.821	369.712	32.088.466
Liabilities				
Bank Deposits	-	10.444	-	10.444
Other Deposits	6.555.086	16.821.887	3.867.260	27.244.233
Money Market Balances	-	340.500	-	340.500
Funds Provided From Other Financial Institutions (***)	1.127.995	4.414.494	-	5.542.489
Marketable securities issued	-	-	-	-
Miscellaneous payables	287.886	1.384.041	120	1.672.047
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	22.355	213.469	-	235.824
Total Liabilities (**)	7.993.322	23.184.835	3.867.380	35.045.537
Net Balance Sheet Position	4.963.611	(4.423.014)	(3.497.668)	(2.957.071)
Net Off-Balance Sheet Position	(3.949.693)	1.973.525	3.953.282	1.977.114
Derivative Financial Assets	4.585.116	47.164.596	7.125.937	58.875.649
Derivative Financial Liabilities	8.534.809	45.191.071	3.172.655	56.898.535
Non-Cash Loans (****)	2.041.392	3.217.423	11.720	5.270.535
Prior Period				
Total Assets	8.214.743	11.703.594	350.925	20.269.262
Total Liabilities	5.721.652	14.686.962	1.857.251	22.265.865
Net Balance Sheet Position	2.493.091	(2.983.368)	(1.506.326)	(1.996.603)
Net Off-Balance Sheet Position	(2.322.666)	3.587.527	1.470.316	2.735.177
Financial Derivative Assets	4.154.328	28.056.560	3.764.585	35.975.473
Financial Derivative Liabilities	6.476.994	24.469.033	2.294.269	33.240.296
Non-Cash Loans (****)	1.581.902	1.559.890	4.743	3.146.535

(*) Foreign currency indexed loans amounting to TL 51.452 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
AS OF 31 DECEMBER 2021

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

III. Explanations on Currency Risk (continued)

Foreign currency sensitivity:

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

As of 31 December 2021, the Bank's net foreign exchange exposure as per internal calculation is presented below:

31 December 2021	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	3.435	(57.497)	(124.889)	(178.951)
31 December 2020	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	(25.153)	(86.450)	58.714	(52.889)

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 72.770 and TL (198.361) respectively (31 December 2020: TL 56.937 and TL (62)).

The table below shows the sensitivity of the Bank to a 10% change in USD and EURO exchange rates. 10% is the sensitivity rate and represents possible change in foreign exchange rates. Positive/Negative number indicates a change in profit or loss and other equity where USD and EUR appreciate 10% against TL.

	Change in currency rate in %	Effect on profit or loss (*)		Effect on equity(*)	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
USD	10%	(5.750)	(8.645)	(5.750)	(8.645)
USD	-10%	5.750	8.645	5.750	8.645
EUR	10%	344	(2.515)	344	(2.515)
EUR	-10%	(344)	2.515	(344)	2.515

(*) Represents before tax amounts

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

IV. Explanations on Interest Rate Risk

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

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

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

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

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

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 December 2021							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.232.412	-	-	-	-	8.209.997	9.442.409
Banks (***)	148.391	-	-	-	-	3.698.926	3.847.317
Financial Assets at Fair Value Through Profit and Loss	77.378	23.562	27	364	424	-	101.755
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	182.104	545.348	1.918.110	5.675.018	1.713.605	5.255	10.039.440
Loans (***)	6.684.346	3.427.243	4.341.269	5.910.594	5.216.542	(361.737)	25.218.257
Financial assets measured at amortized cost (****)	-	68.129	415.299	591.965	259.647	(6.156)	1.328.884
Other Assets (*) (****)	779.871	506.809	831.303	154.385	1.430.388	1.785.187	5.487.943
Total Assets	9.104.502	4.571.091	7.506.008	12.332.326	8.620.606	13.331.472	55.466.005
Liabilities							
Bank Deposits	312.792	36.619	-	-	-	10.856	360.267
Customer Deposits	22.715.157	6.301.462	965.113	55.197	-	8.019.892	38.056.821
Money Market Borrowings	2.224.902	-	-	-	-	-	2.224.902
Miscellaneous Payables	-	-	-	-	-	1.968.952	1.968.952
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	-	-	283.732	1.424.864	-	-	1.708.596
Subordinated Loans (**)	-	-	-	-	3.833.893	-	3.833.893
Other Liabilities (***)	221.301	300.219	304.678	466.656	1.435.896	4.583.824	7.312.574
Total Liabilities	25.474.152	6.638.300	1.553.523	1.946.717	5.269.789	14.583.524	55.466.005
Balance Sheet Long Position	-	-	5.952.485	10.385.609	3.350.817	-	19.688.911
Balance Sheet Short Position	(16.369.650)	(2.067.209)	-	-	-	(1.252.052)	(19.688.911)
Off-Balance Sheet Long Position	21.706.513	36.155.554	7.412.368	503.327	13.490.144	-	79.267.906
Off-Balance Sheet Short Position	(18.735.344)	(6.364.690)	(10.989.296)	(2.867.262)	(41.144.937)	-	(80.101.529)
Total Position	(13.398.481)	27.723.655	2.375.557	8.021.674	(24.303.976)	(1.252.052)	(833.623)

(*) 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 24.535 thousands of Tier II sub-loan as of 31 December 2021, 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 3.566.950, tax liabilities amounting to TL 73.803, provisions amounting to TL 351.301, lease payables to TL 120.180 and other liabilities amounting to TL 471.591. In addition, other liabilities include derivative financial liabilities amounting to TL 2.728.749.

(****) Expected Credit losses for related items are presented in non-interest bearing column.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

IV. Explanations on Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 December 2020							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	364.565	-	-	-	-	4.511.530	4.876.095
Banks	150.071	-	-	-	-	1.075.147	1.225.218
Financial Assets at Fair Value Through Profit and Loss	53.677	119.250	4.402	11.470	9.414	-	198.213
Money Market Placements	310.151	-	-	-	-	-	310.151
Financial assets at fair value through other comprehensive income	200.398	586.568	1.128.397	4.320.894	839.871	5.110	7.081.238
Loans (*)	5.866.856	3.211.796	4.516.818	3.323.891	2.060.120	2.280.483	21.259.964
Financial assets measured at amortized cost	-	37.651	229.426	573.661	218.125	-	1.058.863
Other Assets (**)	150.868	436.182	306.741	44.892	1.310.797	1.776.607	4.026.087
Total Assets	7.096.586	4.391.447	6.185.784	8.274.808	4.438.327	9.648.877	40.035.829
Liabilities							
Bank Deposits	183.514	-	-	-	-	641.592	825.106
Customer Deposits	15.046.780	4.817.967	998.429	4.902	-	3.946.010	24.814.088
Money Market Borrowings	3.545.993	-	-	-	-	-	3.545.993
Miscellaneous Payables	-	-	-	-	-	539.392	539.392
Marketable Securities Issued	419.622	79.583	63.841	-	-	-	563.046
Funds Provided From Other Financial Institutions	1.040	-	347.003	743.784	315.344	-	1.407.171
Subordinated Loans(**)	-	-	-	-	2.109.077	-	2.109.077
Other Liabilities (***)	221.014	150.959	198.264	304.643	1.311.626	4.045.450	6.231.956
Total Liabilities	19.417.963	5.048.509	1.607.537	1.053.329	3.736.047	9.172.444	40.035.829
Balance Sheet Long Position	-	-	4.578.247	7.221.479	702.280	476.433	12.978.439
Balance Sheet Short Position	(12.321.377)	(657.062)	-	-	-	-	(12.978.439)
Off-Balance Sheet Long Position	14.248.631	14.788.297	3.918.056	1.307.912	15.124.766	-	49.387.662
Off-Balance Sheet Short Position	(13.684.863)	(11.520.142)	(6.218.655)	(2.691.977)	(15.050.293)	-	(49.165.930)
Total Position	(11.757.609)	2.611.093	2.277.648	5.837.414	776.753	476.433	221.732

(*) 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 24.535 thousands of Tier II sub-loan as of 31 December 2021, 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 3.455.830, tax liabilities amounting to TL 67.042, provisions amounting to TL 172.551, lease payables to TL 120.954 and other liabilities amounting to TL 228.863. In addition, other liabilities include derivative financial liabilities amounting to TL 2.186.716.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

IV. Explanations on Interest Rate Risk (continued)

Current period interest rates applied to monetary financial instruments:

	EURO	USD	JPY	TL
	%	%	%	%
31 December 2021				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	8,50
Banks	-	0,08	-	-
Financial Assets at Fair Value Through Profit and Loss	5,64	7,42	-	23,70
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,23	4,49	-	24,16
Loans	4,45	6,21	-	17,80
Financial Assets Measured at Amortized Cost	4,50	6,62	-	14,16
Liabilities				
Bank Deposits	-	-	-	14,38
Customer Deposits	0,47	0,99	-	16,23
Money Market Borrowings	-	1,82	-	13,99
Subordinated Loans	-	7,63	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	1,60	4,52	-	-

Prior Period interest rates applied to monetary financial instruments:

	EURO	USD	JPY	TL
	%	%	%	%
31 December 2020				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	10,64
Banks	-	1,30	-	16,98
Financial Assets at Fair Value Through Profit and Loss	2,85	5,08	-	17,38
Money Market Placements	-	-	-	17,84
Financial Assets at Fair Value Through Other Comprehensive Income	4,00	3,92	-	16,80
Loans	5,14	6,92	-	13,71
Financial Assets Measured at Amortized Cost	2,82	6,52	-	8,99
Liabilities				
Bank Deposits	-	-	-	16,77
Customer Deposits	1,65	2,48	-	14,83
Money Market Borrowings	-	2,84	-	16,98
Subordinated Loans	-	7,63	-	-
Marketable Securities Issued	-	-	-	9,61
Funds Provided From Other Financial Institutions	3,07	2,80	-	8,79

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

IV. Explanations on Interest Rate Risk (continued)

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	(315.432)	-3,97%
	-400	295.894	3,73%
EUR	200	(485.082)	-6,11%
	-200	26.127	0,33%
USD	200	43.203	0,54%
	-200	(44.975)	-0,57%
Total (For Positive Shock)		(757.312)	-9,54%
Total (For Negative Shock)		277.045	3,49%

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

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

V. Explanations on Share Certificates Position Risk

The Bank has no outstanding share certificate position.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio

Liquidity risk is a risk that occurs as a result of, not having cash in hand or cash inflow at a level and nature to meet cash outflow as a consequence of imbalance in cash flow in time and completely. Liquidity risk consists of sum of two main risk types; funding liquidity risk and market liquidity risk.

Management of the Bank's liquidity risk is carried out in scope of responsibilities of Board of Directors, Risk Committee of the Board, Assets and Liabilities Management Committee (ALCO), Risk Management Department and other business units which are members of ALCO.

Board of Directors has the ultimate responsibility concerning the liquidity risk and its management. Board of Directors also has the responsibility to determine liquidity risk appetite as a part of holistic risk appetite, evaluate and approve proposed limits, approve liquidity risk management policy and confirm changes regarding limit and confinement.

Risk Committee evaluates and approves short, medium and long term liquidity risk management strategies. Risk Committee also provides general adaptability of the Bank to principals and management procedures included in the management of the risk. Risk Committee reviews and evaluates liquidity risk reports periodically.

Assets and Liabilities Management Committee (ALCO) establishes short, medium and long term liquidity management strategies and evaluates the liquidity risk profile of the Bank and impacts of recently developed trends on the liquidity of the Bank through periodical meetings. ALCO makes a decision regarding the qualification of liquidity buffer of the Bank in line with risk appetite and liquidity strategy of the Bank. Additionally, ALCO reviews liquidity reports and feedbacks of the Risk Management, considers Treasury's opinions and action plans and informs Risk Committee and Board of Directors about the possible adverse conditions regarding liquidity and its material impacts.

Risk Management establishes liquidity risk management policy, determines liquidity risk limits and submits these policies and limits to the approval of Board of Directors. It also provides to measure and manage liquidity risk in the framework of risk appetite and limits approved by the Board of Directors. Risk management performs reporting to ALCO, Risk Committee and members of Board of Directors regarding adherence to risk appetite and limit excess. Additionally, risk management is also responsible to form and implement liquidity stress tests and share the results with the related parties.

Liquidity risk analysis and early warning signals are reported to the senior management periodically. Furthermore, all the analysis including regulatory and internal rates with respect to liquidity risk are reported to ALCO and limit and warning levels approved by the Board of Directors are monitored periodically and reported to related parties.

Funding management of the Bank is carried out under the control of the Treasury and with the knowledge of ALCO. The Bank's funding strategy is intended to ensure sufficient liquidity and diversity of funding sources to meet actual and contingent liabilities through both normal and stress periods. A significant part of Bank's liquidity needs is met with deposits which represent the main funding source of the Bank. On the other hand, when it is deemed necessary, bond issuance and pre-financing products can be provided in addition to the aforementioned sources.

Almost all the liabilities of the Bank are denominated in TL, USD or EUR and the concentration risk in the funding sources is monitored closely. Concentration analysis related to deposits are performed and factors, which can deteriorate access to funding sources and trigger a sudden withdrawal of funds at a significant level, are analyzed.

Liquidity risk is closely monitored and managed in order to keep it at a level appropriate to risk appetite and liquidity risk management policies, by promoting diversification of funding sources, keeping high quality liquid assets and reduction or termination of activities causing limit excess.

In scope of the Liquidity Stress Test, the Bank monitors stress scenarios arising from internal and external factors and manages its high quality liquid assets, deposits, other balance sheet items generating cash outflows, loans and other cash inflows in that respect. There are designated risk limits for indicators. The compliance with the risk and the determined risk limits is shared with the Senior Management and the relevant business units and necessary actions are taken.

The Bank has established a Liquidity Emergency Action Plan to explain the actions that should be taken in possible liquidity tightness scenarios. In this context, normal market conditions and various stress levels are defined and action plans are created for each situation. In addition to the Emergency Action Plan, Basic Risk Indicators and Liquidity Early Warning Signals are defined within the scope of Liquidity Risk Management Policy and these indicators are regularly monitored.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

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

Information regarding weekly solo liquidity coverage ratios realized in the last three months is as follows:

		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Current Period- 31 December 2021					
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets	17.946.203	13.472.916	13.768.175	9.687.303
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	21.516.301	12.656.948	2.032.533	1.265.695
3	Stable deposits	2.381.942	-	119.097	-
4	Less stable deposits	19.134.359	12.656.948	1.913.436	1.265.695
5	Unsecured Funding other than Retail and Small Business Customer Deposits	8.324.719	5.892.910	3.834.792	2.525.159
6	Operational deposits	7.004	-	1.751	-
7	Non-Operational Deposits	7.651.391	5.675.764	3.166.717	2.308.013
8	Other Unsecured Funding	666.324	217.146	666.324	217.146
9	Secured funding	-	-	-	-
10	Other Cash Outflows	11.618.706	6.906.861	2.830.846	2.640.066
11	Liquidity needs related to derivatives and market	1.671.075	1.925.598	1.671.075	1.925.598
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	9.947.631	4.981.263	1.159.771	714.468
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			8.698.171	6.430.920
CASH INFLOWS					
17	Secured Lending Transactions	18.967	-	-	-
18	Unsecured Lending Transactions	5.099.696	3.518.441	3.676.898	2.855.557
19	Other contractual cash inflows	513.564	1.068.240	513.564	1.068.240
20	TOTAL CASH INFLOWS	5.632.227	4.586.681	4.190.462	3.923.797
				Upper Limit Applied Amounts	
21	TOTAL HQLA			13.768.175	9.687.303
22	TOTAL NET CASH OUTFLOWS			4.507.708	2.509.061
23	Liquidity Coverage Ratio (%)			310,03	399,97

(*) 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
AS OF 31 DECEMBER 2021

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

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

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

		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Prior Period- 31 December 2020					
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets	11.059.513	8.157.853	8.751.462	5.930.843
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	16.683.366	10.394.649	1.562.644	1.039.465
3	Stable deposits	2.113.858	-	105.693	-
4	Less stable deposits	14.569.508	10.394.649	1.456.951	1.039.465
5	Unsecured Funding other than Retail and Small Business Customer Deposits	7.936.366	6.263.556	3.931.224	2.826.904
6	Operational deposits	637	16	159	4
7	Non-Operational Deposits	7.143.457	6.112.972	3.138.793	2.676.332
8	Other Unsecured Funding	792.272	150.568	792.272	150.568
9	Secured funding	-	-	-	-
10	Other Cash Outflows	8.094.314	4.802.445	2.228.916	2.095.928
11	Liquidity needs related to derivatives and market	1.533.145	1.684.132	1.533.145	1.684.133
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	6.561.169	3.118.313	695.771	411.795
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	-	-	-	-
16	TOTAL CASH OUTFLOWS			7.722.784	5.962.297
CASH INFLOWS					
17	Secured Lending Transactions	124.929	-	-	-
18	Unsecured Lending Transactions	3.355.828	2.447.939	2.570.780	2.066.230
19	Other contractual cash inflows	207.742	738.292	207.742	738.292
20	TOTAL CASH INFLOWS	3.688.499	3.186.231	2.778.522	2.804.522
				Upper Limit Applied Amounts	
21	TOTAL HQLA			8.751.462	5.930.843
22	TOTAL NET CASH OUTFLOWS			4.944.262	3.157.775
23	Liquidity Coverage Ratio (%)			179,06	194,03

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

Liquidity coverage ratio is calculated by proportioning the high quality liquid assets owned by the bank to the net cash outflows in the one month maturity window. Important balance sheet items that determine the ratio can be listed as required reserves held at the CBRT, securities not subject to repo / collateral, deposits according to counterparty, securities taken as collateral with reverse repo, placements to banks and derivative transactions. Since these items have a high share in liquid assets and net cash outflows in terms of volume, their ratio of consideration is high and they may change over time, their effect on liquidity coverage ratio is higher than other items.

Although derivative transactions create a low amount of net cash flow in terms of total liquidity coverage ratio, fluctuations in foreign currency derivative transaction volumes may affect the foreign currency liquidity coverage ratio.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

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

	Current Period-31 December 2021		Prior Period-31 December 2020	
	TL+FC	FC	TL+FC	FC
Lowest Week	241,65 03.12.2021	264,16 31.12.2021	145,68 01.01.2021	140,19 06.11.2020
Highest Week	392,84 19.11.2021	631,82 24.12.2021	225,51 20.11.2020	294,45 27.11.2020
Average	310,03	399,97	179,06	194,03

Presentation of assets and liabilities according to their remaining maturities:

31 December 2021	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	3.461.146	5.981.263	-	-	-	-	-	9.442.409
Banks (****)	3.701.723	148.391	-	-	-	-	(2.797)	3.847.317
Financial Assets at Fair Value Through Profit and Loss	-	77.378	23.562	27	364	424	-	101.755
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	5.255	182.104	545.348	1.918.111	5.675.017	1.713.605	-	10.039.440
Loans (****)	-	2.834.979	1.599.460	4.348.906	9.876.524	6.920.125	(361.737)	25.218.257
Financial Assets Measured at Amortized Cost (****)	-	-	68.129	415.299	591.965	259.647	(6.156)	1.328.884
Other Assets (**)(****)	-	779.871	307.560	685.178	499.758	1.430.388	1.785.188	5.487.943
Total Assets	7.168.124	10.003.986	2.544.059	7.367.521	16.643.628	10.324.189	1.414.498	55.466.005
Liabilities								
Bank Deposits	10.856	312.792	36.619	-	-	-	-	360.267
Customer Deposits	8.019.892	21.747.989	6.496.275	1.737.468	55.197	-	-	38.056.821
Money Market Borrowings	-	2.224.902	-	-	-	-	-	2.224.902
Miscellaneous Payables	-	-	-	-	-	-	1.968.952	1.968.952
Marketable Securities Issued	-	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	-	133.094	-	405.320	1.170.182	-	-	1.708.596
Subordinated Loans (***)	-	-	-	-	-	3.833.893	-	3.833.893
Other Liabilities (***)	-	221.301	300.219	304.678	466.656	1.435.896	4.583.824	7.312.574
Total Liabilities	8.030.748	24.640.078	6.833.113	2.447.466	1.692.035	5.269.789	6.552.776	55.466.005
Liquidity (Gap)/ Surplus	(862.624)	(14.636.092)	(4.289.054)	4.920.055	14.951.593	5.054.400	(5.138.278)	-
Net Off-Balance Sheet Position	-	1.082.462	(447.517)	(1.366.804)	(101.764)	-	-	(833.623)
Financial Derivative Assets	-	19.075.848	5.782.272	9.892.295	3.372.554	41.144.937	-	79.267.906
Financial Derivative Liabilities	-	(17.993.386)	(6.229.789)	(11.259.099)	(3.474.318)	(41.144.937)	-	(80.101.529)
Non-Cash Loans	1.650.633	1.245.544	1.475.023	4.312.111	-	-	-	8.683.311
Prior period								
Total Assets	3.196.909	5.842.410	2.481.633	6.183.962	12.386.792	5.887.033	4.057.090	40.035.829
Total Liabilities	4.587.602	19.497.286	5.048.507	1.604.982	1.239.540	3.473.070	4.584.842	40.035.829
Liquidity (Gap)/ Surplus	(1.390.693)	(13.654.876)	(2.566.874)	4.578.980	11.147.252	2.413.963	(527.752)	-

(*) The assets which are necessary to provide banking services and can not be liquidated in the short term, such as expected credit losses, 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.

(***) 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 24.535 thousands of Tier II sub-loan as of 31 December 2021, 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 3.566.950, tax liabilities amounting to TL 73.803, provisions amounting to TL 351.301, lease payables to TL 120.180 and other liabilities amounting to TL 471.591. In addition, other liabilities include derivative financial liabilities amounting to TL 2.728.749.

(*****) Expected Credit losses for related items are presented in undistributed column.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

Analysis of financial liabilities by remaining contractual maturities (*):

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
As of December 31, 2021								
Bank Deposits	10.856	313.257	37.722	-	-	-	-	361.835
Customer deposits	8.019.892	21.781.683	6.570.173	1.859.684	81.060	-	-	38.312.492
Subordinated Loans	-	-	-	-	-	6.592.097	-	6.592.097
Funds Provided From Other Financial Institutions	-	296.694	-	1.705.153	-	2.001.847	-	4.003.694
Funds From interbank money market	-	-	-	-	-	-	-	-
Total	8.030.748	22.391.634	6.607.895	3.564.837	81.060	8.593.944	-	49.270.118

(*) Includes total interest to be paid

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
As of December 31, 2020								
Bank Deposits	641.592	183.900	-	-	-	-	-	825.492
Customer deposits	3.946.010	15.340.963	4.867.275	1.043.445	5.765	-	-	25.203.458
Subordinated Loans	-	-	-	-	-	3.626.470	-	3.626.470
Funds Provided From Other Financial Institutions	-	1.084	-	15.935	1.212.969	399.320	-	1.629.308
Funds From interbank money market	-	443.091	83.944	70.201	-	-	-	597.236
Total	4.587.602	15.969.038	4.951.219	1.129.581	1.218.734	4.025.790	-	31.881.964

(*) Includes total interest to be paid

Breakdown of derivative instruments due to their remaining contractual maturities:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2021						
Gross settled						
Foreign exchange forward contracts	3.509.250	2.992.638	2.351.294	460.660	-	9.313.842
Currency swaps	30.530.880	3.745.447	1.755.733	312.860	-	36.344.920
Interest rate swap agreement	3.100.465	29.143.081	5.984.901	1.847.072	27.654.793	67.730.312
Foreign currency sell and buy options	3.301.259	5.139.078	8.309.736	-	-	16.750.073
Interest rate sell and buy options	-	-	-	-	26.980.288	26.980.288
Total	40.441.854	41.020.244	18.401.664	2.620.592	54.635.081	157.119.435

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2020						
Gross settled						
Foreign exchange forward contracts	1.928.871	1.231.735	702.258	-	-	3.862.864
Currency swaps	20.649.602	2.469.702	1.056.818	1.681.873	-	25.857.995
Interest rate swap agreement	-	1.230.286	8.190.937	6.840.144	30.665.123	46.926.490
Foreign currency sell and buy options	3.867.866	1.637.192	1.219.905	-	-	6.724.963
Interest rate sell and buy options	-	-	338.784	-	14.842.496	15.181.280
Total	26.446.339	6.568.915	11.508.702	8.522.017	45.507.619	98.553.592

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

VII. Explanations on Leverage Ratio

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

“Regulation on the Measurement and Evaluation of Banks Leverage Levels” regulates the procedures and principles regarding to ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 5,55 % (31 December 2020: 6,62%). As of 31 December 2021, the Bank’s leverage ratio is dropped to 6,62% from 5,55%. The decrease springs from the increase in risk amounts of on and off balance sheet items. According to Regulations, minimum leverage ratio is 3%.

Disclosure of Leverage ratio template:

	Current Period	Prior Period
	31 December	31 December
	2021 (*)	2020 (*)
Balance sheet transactions		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	51.854.048	40.748.946
2 (Assets deducted from Core capital)	(161.512)	(122.761)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	51.692.536	40.626.185
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	1.938.507	3.867.566
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)	1.938.507	3.867.566
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	-	-
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	17.221.315	13.405.754
11 (Correction amount due to multiplication with credit conversion rates)	(5.010.168)	(3.990.858)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	12.211.147	9.414.896
Capital and total risk		
13 Core Capital	3.620.357	3.567.912
14 Total risk amount(sum of lines 3, 6, 9 and 12)	65.842.190	53.908.647
Leverage ratio		
15 Leverage ratio	5,55	6,62

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

VIII. Explanations on Presentation of Financial Assets and Liabilities at Fair Value

The presentation of the Bank's financial assets and liabilities with their fair values is as follows;

	31 December 2021		31 December 2020	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets	42.793.716	38.630.514	30.935.434	30.496.860
Money Market Placements	-	-	310.151	310.151
Banks	3.850.114	3.850.114	1.225.218	1.225.218
Financial assets at fair value through other comprehensive income	10.039.440	10.039.440	7.081.238	7.081.238
Financial assets measured at amortized cost	1.335.040	1.274.136	1.058.863	1.086.816
Loans	27.569.122	23.466.823	21.259.964	20.793.437
Financial Liabilities	48.625.022	48.175.623	34.032.736	33.347.722
Bank Deposits	360.267	360.267	825.106	825.106
Other Deposits	38.056.821	38.059.987	24.814.088	24.817.284
Funds Borrowed From Other Financial Institutions	3.933.498	4.180.681	4.953.164	4.988.007
Subordinated Loans	3.833.893	3.134.145	2.109.077	1.390.690
Issued Bonds	-	-	563.046	558.380
Miscellaneous Payables	2.440.543	2.440.543	768.255	768.255

The following methods and assumptions were used to estimate the fair value of the financial instruments:

IFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

- Quoted market prices (non-adjusted) (1st level)
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)
- Data not based on observable data regarding assets or liabilities (3rd level)

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles is given in the table below:

December 31, 2021	Level 1	Level 2	Level 3(*)	Total
Financial Assets	10.116.957	3.721.739	5.255	13.843.951
Financial Assets at Fair Value through Profit and Loss	82.772	18.983	-	101.755
Financial Assets at Fair Value through Other Comprehensive Income	10.034.185	-	5.255	10.039.440
Derivative Financial Assets at Fair Value through Profit and Loss	-	3.702.756	-	3.702.756
Derivative Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	-
Financial Liabilities	-	2.728.749	-	2.728.749
Derivative Financial Liabilities at Fair Value Through Profit and Loss	-	2.728.749	-	2.728.749
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	-	-	-
December 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets	7.263.540	2.260.281	5.110	9.528.931
Financial Liabilities	-	2.186.716	-	2.186.716

(*) The Bank has 3rd level financial assets amounting to TL 5.255 (31 December 2020: TL 5.110). The exchange increase in current period is amounting to TL 145.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

IX. Explanations Related to Transactions Carried Out on Behalf on Customers, Items Held in Trust

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions.

X. Explanations on Risk Management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 30 June 2016. According to Communiqué these notes have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented as of 31 December 2021:

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

a) **Overview of RWA**

	Risk Weighted Amount		Minimum Capital Requirement
	Current Period 31 December 2021	Prior Period 31 December 2020	Current Period 31 December 2021
1 Credit risk (excluding counterparty credit risk) (CCR)	26.176.414	23.671.953	2.094.113
2 Standardised approach (SA)	26.176.414	23.671.953	2.094.113
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	1.125.467	2.727.696	90.037
5 Standardised approach for counterparty credit risk (SA-CCR)	1.125.467	2.727.696	90.037
6 Internal model method (IMM)	-	-	-
7 Basic risk weight approach to internal models equity position in the banking account	-	-	-
8 Investments made in collective investment companies – look-through approach	-	-	-
9 Investments made in collective investment companies – mandate-based approach	-	-	-
10 Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11 Settlement risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach (RBA)	-	-	-
14 IRB Supervisory Formula Approach (SFA)	-	-	-
15 SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	1.201.288	1.109.800	96.103
17 Standardised approach (SA)	1.201.288	1.109.800	96.103
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	2.417.300	2.643.863	193.384
20 Basic Indicator Approach	2.417.300	2.643.863	193.384
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)	30.920.469	30.153.312	2.473.637

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

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

Current Period	Revalued amount in accordance with TAS as reported in published financial statements	Subject to credit risk	Subject to counter party credit risk	Securitization positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and balances with Central Bank	9.442.409	9.442.409	-	-	-	-
Financial assets at fair value through profit and loss	101.755	-	-	-	101.755	-
Banks	3.850.114	3.850.114	122.650	-	-	-
Money market placements	-	-	-	-	-	-
Expected credit losses (-)	2.797	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	10.039.440	10.039.440	-	-	-	-
Derivative financial assets	3.702.756	-	1.983.950	-	1.467.433	-
Financial assets measured at amortised cost	1.335.040	1.335.040	-	-	-	-
Expected credit losses (-)	2.357.021	932.388	-	-	-	-
Loans	27.569.122	27.569.122	-	-	-	-
Lease receivables	-	-	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-
Associates (net)	-	-	-	-	-	-
Tangible assets (net)	181.790	181.790	-	-	-	32.393
Intangible assets (net)	147.126	147.126	-	-	-	147.126
Investment property (net)	-	-	-	-	-	-
Tax asset	261.068	261.068	-	-	-	-
Property and equipment held for sale and related to discontinued operations (net)	296.839	296.839	-	-	-	-
Other assets	898.364	872.344	-	-	-	-
Total assets	55.466.005	53.062.904	2.106.600	-	1.569.188	179.519
Liabilities						
Deposit	38.417.088	-	-	-	-	-
Derivative financial liabilities at fair value through profit or loss	2.728.749	-	-	-	1.255.727	-
Loans received	1.708.596	-	-	-	-	-
Money market funds	2.224.902	-	-	-	-	-
Securities Issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables	120.180	-	-	-	-	-
Derivative financial liabilities at fair value through other comprehensive income	-	-	-	-	-	-
Provisions	351.301	-	-	-	-	-
Tax liability	73.803	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	3.833.893	-	-	-	-	-
Other liabilities	2.440.543	-	-	-	-	-
Shareholders' equity	3.566.950	-	-	-	-	-
Total liabilities	55.466.005	-	-	-	1.255.727	-

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

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

Prior Period	Revalued amount in accordance with TAS as reported in published financial statements	Subject to credit risk	Subject to counter party credit risk	Securitization positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and balances with Central Bank	4.876.095	4.876.095	-	-	-	-
Financial assets at fair value through profit and loss	198.213	-	-	-	198.213	-
Banks	1.225.218	1.225.218	126.441	-	-	-
Money market placements	310.151	-	53	-	-	-
Expected credit losses (-)	1.628	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	7.081.238	7.081.238	-	-	-	-
Derivative financial assets	2.249.480	-	1.272.406	-	2.202.707	-
Financial assets measured at amortised cost	1.058.863	1.058.863	-	-	-	-
Expected credit losses (-)	1.864.261	926.229	-	-	-	-
Loans	21.259.964	21.259.964	-	-	-	-
Lease receivables	-	-	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-
Associates (net)	-	-	-	-	-	-
Tangible assets (net)	189.036	189.036	-	-	-	37.291
Intangible assets (net)	97.369	97.369	-	-	-	97.369
Investment property (net)	-	-	-	-	-	-
Tax asset	254.791	254.791	-	-	-	-
Property and equipment held for sale and related to discontinued operations (net)	672.505	672.505	-	-	-	-
Other assets	2.428.795	2.438.443	-	-	-	-
Total assets	40.035.829	38.227.293	1.398.900	-	2.400.920	134.660
Liabilities						
Deposit	25.639.194	-	-	-	-	-
Derivative financial liabilities at fair value through profit or loss	2.186.716	-	-	-	2.065.753	-
Loans received	1.407.171	-	-	-	-	-
Money market funds	3.545.993	-	-	-	-	-
Securities Issued	563.046	-	-	-	-	-
Funds	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables	120.954	-	-	-	-	-
Derivative financial liabilities at fair value through other comprehensive income	-	-	-	-	-	-
Provisions	172.551	-	-	-	-	-
Tax liability	67.042	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	2.109.077	-	-	-	-	-
Other liabilities	768.255	-	-	-	-	-
Shareholders' equity	3.455.830	-	-	-	-	-
Total liabilities	40.035.829	-	-	-	2.065.753	-

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

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

Current Period	Total	Subject to credit risk	Securitization positions	Subject to counterparty credit risk	Subject to market risk (*)
Assets carrying value in accordance with TAS	55.286.486	53.062.904	-	2.106.600	1.569.188
Liabilities carrying value in accordance with TAS under scope of regulatory consolidation	-	-	-	-	1.255.727
Total net amount under scope of regulatory consolidation	55.286.486	53.062.904	-	2.106.600	313.461
Off-balance sheet amount	11.702.429	11.702.429	-	-	45.772.306
Differences due to risk mitigation	-	(738.124)	-	-	-
Differences due to different netting rules	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to the applications of the Bank	-	-	-	-	-
Exposure amounts	66.988.915	64.027.209	-	2.106.600	46.085.767

Prior Period	Total	Subject to credit risk	Securitization positions	Subject to counterparty credit risk	Subject to market risk (*)
Assets carrying value in accordance with TAS	39.901.169	38.227.293	-	1.398.900	2.400.920
Liabilities carrying value in accordance with TAS under scope of regulatory consolidation	-	-	-	-	2.065.753
Total net amount under scope of regulatory consolidation	39.901.169	38.227.293	-	1.398.900	335.167
Off-balance sheet amount	11.612.675	11.612.675	-	-	83.588.337
Differences due to risk mitigation	-	(772.515)	-	-	-
Differences due to different netting rules	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to the applications of the Bank	-	-	-	-	-
Exposure amounts	51.513.844	49.067.453	-	1.398.900	83.923.504

c. Credit risk explanation

1. General qualitative information about credit risk:

Credit Risk Management Department operates under Internal Systems pillar directly subject to Board of Directors as it is mentioned in scope of "Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process". Reports, prepared in a wider perspective, are reported to Board of Directors and senior management as well as reports having given minimum standards in scope of aforementioned regulation. Risk Report include customer, group, collateral and sector concentrations, stress tests, risk profile, overdue receivables and specific provision development, close monitoring development and capital adequacy analysis as general scope and main content.

The Bank determines risk limits including all risks and covering all activities of the Bank and those limits are approved by Board of Directors. Limits of the Bank are determined in a way to reflect risk appetite, which is planned to be undertaken, and expectations in economy with our main partner. Credit policies are established in compliance with risk limits accordingly. Those limits are periodically monitored by Risk Management and Board of Directors is informed in scope of respective outputs.

Credit allocation processes are established in line with risk appetite and limits determined in scope of credit policies. In this scope, rating and decision support systems are used in evaluation of credits in order to reflect related risks. Access levels are determined by Board of Directors.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

Credit Risk is the possibility of loss to which the current or future return or capital of the bank shall be exposed since the debtor cannot fulfil its liability in due time through violating requirements of related contract. The Bank approaches risk management as a cycle. Credit allocation units, form the first level of line of defence for credit risk in scope of allocation decision. Board of Directors holds the control over credit process in scope of authorization levels. Credit Risk Management Department of the Bank carries out its operations under Internal Systems organization which is directly subject to Board of Directors as it is mentioned in scope of "Communique on Internal Systems and Internal Capital Adequacy Assessment Process of Banks". Risk Management executes measurement, monitoring and reporting activities of credit risk through using statistical methods and forms line of defence at second level. Internal Control and Supervisory Board Directorate forms line of defence at third level in this process.

Board of Directors is responsible for determination of taking risks and appetite level. Board of Directors manages risks through Risk Committee. Committee is responsible for determination of risk policies, measurement and monitoring of risks. Reports, which are issued in a wider perspective in addition to reports whose minimum standards are determined in scope of "Communique on Internal Systems and Internal Capital Adequacy Assessment Process of Banks", are reported to Board of Directors and senior management. The aforementioned reports include customer, group, collateral and sector concentrations; stress tests, risk profile, follow-up and special provision development, close monitoring development and analysis of capital adequacy.

2.Credit quality of assets:

Gross carrying values of (according to TAS)					
31 December 2021	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values	
1 Loans	1.989.128	25.579.994	2.350.865	25.218.257	
2 Debt Securities	-	11.369.224	6.156	11.363.068	
3 Off-balance sheet exposures	22.730	24.800.271	58.723	24.764.278	
4 Total	2.011.858	61.749.489	2.415.744	61.345.603	

Gross carrying values of (according to TAS)					
31 December 2020	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values	
1 Loans	2.280.483	18.979.481	1.858.802	19.401.162	
2 Debt Securities	-	8.134.991	5.459	8.129.532	
3 Off-balance sheet exposures	24.062	9.650.341	61.942	9.612.461	
4 Total	2.304.545	36.764.813	1.926.203	37.143.155	

3. Changes in stock of defaulted loans and debt securities:

		31.12.2021
1	Defaulted loans and debt securities at end of the previous reporting period	2.280.483
2	Loans and debt securities that have defaulted since the last reporting period	84.290
3	Returned to non-defaulted status	-
4	Amounts written off	32.185
5	Other changes ^(*)	(343.460)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	1.989.128
		31.12.2020
1	Defaulted loans and debt securities at end of the previous reporting period	2.803.192
2	Loans and debt securities that have defaulted since the last reporting period	401.009
3	Returned to non-defaulted status	-
4	Amounts written off	611.501
5	Other changes ^(*)	(312.217)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	2.280.483

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

4. Additional disclosure related to the credit quality of assets:

a. Breakdown of receivables by geographical area, sector and outstanding maturity:

Breakdown by geographical area:

	31.12.2021	31.12.2020
Domestic	25.428.269	18.695.133
European Union Countries	13	63
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	151.712	284.285
Total	25.579.994	18.979.481

(*) OECD Countries other than EU countries, USA and Canada.

Breakdown by sector (*):

	31.12.2021	31.12.2020
Agricultural	664.947	659.214
Farming and raising live stock	603.968	601.152
Forestry	-	-
Fishing	60.979	58.062
Manufacturing	6.277.807	4.882.861
Mining	310.497	168.584
Production	3.453.269	2.766.857
Electricity, Gas, Water	2.514.041	1.947.420
Construction	7.155.626	4.651.124
Services	9.695.717	7.568.301
Wholesale and Retail Trade	1.582.943	1.427.245
Hotel, Food, Beverage Services	3.787.771	2.329.668
Transportation and Telecommunication	983.554	1.011.484
Financial Institutions	1.140.498	943.701
Real Estate and Lending Service	57.444	155.477
Self Employment Service	-	-
Education Service	532.638	327.611
Health and Social Services	1.610.869	1.373.115
Other	1.785.897	1.217.981
Total	25.579.994	18.979.481

(*) Breakdown of sector classified according to type of principal activity of costumers.

Breakdown by outstanding maturity:

31 December 2021	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Loans	2.834.979	1.599.460	4.348.906	9.876.524	6.920.125	25.579.994

31 December 2020	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Loans	2.400.551	1.423.991	4.657.073	6.989.040	3.508.826	18.979.481

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

Breakdown by sector (*):

b) Amounts of provision allocated receivables based on geographical area and sector and amounts deducted from the assets with the related provisions:

Breakdown by geographical area:

31 December 2021	Non-performing Loans	Provisions
Domestic	1.989.128	934.310
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	-	-
Total	1.989.128	934.310

(*) OECD Countries other than EU countries, USA and Canada.

31 December 2020	Non-performing Loans	Provisions
Domestic	2.280.483	926.468
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	-	-
Total	2.280.483	926.468

(*) OECD Countries other than EU countries, USA and Canada.

Breakdown by sector (*):

31 December 2021	Non-performing Loans	Provisions
Agricultural	8.813	7.685
Farming and raising live stock	8.813	7.685
Forestry	-	-
Fishing	-	-
Manufacturing	448.182	213.547
Mining	34.807	9.756
Production	314.780	110.735
Electricity, Gas, Water	98.595	93.056
Construction	646.582	250.458
Services	765.062	400.391
Wholesale and Retail Trade	230.399	85.983
Hotel, Food, Beverage Services	258.440	136.920
Transportation and Telecommunication	26.214	10.796
Financial Institutions	27.870	21.449
Real Estate and Lending Service	4.761	173
Self Employment Service	-	-
Education Service	129.653	102.513
Health and Social Services	87.725	42.557
Other	120.489	62.229
Total	1.989.128	934.310

(*) Classified according to type of principal activity of costumers.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

Breakdown by sector (*):

31 December 2020	Non-performing Loans	Provisions
Agricultural	16.841	9.616
Farming and raising live stock	16.841	9.616
Forestry	-	-
Fishing	-	-
Manufacturing	490.986	212.252
Mining	40.833	14.726
Production	345.497	105.790
Electricity, Gas, Water	104.656	91.736
Construction	697.750	237.583
Services	946.889	398.371
Wholesale and Retail Trade	353.234	134.214
Hotel, Food, Beverage Services	292.884	82.273
Transportation and Telecommunication	43.407	15.489
Financial Institutions	21.258	12.449
Real Estate and Lending Service	5.257	767
Self Employment Service	-	-
Education Service	134.658	106.136
Health and Social Services	96.191	47.043
Other	128.017	68.646
Total	2.280.483	926.468

(*) Classified according to type of principal activity of costumers.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

5. Expected Credit Loss

a. Expected Credit Loss for Cash and Cash Equivalents

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2021)	1.628	-	-	1.628
Additions	6.217	-	-	6.217
Disposals (-)	(5.048)	-	-	(5.048)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Balance at the end of the period	2.797	-	-	2.797

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2020)	2.095	-	-	2.095
Additions	1.914	-	-	1.914
Disposals (-)	(2.381)	-	-	(2.381)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Balance at the end of the period	1.628	-	-	1.628

b. Expected Credit Loss for Financial Assets Measured at Fair Value through Other Comprehensive Income

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2021)	5.459	-	-	5.459
Additions	6.069	-	-	6.069
Disposals (-)	(5.372)	-	-	(5.372)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Balance at the end of the period	6.156	-	-	6.156

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2020)	40.927	-	-	40.927
Additions	7.372	-	-	7.372
Disposals (-)	(42.840)	-	-	(42.840)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Balance at the end of the period	5.459	-	-	5.459

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

5. Expected Credit Loss

a. Expected Credit Loss for Loans

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2021)	92.773	839.561	926.468	1.858.802
Additions	117.943	794.665	395.558	1.308.166
Disposals (-)	(106.921)	(287.157)	(389.840)	(783.918)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(32.185)	(32.185)
Transfers to Stage 1	17.932	(17.932)	-	-
Transfers to Stage 2	(2.315)	2.315	-	-
Transfers to Stage 3	(92)	(34.217)	34.309	-
Balance at the end of the period	119.320	1.297.235	934.310	2.350.865

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2020)	81.785	653.824	1.465.137	2.200.746
Additions	98.827	773.224	394.033	1.266.084
Disposals (-)	(102.305)	(332.277)	(461.140)	(895.722)
Sales (-)	-	(100.805)	-	(100.805)
Write-offs (-)	-	-	(611.501)	(611.501)
Transfers to Stage 1	30.896	(30.896)	-	-
Transfers to Stage 2	(16.413)	16.413	-	-
Transfers to Stage 3	(17)	(139.922)	139.939	-
Balance at the end of the period	92.773	839.561	926.468	1.858.802

b. Expected Credit Loss for Non-cash Loans

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2021)	37.851	14.203	9.888	61.942
Additions	43.725	7.592	252	51.569
Disposals (-)	(45.305)	(8.588)	(895)	(54.788)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfers to Stage 1	102	(102)	-	-
Transfers to Stage 2	(34)	34	-	-
Transfers to Stage 3	(10)	(2)	12	-
Balance at the end of the period	36.329	13.137	9.257	58.723

	Stage 1	Stage 2	Stage 3	Total
Beginning Balance (1 January 2020)	17.640	7.297	9.799	34.736
Additions	49.494	21.417	1.240	72.151
Disposals (-)	(29.090)	(14.382)	(1.473)	(44.945)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfers to Stage 1	2.394	(2.394)	-	-
Transfers to Stage 2	(2.584)	2.584	-	-
Transfers to Stage 3	(3)	(319)	322	-
Balance at the end of the period	37.851	14.203	9.888	61.942

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

6. Credit risk mitigation techniques – overview:

The Bank considers appropriate collaterals mentioned in “Regulation on Measurement and Evaluation of Bank’s Capital Adequacy” published on Official Gazette numbered 29511 for the calculation of capital adequacy. Since mortgages determine a receivable class, collateral used in credit risk reduction consists of cash collaterals with blockage.

All expertise reports, get done by the Bank, are assigned to valuation institutions, which are authorized by Banking Regulation and Supervision Agency and also having CMB license. Expertise requests, received from branches for valuation reports issued for the purpose of collateral, are evaluated by Expertise and Mortgage Department and forwarded to contracted valuation institutions through expertise system of the Bank. Valuation institutions submits expertise report through using expertise system of the bank following the completion of expertise activity. The report, submitted by expertise institution, is reviewed by Expertise and Mortgage Department and delivered to branches via aforementioned system. If there exists elements, which are considered as risks, in collateralization, those elements are included in valuation report.

Mortgage transaction is performed by law firms following the collateralization decision. Mortgage request is submitted from branch to our mortgage department via mortgage system of the bank. Mortgage department forwards the request to contracted law firms after controlling the request in question. Authenticated deeds and mortgage receipt certificates are delivered to branches via aforementioned system following the finalisation of mortgage transaction.

If the mortgage is in release phase, release request, submitted by the branch, is delivered to directorate of land registry with release letter which is obtained on mortgage release system following getting approval of required approvers.

An audit report is issued on an annual basis in scope of communique on risk mitigation techniques for received collaterals.

		Exposures not covered with cash collateral	Exposures secured by cash collateral	Exposures secured by cash collateral, of which: secured amount(**)	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans (*)	22.735.074	2.483.183	574.292	-	-	-	-
2	Debt securities	11.363.068	-	-	-	-	-	-
3	Total	34.098.142	2.483.183	574.292	-	-	-	-
4	Of which defaulted	1.988.955	173	81	-	-	-	-

(*) Shows loans that are covered with cash collateral

(**) Shows risk adjusted cash collaterals in line with related BRSA’s credit risk mitigation regulation with the maturity profile of the loan.

7. Qualitative disclosures related to rating grades used by the Banks for the calculation of credit risk with standard approach:

The Bank uses external rating grades provided by Fitch Ratings for the calculation of credit risk with standard method. In this scope, risk weights in Receivables from Central Administrations or Central Banks class of the Bank are determined through taking ratings provided by Fitch Ratings and guidance given by BRSA for the aforementioned CRA into account.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

8. Standard approach – credit risk exposure and credit risk mitigation (CRM) effects

Current Period - 31.12.2021		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Assets classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	14.308.583	3	14.458.807	1	-	0%
2	Exposures to regional governments or local authorities	165.054	-	165.054	-	82.527	50%
3	Exposures to public sector entities	-	-	-	-	-	0%
4	Exposures to multilateral development banks	925.470	-	925.470	-	-	0%
5	Exposures to international organisations	-	-	-	-	-	0%
6	Exposures to institutions	5.803.783	2.156.809	5.803.783	665.343	2.262.317	35%
7	Exposures to corporates	16.585.867	7.575.003	15.858.539	4.135.655	19.999.500	100%
8	Retail exposures	311.322	493.007	285.623	47.004	255.818	77%
9	Exposures secured by residential property	26.567	-	26.502	-	9.276	35%
10	Exposures secured by commercial real estate	3.431.996	66.711	3.430.068	56.909	2.545.338	73%
11	Past-due loans	605.993	-	605.924	-	697.834	115%
12	Higher-risk categories by the Agency Board	1.913	-	1.913	-	2.865	150%
13	Exposures in the form of covered bonds	-	-	-	-	-	0%
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16	Other assets	1.943.811	-	1.943.811	-	1.169.635	60%
17	Investments in equities	-	-	-	-	-	0%
18	Total	44.110.359	10.291.533	43.505.494	4.904.912	27.025.110	56%

Prior Period - 31.12.2020		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Assets classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	11.118.890	1.002	11.361.656	500	-	0%
2	Exposures to regional governments or local authorities	47.188	-	47.188	-	23.594	50%
3	Exposures to public sector entities	-	-	-	-	-	0%
4	Exposures to multilateral development banks	870.611	-	870.611	-	-	0%
5	Exposures to international organisations	-	9	-	2	-	0%
6	Exposures to institutions	5.276.131	2.979.432	5.276.131	440.029	2.885.772	50%
7	Exposures to corporates	14.158.728	4.954.372	13.324.343	3.406.819	16.731.162	100%
8	Retail exposures	395.794	510.892	356.578	49.039	304.502	75%
9	Exposures secured by residential property	42.128	-	41.968	-	14.689	35%
10	Exposures secured by commercial real estate	3.387.477	101.312	3.355.017	72.058	2.532.044	74%
11	Past-due loans	921.166	-	919.994	-	1.196.775	130%
12	Higher-risk categories by the Agency Board	3.639	-	3.639	-	2.136	59%
13	Exposures in the form of covered bonds	-	-	-	-	-	0%
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16	Other assets	1.715.238	-	1.715.238	-	1.419.235	83%
17	Investments in equities	-	-	-	-	-	0%
18	Total	37.936.990	8.547.019	37.272.363	3.968.447	25.109.909	61%

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

9. Standard approach – exposures by asset classes and risk weights

Current Period - 31.12.2021 Asset classes/ Risk weight(*)	0%	10%	20%	50%(*)	75%	100%	150%	200%	Other (35% - 50%(**))	Total credit risk exposure amount (***)
Exposures to central governments or central banks	14.458.808	-	-	-	-	-	-	-	-	14.458.808
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	165.054	165.054
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	925.470	-	-	-	-	-	-	-	-	925.470
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-
Exposures to institutions	-	-	3.978.293	-	-	129.044	156.720	-	2.205.069	6.469.126
Exposures to corporates	-	-	-	-	-	19.983.581	10.613	-	-	19.994.194
Retail exposures	-	-	-	-	323.050	1.670	7.907	-	-	332.627
Exposures secured by residential property	-	-	-	-	-	-	-	-	26.502	26.502
Exposures secured by commercial real estate	-	-	-	1.883.278	-	1.603.699	-	-	-	3.486.977
Past-due loans	-	-	-	-	-	134.729	327.507	-	143.688	605.924
Higher-risk categories by the Agency Board	-	-	-	-	-	10	1.903	-	-	1.913
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-
Other assets	774.174	-	-	-	-	1.169.637	-	-	-	1.943.811
Total	16.158.452	-	3.978.293	1.883.278	323.050	23.022.370	504.650	-	2.540.313	48.410.406

(*) Collateralized with the Real Estate Mortgage

(**) Except that Collateralized with the Real Estate Mortgage

(***) After Credit Conversion Rate and after credit risk mitigation

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

c. Credit risk explanation (continued)

Prior Period - 31.12.2020										Other	Total
Asset classes/ Risk weight(*)	0%	10%	20%	50%(*)	75%	100%	150%	200%	50%(**)	(35% -	credit risk
										50%(**)	exposure
											amount
											(***)
Exposures to central governments or central banks	11.362.156	-	-	-	-	-	-	-	-	-	11.362.156
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	47.188	-	47.188
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	870.611	-	-	-	-	-	-	-	-	-	870.611
Exposures to international organisations	2	-	-	-	-	-	-	-	-	-	2
Exposures to institutions	-	-	3.340.364	-	-	89.177	985.213	-	1.301.406	-	5.716.160
Exposures to corporates	-	-	-	-	-	16.731.162	-	-	-	-	16.731.162
Retail exposures	-	-	-	-	404.460	1.157	-	-	-	-	405.617
Exposures secured by residential property	-	-	-	-	-	-	-	-	41.968	-	41.968
Exposures secured by commercial real estate	-	-	-	1.790.062	-	1.637.013	-	-	-	-	3.427.075
Past-due loans	-	-	-	-	-	69.569	701.993	-	148.432	-	919.994
Higher-risk categories by the Agency Board	-	-	-	-	-	593	21	-	3.025	-	3.639
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-	-
Other assets	296.003	-	-	-	-	1.419.235	-	-	-	-	1.715.238
Total	12.528.772	-	3.340.364	1.790.062	404.460	19.947.906	1.687.227	-	1.542.019	-	41.240.810

(*) Collateralized with the Real Estate Mortgage

(**) Except that Collateralized with the Real Estate Mortgage

(***) After Credit Conversion Rate and after credit risk mitigation

d. Counterparty Credit risk (CCR) explanations:

1. Qualitative disclosure related to counterparty credit risk:

Counterparty credit risk (CCR) states default risk of counterparty, which is a party to a transaction imposing an obligation to both parties, going into default before the final payment included in cash flow of the transaction in question. The Bank monitors Counterparty Credit Risk in the framework of Counterparty Credit Risk and Exchange Risk Management Policy which is approved by Board of Directors. Counterparty Credit Risk and Exchange Risk Management Policy includes rules, limits and actions in case of non-compliance related to transactions in counterparty credit risk and exchange risk.

The Bank internally applies different action rules for each of the action groups determined for measurement of counterparty credit risk. Action groups are divided into Individual Business Line, Non-Individual Business Line (except for Stock Exchange and Banks) and Banks and Stock Exchanges.

Potential and current risk exposures of transactions are calculated/determined in order to determine CCR. Internal netting application is taken into account while calculating risk exposures.

Daily collateral management is performed in accordance with provisions of agreements related to transactions of counterparty credit risk and exchange risk with stock exchanges and banks having ISDA-CSA agreement.

Internal limits related to counterparty credit risk and exchange risk are evaluated by Credits Department with respect to requests from related departments and submitted to the approval of Director of Credits Department, General Manager, Credit Committee or Board of Directors according to magnitude of exposures.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

d. Counterparty Credit risk (CCR) explanations (continued)

The Bank legally calculates counterparty credit risk and exchange risk in accordance with the rules and explanations mentioned in "Regulation on Measurement and Evaluation of Bank's Capital Adequacy". Counterparty credit risk and exchange risk, calculated legally, is subject to limit of capital adequacy ratio.

2. Analysis of counterparty credit risk (CCR) exposure by approach

		Revaluation Cost	Potential credit risk exposure	EBPRT(*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
Current Year – 31.12.2021							
1	Standart Approach-CCR	980.297	350.665	-	1,40	1.299.428	846.344
2	Internal Model Approach	-	-	-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation	-	-	-	-	-	-
4	Comprehensive Method for Credit Risk Mitigation	-	-	-	-	122.650	2.352
5	Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions	-	-	-	-	122.650	2.352
6	Total	-	-	-	-	-	848.696

(*) Effective expected positive risk amount

		Revaluation Cost	Potential credit risk exposure	EBPRT(*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
Prior Year – 31.12.2020							
1	Standart Approach-CCR	916.670	287.147	-	1,40	1.167.905	1.426.597
2	Internal Model Approach	-	-	-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation	-	-	-	-	-	-
4	Comprehensive Method for Credit Risk Mitigation	-	-	-	-	126.494	11.359
5	Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions	-	-	-	-	126.494	11.359
6	Total	-	-	-	-	-	1.437.956

(*) Effective expected positive risk amount

3. Credit valuation adjustment (CVA) capital charge

		Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
Current Year – 31.12.2021			
	Total portfolio value with comprehensive approach CVA capital adequacy		
1	(i) Value at risk component (3*multiplier included)	-	-
2	(ii) Stressed Value at Risk (3*multiplier included)	1.286.393	276.771
3	Total portfolio value with simplified approach CVA capital adequacy	1.286.393	276.771
4	Total amount of CVA capital adequacy	-	-

		Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
Prior Year – 31.12.2020			
	Total portfolio value with comprehensive approach CVA capital adequacy		
1	(i) Value at risk component (3*multiplier included)	-	-
2	(ii) Stressed Value at Risk (3*multiplier included)	-	-
3	Total portfolio value with simplified approach CVA capital adequacy	1.063.561	1.289.740
4	Total amount of CVA capital adequacy	1.063.561	1.289.740

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

d. Counterparty Credit risk (CCR) explanations (continued)

4. Standard approach – CCR exposures by regulatory portfolio and risk weights

Current Period Risk Weights									Total Credit Risk(*)
	0%	10%	20%	50%	75%	100%	150%	Other	
Risk Classes									
Central governments and central banks receivables	498.728	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	23.539	267.087	-	-	-	-	138.251
Corporate receivables	-	-	-	-	-	473.451	156.720	-	708.531
Retail receivables	-	-	-	-	2.552	-	-	-	1.914
Other assets(**)	-	-	-	-	-	-	-	-	-
Total	498.728	-	23.539	267.087	2.552	473.451	156.720	-	848.696

(*) Total credit risk; After applying counterparty credit risk measurement techniques that are related to the amount of capital adequacy calculation.

(**) Other assets: "Central to the counterparty risk" table includes amounts that are not included in the reported counterparty credit risk.

Prior Period Risk Weights									Total Credit Risk(*)
	0%	10%	20%	50%	75%	100%	150%	Other	
Risk Classes									
Central governments and central banks receivables	16.561	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	56.122	190.088	-	-	-	-	106.268
Corporate receivables	-	-	-	-	-	129.255	800.871	-	1.330.562
Retail receivables	-	-	-	-	1.502	-	-	-	1.126
Other assets(**)	-	-	-	-	-	-	-	-	-
Total	16.561	-	56.122	190.088	1.502	129.255	800.871	-	1.437.956

(*) Total credit risk; After applying counterparty credit risk measurement techniques that are related to the amount of capital adequacy calculation.

(**) Other assets: "Central to the counterparty risk" table includes amounts that are not included in the reported counterparty credit risk.

5. Composition of collateral for CCR exposure: Due to absence of derivative collateral considered in the calculation of capital adequacy, related table was not given.

6. Credit derivatives exposures: None.

7. Risk exposure to CCP: None.

e. Explanations Related to Securitization Positions: None.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

f. Explanations on Market Risk

Market risk is the probability of impairment of in/off balance sheet positions based on fluctuations in market risk factors. Fluctuations in market risk factors states changes occurring in interest rates, exchange rates, share prices, commodity prices and volatility. Exchange rate and interest rate risks are considered as two of the most significant components forming market risk and derivative financial transactions are made in order to provide hedging from exposed financial risks, when required.

The Bank manages market risk in line with Market Risk Management Policy including rules and limits to be adopted related to management of trading portfolio and required actions to be taken in case of non-compliance. Trading Portfolio Strategy, approved by Board of Directors, determines which products shall be reviewed under trading portfolio. Principles, policies and risk limits with respect to management of market risk are approved by Board of Directors, reviewed periodically and applied by senior management of the Bank and related departments.

The Bank applies legal and internal limits which are determined in scope of measurement of market risk belonging to trading portfolio and approved by Board of Directors. Foreign exchange position, interest rate and volatility limits are included in various breakdowns under internal limits and compliance with limits are monitored and reported daily by Risk Management Department.

Legal capital requirement, sourcing from Market Risk, is calculated and reported using standard method in line with principles related to Calculation of Value at Market Risk of Regulation on Measurement and Evaluation of Bank's Capital Adequacy.

Responsibilities of Board of Directors, Member of Board of Directors Responsible from Internal Systems, General Manager, Asset-Liabilities Committee (ALCO), Treasury Department, Finance Department and Risk Management Department with respect to management of Market Risk are determined and detailed in Market Risk Management Policy.

Treasury Front-Office system and Banking Application is used related to measurement and reporting of Market Risk and integration process of a risk software application is still going on.

Standardised approach

	31 December 2021	31 December 2020
	RWA	RWA
Outright products		
1 Interest rate risk (general and specific)	276.411	866.422
2 Equity risk (general and specific)	37.975	21.600
3 Foreign exchange risk	386.625	76.513
4 Commodity risk	407.789	1.690
Options		
5 Simplified approach	-	-
6 Delta-plus method	92.488	143.575
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	1.201.288	1.109.800

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

X. Explanations on Risk Management (continued)

g. Explanations on Operational Risk

Basic indicator approach:

The annual gross income is composed of net interest income and net non-interest income after deducting realised gains/losses from the sale of securities classified as financial assets at fair value through other comprehensive income (previously, available for sale) and financial assets measured at amortized cost (previously, held-to-maturity), extraordinary income and income derived from insurance claims at year-end.

The value at operational risk is calculated according to the basic indicator approach of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No. 28337 dated June 28, 2012.

	2 PY Amount	1 PY Amount	CY Amount	Total / Total number of years for which gross income is positive	Rate (%)	Total
Gross income	1.319.634	1.345.000	1.203.049	1.289.228	15	193.384
The amount subject to operational risk (Total*12,5)						2.417.300

XI. Explanations on Hedge Accounting

The Bank, utilize derivative instruments effectively in the process of asset and liability management. In this context, the Bank applies TAS 39 standard for hedge accounting.

As of December 31, 2021, The Bank applies cash flow hedge accounting using interest swap transactions to hedge its TL customer deposits partially amounting to 1.125.000 TL with short term cyclical basis (31 December 2020: None).

Within the scope of cash flow hedge accounting, the amount on balance sheet under "Derivative financial assets at fair value through other comprehensive income" is TL 92.436, the effective portion of the change in the fair value of the hedging instrument which is accounted for in the equity under "Other accumulated comprehensive income that will be reclassified in profit or loss" after tax is amounting to TL 23.938 and the ineffective portion of derivative financial liabilities accounted under "Profit/losses from derivative financial transactions" within the income statement is nil.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

XII. Explanations on Segment Reporting

Organized to operate in all operational aspects of banking under the scope of 4th Article of the Banking Law, the Bank is providing diversified financial solutions focused on capital financing, foreign trade, project finance, non-cash products, cash management and internet banking services to commercial (segregated as Corporate, Commercial and SME prior to unification under Commercial Banking in 2018) customers. Retail Banking, formed under three major divisions, namely, Retail Loans, Bank and Credit Cards and Wealth Management, serves to the financial needs of customers through branches, internet and mobile channels. Treasury and Capital Markets department is managing TL and FCY liquidity in healthy and sustainable manner, performing profit oriented trading activities in the market within the limits given by the Board. In addition, Treasury sales unit delivers pricing services of government bills and bonds, Eurobonds and derivatives to the Bank customers.

Current Period (1 January-31 December 2021)	Commercial Banking	Retail Banking	Other and Unallocated (*)	Bank's Total Activities
Net Interest Income	458.250	196.433	530.762	1.185.445
Net Fee and Commission Income	68.250	37.605	(3.209)	102.646
Dividend Income	-	-	-	-
Other Operating Income and Net Profit/Loss	731.517	101.256	26.359	859.132
Operating Income	1.258.017	335.294	553.912	2.147.223
Other Operating Expenses	(151.897)	(265.502)	(352.931)	(770.330)
Credit and Other Provisions	(820.396)	(30.181)	(287.731)	(1.138.308)
Profit Before Tax	285.724	39.611	(86.750)	238.585
Tax Provision	-	-	(32.897)	(32.897)
Net Profit	285.724	39.611	(119.647)	205.688
Total Asset	26.222.458	496.712	28.746.835	55.466.005
Segment Assets	26.222.458	496.712	28.746.835	55.466.005
Total Liability	12.847.179	24.962.140	17.656.686	55.466.005
Segment Liability	12.847.179	24.962.140	10.255.843	48.065.162
Subordinated Loan	-	-	3.833.893	3.833.893
Equity	-	-	3.566.950	3.566.950

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

Prior Period (1 January-31 December 2020)	Commercial Banking	Retail Banking	Other and Unallocated (*)	Bank's Total Activities
Net Interest Income	386.060	196.151	496.479	1.078.690
Net Fee and Commission Income	56.052	26.805	(5.338)	77.519
Dividend Income	-	-	-	-
Other Operating Income and Net Profit/Loss	371.217	70.853	31.204	473.274
Operating Income	813.329	293.809	522.345	1.629.483
Other Operating Expenses	(143.860)	(247.727)	(288.664)	(680.251)
Credit and Other Provisions	(668.159)	2.648	(115.795)	(781.306)
Profit Before Tax	1.310	48.730	117.886	167.926
Tax Provision	-	-	(33.717)	(33.717)
Net Profit	1.310	48.730	84.169	134.209
Total Asset	20.043.472	604.905	19.387.452	40.035.829
Segment Assets	20.043.472	604.905	19.387.452	40.035.829
Total Liability	7.018.564	17.705.171	15.312.094	40.035.829
Segment Liability	7.018.564	17.705.171	9.747.187	34.470.922
Subordinated Loan	-	-	2.109.077	2.109.077
Equity	-	-	3.455.830	3.455.830

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

XIII. Information on international risk ratings

FITCH RATINGS (June 2021)

Long Term FC B+ / Stable Outlook	B
Short Term FC B	B
Long Term TL BB-/ Stable Outlook	B
Short Term TL B	B
Financial Capacity b+	B
Support	5
NSR AA(tur)	BBB(tur)
Long Term National Scale Rating (NSR) Stable	Negative
Subordinated Notes B	CCC+

MOODY'S RATINGS (August 2020)

Outlook	Negative
Long Term FC Deposit	Caa1
Long Term TL Deposit	Ba1.tr
Short Term FC Deposit	NP
Short Term TL Deposit	TR-4
Baseline Credit Assessment	caa1
Adjusted Baseline Credit Assessment	caa1
Long Term National Scale Rating	Baa1.tr
Short Term National Scale Rating	TR-2

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

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

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	54.693	1.083.980	31.322	252.891
Balances with the Central Bank of Turkey	643.530	7.660.206	247.452	4.344.430
Other	-	-	-	-
Total	698.223	8.744.186	278.774	4.597.321

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

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Unrestricted Demand Deposit	643.530	2.298.863	247.452	1.584.987
Unrestricted Time Deposit	-	612.491	-	364.565
Restricted Time Deposit	-	4.748.852	-	2.394.878
Total	643.530	7.660.206	247.452	4.344.430

c) Explanations related to reserve deposits:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold.

The required reserve rates for TL liabilities vary between 3 % and 8% for TL deposits and other liabilities according to their maturities as of 31 December 2021 (31 December 2020: 1 % and 6% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 26% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2021 (31 December 2020: 5% and 22% for all foreign currency liabilities).

With the Communiqué numbered 2019/15, and dated August 9, 2019, the application of required reserve ratios differentiated according to loan growth was abolished on 11 December 2020. 8,5% interest rate is applied by the CBRT for Required Reserves in Turkish Lira. No interest is paid for required reserves kept in USD by the CBRT since 19 September 2019.

Within the scope of the Communiqué No. 2021/14 on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts, the conversion rate from foreign currency deposit accounts in US dollars, Euros and British Pounds and participation fund accounts in foreign currency to time deposits and participation funds in Turkish lira as of the obligation date of 15/4/2022 It has been decided not to apply an annual commission of 1,5% to the banks that have reached the 10% level and the 20% level as of the 8/7/2022 obligation date, up to the amount to be kept for their liabilities until the end of 2022.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(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 2020: None).

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2020: None).

b) Positive differences related to derivative financial assets held-for-trading:

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Forward Transactions	128.538	4.439	44.149	23.452
Swap Transactions	1.486.029	1.567.496	771.242	1.388.381
Futures Transactions	-	-	-	-
Options	394.891	28.927	15.376	6.880
Other	-	-	-	-
Total	2.009.458	1.600.862	830.767	1.418.713

3. Information on banks:

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Banks				
Domestic	186	82.417	150.215	37.815
Foreign	-	3.767.511	-	2.627.442
Branches and head office abroad	-	-	-	-
Total	186	3.849.928	150.215	2.665.257

Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
European Union Countries	164.774	88.967	7.350	10.117
USA and Canada	1.879.323	813.516	-	-
OECD Countries	154.650	2.695	-	-
Other	9.189	132.010	1.552.225	1.580.137
Total	2.207.936	1.037.188	1.559.575	1.590.254

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

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

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	613.194	3.694.661	366.663	1.894.112
Other	-	-	-	-
Total	613.194	3.694.661	366.663	1.894.112

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

As of 31 December 2021, financial assets at fair value through other comprehensive income subject to repurchase agreements: TL 1.857.808 (31 December 2020: TL 3.345.438).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

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

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

	31 December 2021	31 December 2020
Debt securities	10.333.261	7.093.509
Quoted on a stock exchange	10.333.261	7.093.509
Not quoted	-	-
Share certificates	5.256	5.110
Quoted on a stock exchange	-	-
Not quoted	5.256	5.110
Value Increase/Impairment Losses (-)	299.077	17.381
Total	10.039.440	7.081.238

5. Information on loans:

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

	31 December 2021		31 December 2020	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	424	15.486	-	24.198
Loans granted to employees	5.134	-	5.136	-
Total	5.558	15.486	5.136	24.198

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

5. Information on loans (continued)

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

31 December 2021

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	16.739.788	2.493.644	-	6.346.562
Loans given to enterprises	-	-	-	5.825.501
Export loans	1.914.430	-	-	11.168
Import loans	-	-	-	-
Loans given to financial sector	1.140.498	-	-	-
Consumer loans	175.901	15.708	-	17.829
Credit cards	135.833	2.812	-	2.137
Other	13.373.126	2.475.124	-	489.927
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	16.739.788	2.493.644	-	6.346.562

(*) 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 445.720.

31 December 2020

Cash Loans	Standard loans	Loans under close monitoring (*)		
		Not under the scope of restructuring	Loans under restructuring	
			Modifications on agreement conditions	Refinancing
Non-specialized loans	12.498.959	4.309.965	-	2.170.557
Loans given to enterprises	-	-	-	-
Export loans	1.302.181	23.863	-	19.525
Import loans	-	-	-	-
Loans given to financial sector	943.701	-	-	-
Consumer loans	254.957	22.979	-	40.279
Credit cards	113.829	2.150	-	6.148
Other	9.884.291	4.260.973	-	2.104.605
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	12.498.959	4.309.965	-	2.170.557

(*) 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 1.339.837.

First and Second Stage Expected Loss Provisions	31 December 2021		31 December 2020	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month provisions for possible losses	119.320	-	92.773	-
Significant increase in credit risk	-	1.297.235	-	839.561
Total	119.320	1.297.235	92.773	839.561

(*) The expected loss provision amounting to TL 6.156 related to other financial assets measured at amortized cost is not included.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

5. Information on loans (continued)

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

31 December 2021	Commercial	Retail	Total
Standard Loans	16.447.515	292.273	16.739.788
Watchlist	8.350.732	43.754	8.394.486
Significant Increase in Credit Risk	445.720	-	445.720
Non-performing Loans	1.867.157	121.971	1.989.128
Specific Provision (-)	(869.302)	(65.008)	(934.310)
Total	26.241.822	392.990	26.634.812

(*) According to the internal segmentation of the bank

31 December 2020	Commercial	Retail	Total
Standard Loans	12.121.279	377.680	12.498.959
Watchlist	5.054.517	86.168	5.140.685
Significant Increase in Credit Risk	1.339.837	-	1.339.837
Non-performing Loans	2.157.785	122.698	2.280.483
Specific Provision (-)	(857.564)	(68.904)	(926.468)
Total	19.815.854	517.642	20.333.496

(*) According to the internal segmentation of the bank

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

5. Information on loans (continued)

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

31 December 2021	Short Term	Medium and Long Term	Total
Consumer Loans – TL	6.167	188.371	194.538
Housing Loans	24	141.272	141.296
Car Loans	-	36	36
General Purpose Loans	6.143	47.063	53.206
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	113.031	1.658	114.689
With Installments	13.901	1.658	15.559
Without Installments	99.130	-	99.130
Individual Credit Cards-FC	144	-	144
With Installments	-	-	-
Without Installments	144	-	144
Personnel Loans - TL	306	3.428	3.734
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	306	3.428	3.734
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	1.398	2	1.400
With Installments	215	2	217
Without Installments	1.183	-	1.183
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	11.165	-	11.165
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	132.211	193.459	325.670

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(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 2020	Short Term	Medium and Long Term	Total
Consumer Loans – TL	4.566	296.147	300.713
Housing Loans	-	221.555	221.555
Car Loans	-	211	211
General Purpose Loans	4.566	74.381	78.947
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	113.451	4.633	118.084
With Installments	16.681	4.633	21.314
Without Installments	96.770	-	96.770
Individual Credit Cards-FC	25	-	25
With Installments	-	-	-
Without Installments	25	-	25
Personnel Loans - TL	95	3.959	4.054
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	95	3.959	4.054
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	1.080	2	1.082
With Installments	172	2	174
Without Installments	908	-	908
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	13.448	-	13.448
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	132.665	304.741	437.406

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

5. Information on loans (continued)

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

31 December 2021	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	1.015.959	6.009.697	7.025.656
Business Loans	-	849	849
Car Loans	5.604	77.125	82.729
General Purpose Loans	1.010.231	5.919.044	6.929.275
Other	124	12.679	12.803
Commercial loans with installment facility-Indexed to FC	-	51.452	51.452
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	51.452	51.452
Other	-	-	-
Commercial loans with installment facility -FC	363.326	10.708.548	11.071.874
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	363.326	10.708.548	11.071.874
Other	-	-	-
Corporate Credit Cards-TL	24.548	-	24.548
With Installments	563	-	563
Without Installments	23.985	-	23.985
Corporate Credit Cards-FC	1	-	1
With Installments	-	-	-
Without Installments	1	-	1
Overdraft Accounts-TL (Legal Entities)	3.778	-	3.778
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	1.407.612	16.769.697	18.177.309

f) Distribution of credits by users:

	31 December 2021	31 December 2020
Public	163.542	138.016
Private	25.416.452	18.841.465
Total	25.579.994	18.979.481

g) Distribution of domestic and foreign loans:

	31 December 2021	31 December 2020
Domestic loans	25.428.269	18.695.133
Foreign loans	151.725	284.348
Total	25.579.994	18.979.481

h) Loans granted to subsidiaries and associates: None. (31 December 2020: None)

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

	31 December 2021	31 December 2020
Expected credit losses		
Loans with limited collectability	67.458	138.865
Loans with doubtful collectability	8.835	28.591
Uncollectible loans	858.017	759.012
Total	934.310	926.468

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(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)

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

j.1) Information on loans and other receivables which are restructured or rescheduled within non-performing portfolio:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period			
(Gross amounts before provisions)	-	2.844	128.744
Restructured loans and other receivables	-	2.844	128.744
Prior Period			
(Gross amounts before provisions)	8.440	-	69.092
Restructured loans and other receivables	8.440	-	69.092

j.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 2020 balance	200.435	58.878	2.021.170
Additions (+)	84.290	84.393	90.472
Transfers from other categories of non-performing loans (+)	-	135.214	241.369
Transfers to other categories of non-performing loans (-)	135.214	241.369	-
Collections (-)	6.697	15.382	496.246
Write-offs (-)	-	-	32.185
Sold	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other (-)	-	-	-
31 December 2021 balance	142.814	21.734	1.824.580
Specific provision (-)	67.458	8.835	858.017
Net Balances on Balance Sheet	75.356	12.899	966.563

j.3) Information on foreign currency non-performing loans and other receivables:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period			
Period end balance	-	-	607.290
Provision (-)	-	-	254.339
Net Balances on Balance Sheet	-	-	352.951
Prior Period			
Period end balance	32.889	-	591.926
Provision (-)	32.889	-	147.872
Net Balances on Balance Sheet	-	-	444.054

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(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)

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 December 2021 (Net)	75.356	12.899	966.563
Loans to Real Persons and Legal Entities (Gross)	142.814	21.734	1.824.580
Specific provision (-)	67.458	8.835	858.017
Loans to Real Persons and Legal Entities (Net)	75.356	12.899	966.563
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
31 December 2020 (Net)	134.362	36.837	1.182.816
Loans to Real Persons and Legal Entities (Gross)	200.435	58.878	2.021.170
Specific provision (-)	66.073	22.041	838.354
Loans to Real Persons and Legal Entities (Net)	134.362	36.837	1.182.816
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

j.5) Information on interest accruals, rediscounts and valuation differences calculated for non-performing loans and their provisions:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net)			
Interest Accruals, Rediscounts and Valuation Differences	347	413	552.163
Special Provision Amount (-)	347	413	552.163
Prior Period (Net)	-	-	-
Interest Accruals, Rediscounts and Valuation Differences	97	1.869	420.371
Special Provision Amount (-)	68	1.309	294.260

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

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 29750 dated June 22, 2016; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 31 December 2021, the net amount after provisions of the non-performing loans and receivables is TL 966.563 (31 December 2020: TL 1.182.816).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(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)

l) Explanations on write-off policy:

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on November 27, 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as "Uncollectible loans" if it cannot reasonably be expected to be recovered. Loans and receivables considered as non-collectable are written-off pursuant to approval of Board of Directors (BoD) and other related departments. As of 31 December 2021, The Bank has written-off TL 32.185 of non-performing loan portfolio. As of 31 December 2021, The Bank has written-off TL 32.185 of non-performing loan portfolio which has 100% provision

6. Information on financial assets measured at amortized cost:

- a) Information on financial assets given as collateral or blocked: As of 31 December 2021, financial assets measured at amortized cost given as collateral is amounting to TL 616.352 (31 December 2020: TL 495.999).
- b) Investments and legal liabilities subject to repurchase agreements: As of 31 December 2021, financial assets measured at amortized cost subject to repurchase agreements is amounting to TL 644.937 (31 December 2020: TL 562.864).
- c) The Bank has TL 1.335.040 financial assets measured at amortized cost as of 31 December 2021 (31 December 2020: TL 1.058.863).
- d.1) Government securities measured at amortised cost:

	31 December 2021	31 December 2020
Government Bonds	1.263.031	1.058.863
Treasury Bills	-	-
Other Government Securities	72.009	-
Total	1.335.040	1.058.863

	31 December 2021	31 December 2020
Debt securities		
Quoted on a stock exchange	1.335.040	1.058.863
Not quoted	-	-
Value Increase/Impairment Losses (-)	-	-
Total	1.335.040	1.058.863

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

	31 December 2021	31 December 2020
Beginning Balance	1.058.863	2.352.629
Foreign Currency Differences on Monetary Assets (*)	525.071	(120.082)
Purchases During Year	71.232	30.193
Disposals Through Sales and Redemptions (**)	(320.126)	(1.203.877)
Impairment Provision (-)	-	-
Total	1.335.040	1.058.863

(*) Represents exchange differences and accrual interest.

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(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 2020: None).

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period (31 December 2020: None).

9. Information on jointly controlled entities (Net):

The Bank has no jointly controlled entities in the current period (31 December 2020: None).

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period (31 December 2020: None).

11. Information on derivative financial assets for hedging purposes:

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	92.436	-	-	-
Net Investment Hedge	-	-	-	-
Total	92.436	-	-	-

12. Information on tangible assets (Net):

	Closing Balance December 31,				Change in estimate	Ending Balance December 31, 2021
	2020	Additions	Disposals	Other		
Cost:						
Land and buildings	9.174	-	-	-	-	9.174
Leased tangible assets	163.077	14.124	-	-	-	177.201
Vehicles	-	-	-	-	-	-
Other	284.940	27.111	(12.209)	-	-	299.842
Total Cost	457.191	41.235	(12.209)	-	-	486.217
Accumulated Depreciation:						
Land and buildings	1.498	183	-	-	-	1.681
Leased tangible assets	62.404	33.359	(13.829)	-	-	81.934
Vehicles	-	-	-	-	-	-
Other	204.253	28.197	(11.638)	-	-	220.812
Total Accumulated Depreciation	268.155	61.739	(25.467)	-	-	304.427
Net Book Value	189.036	(20.504)	13.258	-	-	181.790

a) Disclosure for impairment losses or releases individually material for financial statements:

a.1) Conditions for allocating/releasing any impairment: None. (31 December 2020: None)

a.2) Amount of impairment losses provided or released in financial statements during current period: None (31 December 2020: None).

b) Disclosure on conditions and amounts of allocating / releasing any impairment as per asset class, which are not individually but on an aggregated basis material to financial statements: None (31 December 2020: None).

c) Restriction on tangible assets, capitalized expenditures and purchase commitments: None (31 December 2020: None).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

13. Information on intangible assets:

	Closing Balance December 31, 2020	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2021
Cost:						
Software cost	294.900	85.332	-	-	-	380.232
Other intangible assets	-	-	-	-	-	-
Total Cost	294.900	85.332	-	-	-	380.232
	Closing Balance December 31, 2020	Period Charge	Disposals	Other	Change in estimate	Ending Balance December 31, 2020
Accumulated Depreciation:						
Software cost	197.531	35.575	-	-	-	233.106
Other intangible assets	-	-	-	-	-	-
Total Accumulated Depreciation	197.531	35.575	-	-	-	233.106
Net Book Value	97.369	49.757	-	-	-	147.126

14. Investment Property (Net):

None (31 December 2020: None).

15. Explanations on deferred tax assets:

- a) As of 31 December 2021, the Bank has deferred tax asset amounting to TL 256.329 arising from deductible temporary differences (31 December 2020: TL 227.363).

	Current Period		Prior Period	
Timing differences constituting the basis for deferred tax	Basis	Deferred tax asset/(liability)	Basis	Deferred tax asset/(liability)
Difference between net book value and tax value of financial assets	53.856	10.855	68.587	13.717
Provisions	2.760.097	571.979	2.058.998	411.800
Valuation differences	2.973.831	623.100	2.163.483	432.697
Deferred commissions	36.862	7.372	37.550	7.510
Tangible assets differences	15.922	3.184	11.076	2.215
Financial Loss	-	-	-	-
Other	76.809	17.753	65.728	13.146
Deferred Tax Asset	5.917.377	1.234.243	4.405.422	881.085
Valuation differences	3.702.756	777.579	2.320.184	464.037
Provisions	855.124	171.025	844.233	168.847
Other	147.876	29.310	104.190	20.838
Deferred Tax Liability (-)	4.705.756	977.914	3.268.607	653.722
Total deferred tax assets, net	1.211.621	256.329	1.136.815	227.363

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

15. Explanations on deferred tax assets:

- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None (31 December 2020: None).

Net deferred tax asset / (debt)	Current Period (1 January-31 December 2021)	Prior Period (1 January-31December 2020)
As of January 1	227.363	245.840
TFRS 16 transition effect	-	-
TFRS 9 transition effect	-	-
Deferred tax income/(expense) in profit or loss table	4.852	(12.832)
Deferred tax income / (expense) under equity	24.114	(5.645)
Ending balance	256.329	227.363

- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None (31 December 2020: None).

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

As of 31 December 2021, the Bank has assets held for sale and discontinued operations amounting to TL 296.839 (31 December 2020: TL 672.505).

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

As of 31 December 2021, the right of repurchase value of assets of the Bank is TL 119.669 (31 December 2020: TL 471.297).

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 2020: None).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a) 31 December 2021

	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	369.129	-	1.866.924	3.542.895	679.912	354.960	1.228.831	-	8.042.651
Foreign currency deposits	3.866.856	-	4.629.731	14.553.988	865.197	103.264	133.750	-	24.152.786
Residents in Turkey	3.726.059	-	4.566.882	14.143.219	857.071	100.540	124.839	-	23.518.610
Residents abroad	140.797	-	62.849	410.769	8.126	2.724	8.911	-	634.176
Public sector deposits	57.891	-	-	-	-	-	-	-	57.891
Commercial deposits	774.483	-	542.485	863.288	7.933	64.852	2.900	-	2.255.941
Other institutions deposits	1.317	-	2.381	31.280	1.109	-	420.018	-	456.105
Precious metals deposits	2.950.216	-	17.222	124.009	-	-	-	-	3.091.447
Interbank deposits	10.856	-	304.480	44.931	-	-	-	-	360.267
Central Bank of Turkey	-	-	304.480	-	-	-	-	-	304.480
Domestic Banks	-	-	-	44.931	-	-	-	-	44.931
Foreign Banks	10.856	-	-	-	-	-	-	-	10.856
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	8.030.748	-	7.363.223	19.160.391	1.554.151	523.076	1.785.499	-	38.417.088

Foreign exchange-protected deposit instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 31 December 2021, total deposit amount includes TL 489.997 thousand TL deposits within this scope.

31 December 2020

	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	171.792	-	1.511.236	3.405.705	516.085	33.774	729.743	-	6.368.335
Foreign currency deposits	1.746.555	-	2.538.647	10.233.087	703.735	141.138	85.658	-	15.448.820
Residents in Turkey	1.659.315	-	2.511.568	10.082.244	629.463	140.532	63.046	-	15.086.168
Residents abroad	87.240	-	27.079	150.843	74.272	606	22.612	-	362.652
Public sector deposits	126.185	-	-	631	-	-	-	-	126.816
Commercial deposits	324.115	-	392.941	399.039	3.962	506	4.956	-	1.125.519
Other institutions deposits	1.321	-	2.391	55.321	20.943	30.343	88	-	110.407
Precious metals deposits	1.576.042	-	12.265	45.884	-	-	-	-	1.634.191
Interbank deposits	641.592	-	176.309	7.205	-	-	-	-	825.106
Central Bank of Turkey	-	-	168.869	-	-	-	-	-	168.869
Domestic Banks	-	-	7.440	7.205	-	-	-	-	14.645
Foreign Banks	641.592	-	-	-	-	-	-	-	641.592
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	4.587.602	-	4.633.789	14.146.872	1.244.725	205.761	820.445	-	25.639.194

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

1. Information on maturity structure of deposits (continued):

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

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

Saving deposits (*)	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Saving deposits	2.581.661	2.629.268	5.460.990	3.739.067
Foreign currency saving deposits	1.975.430	1.659.358	15.839.206	9.829.626
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	4.557.091	4.288.626	21.300.196	13.568.693

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

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

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

	31 December 2021	31 December 2020
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chair, members of the Board of Directors and assistant general managers and their close families	8.413	6.487
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

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

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

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Forward Transactions	215.654	64.838	16.799	17.695
Swap Transactions	794.406	1.488.071	716.449	1.399.463
Futures Transactions	-	-	-	-
Options	145.784	19.996	29.736	6.574
Other	-	-	-	-
Total	1.155.844	1.572.905	762.984	1.423.732

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

3. Information on borrowings:

a) Information on banks and other financial institutions:

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
From Domestic Banks and Institutions	-	-	1.040	15.209
From Foreign Banks, Institutions and Funds	-	1.708.596	-	1.390.922
Total	-	1.708.596	1.040	1.406.131

b) Maturity analysis of borrowings:

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Short-term	-	-	1.040	15.209
Medium and long-term	-	1.708.596	-	1.390.922
Total	-	1.708.596	1.040	1.406.131

4. Information on funds provided from repurchase agreement transactions:

Funds Provided Under Repurchase Agreements:

	31 December 2021	31 December 2020
Funds Provided Under Repurchase Agreements	2.224.902	3.545.993
Total	2.224.902	3.545.993

5. Marketable Securities Issued (Net):

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Bills	-	-	499.200	-
Bonds	-	-	63.846	-
Total	-	-	563.046	-

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 2020: None).

7. Explanations on lease obligations (Net):

	31 December 2021		31 December 2020	
	Gross	Net	Gross	Net
Less Than 1 Year	7.820	7.290	6.758	6.368
Between 1-4 Years	99.176	78.390	47.354	34.720
More Than 4 Years	54.275	34.500	121.683	79.866
Total	161.271	120.180	175.795	120.954

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

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

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	-	-	-	-
Net Investment Hedge	-	-	-	-
Total	-	-	-	-

As of 31 December 2021, the Bank has no derivative financial liabilities subject to cash flow hedge accounting (31 December 2020: None).

9. Information on provisions:

a) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: None (31 December 2020: None).

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

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

	31 December 2021	31 December 2020
Employee termination benefit provision	26.355	16.611
Unused vacation provision	9.513	7.895
Total of provision for employee benefits	35.868	24.506

The Bank reserved for employee severance indemnities using actuarial method in compliance with the Turkish Accounting Standard 19 (TAS 19) "Employee Benefits" for all its employees who is retired or whose employment is terminated, called up for military service or died.

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

	31 December 2021	31 December 2020
Balance at the beginning of period	16.611	8.216
Service Cost	3.273	2.439
Interest expense	2.892	1.879
Actuarial gain/loss (*)	7.120	5.717
Payments during the period	(3.541)	(1.640)
Balance at the end of period	26.355	16.611

(*) Recognized in other comprehensive income.

	Current Period	Prior Period
Discount rate in real terms	% 3,33	% 3,01
Interest rate	% 24,00	% 12,80
Estimated salary/ Employee termination benefit increase rate	% 20,00	% 9,50

c) Information on other provisions:

c.1) Provisions for possible losses: TL 130.000 (31 December 2020: None).

c.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions: Other provisions consist of litigation provision amounting to TL 60.113 (31 December 2020: TL 27.000), provision for credit cards promotion and banking services amounting to TL 1.048 (31 December 2020: TL 3.316) and other provisions amounting to TL 65.550 (31 December 2020: TL 55.787).

c.3) Expected loss provisions for non-cash loans: TL 49.466 (31 December 2020: TL 52.054 provision).

c.4) Information on provisions for non-cash loans that are non-funded and non-transformed into cash: TL 9.256 (31 December 2020: TL 9.888 provision).

d) Liabilities on pension rights: None.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

- d.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2020: None).
- d.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None (31 December 2020: None).

10. Explanations on taxes payable:

- a) Information on current tax liability:

- a.1) Information on corporate tax:

As of 31 December 2021, the provision of corporate income tax: None (31 December 2020: TL 17.847).

- a.2) Explanations on taxes payable:

	31 December 2021	31 December 2020
Withholding tax on deposits	27.357	26.116
BITT	23.006	9.026
Payroll Tax	6.050	4.339
Property Tax	407	1.279
Value Added Tax Payable	5.580	2.654
Stamp Tax	188	160
Corporate Taxes Payable	-	17.847
Foreign Exchange Tax	4.964	649
Other	729	533
Total	68.281	62.603

- a.3) Information on premiums:

	31 December 2021	31 December 2020
Social Security Premiums-Employee	2.339	1.895
Social Security Premiums-Employer	2.694	2.147
Unemployment Insurance-Employer	326	265
Unemployment Insurance-Employee	163	132
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	5.522	4.439

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

- 11. Information on liabilities regarding assets held for sale and discounted operations:** None (31 December 2020: None).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

12. Information on subordinated loans:

	31 December 2021 (*)		31 December 2020	
	TL	FC	TL	FC
Debt instruments to be included in core capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	3.833.893	-	2.109.077
Subordinated loans	-	-	-	-
Subordinated debt	-	3.833.893	-	2.109.077
Total	-	3.833.893	-	2.109.077

(*) 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. As of 31 December 2021, the total amount of Tier II sub-loan the Bank has bought back amounts to USD 24.535 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 31 December 2021, the Bank's paid in capital consists of TL 3.288.842.000 shares which nominal value is TL 1(full TL).

TL	31 December 2021	31 December 2020
Common stock (*)	3.288.842	3.288.842
Preferred stock	-	-
Total	3.288.842	3.288.842

(*) Nominal Capital

b) The registered capital system is not applied in the bank.

c) Information on share capital increases from revaluation funds in the current period: None.

d) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.

e) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The Bank takes timely action to strengthen its equity in accordance with previous indicators of the Bank's income, profitability and liquidity and taking into consideration and evaluations made within the frame of those indicators and changes in accounting policies.

f) Information on preferred shares: None.

g) Information on preferred shares: None.

h) Information on marketable securities value increase fund:

	31 December 2021		31 December 2020	
	TP	YP	TP	YP
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	115.272	(158.796)	(3.645)	67.711
Foreign Exchange Difference	-	-	-	-
Toplam	115.272	(158.796)	(3.645)	67.711

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

13. Information on Shareholders' Equity (continued):

i) Information on legal reserves:

	31 December 2021	31 December 2020
Primary Legal Reserves	36.415	29.705
Secondary Legal Reserve	-	-
Other Legal Reserves Per Special Legislation	-	-
Total	36.415	29.705

The Bank, in accordance with Article 519 of the Turkish Commercial Code No.6102, decided in the Extraordinary General Assembly on March 24, 2021 to book legal reserves of TL 6.710, which is 5% of the distributable net statutory profit of TL 134.209 and the remaining amount of TL 127.499 has been decided to be reserved as extraordinary reserves.

j) Earnings per share:

	31 December 2021	31 December 2020
Bank's profit	205.688	134.209
Weighted Average Number of Issued Ordinary Shares (Thousand)	3.288.842	3.288.842
Earnings Per Share (Full TL)	0,063	0,041

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

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

Within the scope of this regulation, capital companies will be able to decide to distribute only 25% of the 2021 net profit for the general assemblies they will hold until 31 March 2022, and prior-years' profits and free reserves will not be subject to profit distribution. In addition, the board of directors can not be authorized by the general assembly to distribute advance dividends. The duration of such restrictions and restrictions may be extended or shortened by a decision of the President for three months.

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

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 31 December 2021, the net amount after provisions of the non-performing loans and receivables in the fifth group (in Stage 3) is TL 966.563 (31 December 2020: TL 1.182.816).

14. Information on minority shares:

None.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

(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:

	31 December 2021	31 December 2020
Forward asset purchase and sales commitments	3.093.542	3.386.417
Loan granting commitments	620.130	430.136
Commitments for checks	62.333	48.352
Credit card limit commitments	396.015	404.739
Other irrevocable commitments (*)	29.880	19.153
Total	4.201.900	4.288.797

(*) Other irrevocable commitments includes promotion practices commitment regarding credit cards and banking services

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

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

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

	31 December 2021	31 December 2020
Letters of guarantee	4.395.474	2.332.498
Letters of credit	2.215.994	867.081
Bank acceptance loans	4.976	9.759
Other guarantees	2.066.867	2.176.268
Total	8.683.311	5.385.606

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

	31 December 2021	31 December 2020
Definite letter of guarantees	3.134.625	1.522.493
Temporary letter of guarantees	111.798	88.106
Other letter of guarantees	1.149.051	721.899
Total	4.395.474	2.332.498

c) Total amount of non-cash loans:

	31 December 2021	31 December 2020
Non-cash loans given to cover cash loans	859.750	631.460
With maturity of 1 year or less than 1 year	236.742	154.491
With maturity of more than 1 year	623.009	476.969
Other non-cash loans	7.823.561	4.754.146
Total	8.683.311	5.385.606

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

1. Information on off-balance sheet liabilities (continued):

c.2) Information on sectoral risk breakdown of non-cash loans and irrevocable loan commitments (excluding forward asset sales and purchase commitments):

	December 31, 2021 (*)			
	TL	(%)	FC	(%)
Agricultural	31.941	0,94	51.340	0,97
Farming and raising livestock	29.613	0,87	51.340	0,97
Fores TL	-	0,00	-	0,00
Fishery	2.328	0,07	-	0,00
Manufacturing	1.152.869	33,78	2.949.146	55,96
Mining	23.065	0,68	20.235	0,38
Production	1.116.956	32,73	2.922.166	55,44
Electric, gas and water	12.848	0,38	6.745	0,13
Construction	479.349	14,05	180.174	3,42
Services	1.488.783	43,62	1.640.020	31,12
Wholesale and retail trade	817.050	23,94	777.669	14,76
Hotel, food and beverage services	10.311	0,30	74.418	1,41
Transportation and telecommunication	129.656	3,80	308.695	5,86
Financial institutions	347.253	10,18	414.243	7,86
Real estate and renting services	64.836	1,90	29.845	0,57
Self-employment services	31.935	0,94	919	0,02
Education services	100	0,00	-	0,00
Health and social services	87.642	2,57	34.231	0,65
Other	259.834	7,61	449.855	8,53
Total	3.412.776	100,00	5.270.535	100,00

(*) Classified according to type of principal activity of costumers.

	December 31, 2020 (*)			
	TL	(%)	FC	(%)
Agricultural	29.125	1,30	80.865	2,57
Farming and raising livestock	26.865	1,20	65.553	2,08
Fores TL	-	0,00	-	0,00
Fishery	2.260	0,10	15.312	0,49
Manufacturing	797.686	35,63	1.949.874	61,97
Mining	42.302	1,89	7.656	0,24
Production	747.324	33,38	1.909.488	60,69
Electric, gas and water	8.060	0,36	32.730	1,04
Construction	312.158	13,94	189.626	6,03
Services	934.311	41,73	686.312	21,81
Wholesale and retail trade	450.413	20,12	216.509	6,88
Hotel, food and beverage services	1.790	0,08	46.455	1,48
Transportation and telecommunication	112.460	5,02	209.027	6,64
Financial institutions	286.764	12,81	175.402	5,57
Real estate and renting services	34.891	1,56	157	0,00
Self-employment services	13.679	0,61	3.646	0,12
Education services	100	0,00	-	0,00
Health and social services	34.214	1,53	35.116	1,12
Other	165.791	7,40	239.858	7,62
Total	2.239.071	100,00	3.146.535	100,00

(*) Classified according to type of principal activity of costumers.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

1. Information on off-balance sheet liabilities (continued):

c.3) Information on I st and II nd group non-cash loans:

31.12.2021	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans				
Letters of guarantee	3.029.167	930.228	32.354	403.725
Bank acceptances	-	4.976	-	-
Letters of credit	4.211	2.211.783	-	-
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Factoring Commitments	-	-	-	-
Other commitments and contingencies	347.044	1.719.823	-	-
Total	3.380.422	4.866.810	32.354	403.725

31.12.2020	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans				
Letters of guarantee	1.655.844	405.098	31.527	240.029
Bank acceptances	-	9.759	-	-
Letters of credit	-	865.475	-	1.606
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Factoring Commitments	-	-	-	-
Other commitments and contingencies	551.700	1.624.568	-	-
Total	2.207.544	2.904.900	31.527	241.635

2. Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading		Hedging	
	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2020
Types of trading transactions				
Foreign currency related derivative transactions (I):	62.408.835	-	36.427.263	-
Forward transactions	9.313.842	-	3.862.864	-
Swap transactions	36.344.920	-	25.857.995	-
Futures transactions	-	-	-	-
Option transactions	16.750.073	-	6.706.404	-
Interest related derivative transactions (II) :	94.710.600	-	62.107.770	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	67.730.312	-	46.926.490	-
Interest option transactions	26.980.288	-	15.181.280	-
Futures interest transactions	-	-	-	-
Other derivative transactions for trade (III)	-	-	18.559	-
A. Total trading derivative transactions (I+II+III)	157.119.435	-	98.553.592	-
Types of hedging transactions				
Fair value hedges	-	-	-	-
Cash flow hedges	-	2.250.000	-	-
Net investment hedges	-	-	-	-
B. Total hedging related derivatives	-	2.250.000	-	-
Total Derivative Transactions (A+B)	157.119.435	2.250.000	98.553.592	-

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

1. Information on off-balance sheet liabilities (continued):

Forward foreign currency, swap and option transactions include mainly proprietary transactions as well as customer deals, which are entered into for hedging of foreign exchange and interest rate risk purposes regardless of them being subject to hedge accounting and measured at fair value in line with Turkish accounting Standards. Both legs of every derivative transaction are aggregated in the table.

2. Information related to credit derivatives and risk exposures:

None.

3. Explanations on contingent liabilities and assets:

a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.

a.2) Share of jointly controlled entity (joint venture) in its own contingent liabilities: None.

a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in jointly controlled entities (joint ventures): None.

b) Accounting and presentation of contingent assets and liabilities in the financial statements:

b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: None.

b.2) A provision is made for contingent liabilities, if realization is probable and the amount can reliably be determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: None.

4. Explanations on the activities carried out on behalf and account of other persons:

The Bank is engaged in trading and custody of securities on behalf of real and legal persons. The details of the securities taken into custody are presented in the off-balance sheet accounts.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

1. a) Information on interest on loans:

Interest on loans	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Short term loans	761.798	66.583	517.481	70.667
Medium and long term loans	938.915	716.001	501.332	553.038
Interest collected from non-performing loans	172.877	-	206.346	-
Total	1.873.590	782.584	1.225.159	623.705

b) Information on interest received from banks:

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
From The Central Bank of Republic of Turkey	513	-	-	-
From domestic banks	10.997	32	15.798	3.308
From foreign banks	-	6.335	-	43.628
From branches and offices abroad	-	-	-	-
Total	11.510	6.367	15.798	46.936

c) Interest received from marketable securities portfolio:

	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss (Net)	21.234	384	12.743	239
Financial assets at fair value through other comprehensive income	987.379	135.792	419.049	80.897
Financial Assets Measured at Amortized Cost	18.559	55.193	56.952	50.158
Total	1.027.172	191.369	488.744	131.294

2. a) Information on interest on funds borrowed:

Interest on funds borrowed	31 December 2021		31 December 2020	
	TL	FC	TL	FC
Banks	2	43.896	1.022	40.307
The Central Bank of Turkey	-	-	-	-
Domestic banks	2	351	1.022	1.099
Foreign banks	-	43.545	-	39.208
Branches and offices abroad	-	-	-	-
Other institutions	1.329	-	1.250	-
Total	1.331	43.896	2.272	40.307

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

c) Information on interest expense to marketable securities issued: As of 31 December 2021, the Bank has interest expense to Tier II sub-loan issued amounting to TL 285.678 (31 December 2020: TL 278.410).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

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

31 December 2021								
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	-	19.374	-	-	-	-	-	19.374
Saving deposits	223	289.922	618.556	204.571	49.345	292.731	-	1.455.348
Public sector deposits	-	75	126	1.318	-	-	-	1.519
Commercial deposits	35	64.591	150.662	13.285	16.610	6.225	-	251.408
Other deposits	-	746	8.229	2.191	3.746	39.916	-	54.828
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	258	374.708	777.573	221.365	69.701	338.872	-	1.782.477
Foreign Currency								
Foreign currency deposits	50	28.273	159.638	12.188	2.756	2.030	-	204.935
Bank deposits	-	872	-	-	-	-	-	872
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	32	619	3	-	-	-	654
Total	50	29.177	160.257	12.191	2.756	2.030	-	206.461
Grand Total	308	403.885	937.830	233.556	72.457	340.902	-	1.988.938
31 December 2020								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TL								
Bank deposits	-	6.632	-	-	-	-	-	6.632
Saving deposits	-	212.995	293.061	8.125	1.100	134.972	-	650.253
Public sector deposits	-	-	683	605	-	-	-	1.288
Commercial deposits	237	28.630	51.343	739	138	881	-	81.968
Other deposits	2	330	4.830	1.298	709	4	-	7.173
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	239	248.587	349.917	10.767	1.947	135.857	-	747.314
Foreign Currency								
Foreign currency deposits	117	35.218	185.481	15.707	1.660	1.622	-	239.805
Bank deposits	-	41	-	-	-	-	-	41
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	7	34	2	-	-	-	43
Total	117	35.266	185.515	15.709	1.660	1.622	-	239.889
Grand Total	356	283.853	535.432	26.476	3.607	137.479	-	987.203

3. Information on Dividend Income: None (31 December 2020: None).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

4. Information on net trading income:

	31 December 2021	31 December 2020
Income	273.108.485	76.154.246
Gains on capital market operations	50.351	89.313
Gains on derivative financial instruments	7.078.358	3.996.352
Foreign exchange gains	265.979.776	72.068.581
Losses (-)	273.101.264	76.111.358
Losses on capital market operations	15.323	46.856
Losses on derivative financial instruments	6.122.174	4.084.373
Foreign exchange losses	266.963.767	71.980.129
Net Amount	7.221	42.888

5. Information on other operating income:

For the period ended 31 December 2021, other operating income includes reversals from previous years' expenses and other operating income.

	31 December 2021	31 December 2020
Income from Reversal of Prior Years' General and Specific Provisions	758.262	362.657
Income from Reversal of Prior Years' Other Provisions	26.862	19.305
Other Income	66.787	48.424
Total	851.911	430.386

6. Provision for impairment of loans and other receivables:

a) Expected credit loss provisions:

	31 December 2021	31 December 2020
Expected Credit Loss Provisions	964.255	769.366
12-Month Expected Credit Losses (Stage 1)	100.764	83.026
Significant Increase In Credit Risk (Stage 2)	368.136	249.094
Credit-Impaired (Stage 3)	495.355	437.246
Impairment Provisions For Financial Assets	305	-
Financial Assets At Fair Value Through Profit Or Loss	305	-
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	964.560	769.366

b) Other Provisions:

As of 31 December 2021, other provision expenses are TL 173.748 (31 December 2020: TL 11.940).

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

7. Information on other operating expenses:

	31 December 2021	31 December 2020
Employee termination benefit provision	2.706	2.677
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Amortization expenses of fixed assets	61.739	55.130
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	35.575	32.845
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Amortization expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	310.073	293.060
Leasing expenses related to TFRS 16 exemptions (*)	2.559	2.728
Maintenance expenses	7.407	6.786
Advertisement expenses	23.900	17.505
Other expenses (**)	276.207	266.041
Loss on sales of assets	5.792	3.423
Other	-	-
Total	415.885	387.135

(*) Includes all operating lease expenses within the scope of the exemption.

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

8. Fees for Services Received from Independent Auditor / Independent Audit Firm

The fee (excluding VAT) information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below.

	31 December 2021 (*)	31 December 2020 (*)
Audit Fee	1.495	909
Tax Advisory Fee	-	-
Other Advisory Fees	8	40
Total	1.503	949

(*) Services received from KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi are presented.

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

As of 31 December 2021, the Bank's profit before tax from continued operations is TL 238.585 (31 December 2020: 167.926).

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

As of 31 December 2021, The Bank has deferred tax income amounting to TL 4.852 and TL 37.749 current tax expense amounting (31 December 2020: TL 20.885 current tax expense and TL 12.832 deferred tax expense).

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

As of 31 December 2021, the Bank's net profit from continued operations is TL 205.688 (31 December 2020: TL 134.209).

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

- Free provision expense amounting to TL 130.000 has been incurred by the Bank's management in the current period due to the possible effects of adverse developments that may occur in the economy and in the markets.
- The effect of a change in the estimation made as painting on the financial statement items on the profit / loss, if it affects the following periods, the effect including those periods: None.

13. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below: The other item under the "Fees and Commissions Received" in the income statement mainly consists of banking service income and credit card transactions.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

V. Explanations and notes related to consolidated statement of changes in shareholders' equity

1. Information on dividends :

At the Ordinary General Assembly meeting dated March 24, 2021, TL 6.710, which is 5% of the Bank's net profit for the year 2020, TL 134.209, was reserved as 1st Arrangement Legal Reserve in accordance with Article 519 of the Turkish Commercial Code numbered 6102 and the remaining amount of TL 127. 499 has been decided to reserve as extraordinary Reserves. TL 3.666 presented under extraordinary reserves includes the share sales gain benefited from corporate tax exemption and transferred to the Revaluation Surplus on Tangible and Intangible Assets account.

2. Explanations on share certificates position risk from banking book:

Bank, Section III. Section and Section Four XI. As explained in the section, it applies cash flow hedge accounting and as of 31 December 2021, there is TL 23.938 after tax in the hedging funds (effective part) account in equity (31 December 2020: TL 42.656).

3. Changes on after revaluation of financial assets at fair value through other comprehensive income: None (31 December 2020: None).

4. Reconciliation of currency rate differences at the beginning and end of the period: None (31 December 2020: None).

5. Effects of previous adjustments on the opening balance sheet: None (31 December 2020: None).

6. Explanations on issuance of share certificates None (31 December 2020: None).

VI. Explanations and Disclosures on Statement of Cash Flows

1. The effects of the other items stated in the statement of cash flows and the changes in foreign currency exchange rates on cash and cash equivalents:

"Others" line amounting to TL 793.979 also includes the effect of change in foreign exchange rate on cash and cash equivalents.

"Net increase/decrease in other liabilities" line amounting to TL 1.401.964 in "Changes in bank operations assets and liabilities" consists of changes in miscellaneous payables, other liabilities and tax liability.

"Net increase/decrease in other assets" line amounting to TL 37.608 consists of changes in temporary accounts.

2. Cash and cash equivalents at beginning and end of periods:

Beginning of the period	Current Period	Prior Period
Cash	2.478.711	1.790.375
Cash in TL/foreign currency	284.213	192.338
Central Bank of Republic of Turkey	2.194.498	1.598.037
Cash equivalents	1.535.148	4.619.150
Receivables from banks and other financial institutions	1.225.148	2.559.150
Receivables from money market placements	310.000	2.060.000
Total cash and cash equivalents	4.013.859	6.409.525

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

VI. Explanations and Disclosures on Statement of Cash Flows (continued)

2. Cash and cash equivalents at beginning and end of period (continued):

End of the period	Current Period	Prior Period
Cash	4.679.039	2.478.711
Cash in TL/foreign currency	1.138.673	284.213
Central Bank of Republic of Turkey	3.540.366	2.194.498
Cash equivalents	2.290.538	1.535.148
Receivables from banks and other financial institutions	2.290.538	1.225.148
Receivables from money market placements	-	310.000
Total cash and cash equivalents	6.969.577	4.013.859

VII. Explanations on the Risk Group of the Bank

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

a) 31 December 2021:

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	-	-	-	24.198	-	526
Balance at end of period	-	-	424	15.486	-	561
Interest and commission income	-	-	36	-	-	-

31 December 2020:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	2.497	86.071	-	125
Balance at end of period	-	-	-	24.198	-	526
Interest and commission income (*)	-	-	52	-	-	-

(*) Prior periods are as of 31 December 2020.

b.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Balance at beginning of period	-	-	641.592	33.814	5.162	1.686
Balance at end of period	-	-	10.856	641.592	8.413	5.162
Interest on deposits (*)	-	-	128	89	1.047	645

(*) Prior periods are as of 31 December 2020.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

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

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

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial assets at fair value through profit and loss						
Balance at beginning of period	-	-	22.328.683	11.966.589	-	-
Balance at end of period	-	-	40.470.430	22.328.683	-	-
Total loss/ profit (*)	-	-	361.391	701.616	-	-

(*) As of 31 December 2021 represents derivative financial assets due to outstanding IRS transactions with the Bank's parent company, Bank Audi sal and does not have any material impact on the Bank's performance as such transactions are backed-to-back with third parties almost with similar terms. Daily margining is provided in accordance with the current international derivative contracts (ISDA, CSA).

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

Gross payment made to the executive management as of 31 December 2021 is TL 31.410 (31 December 2020: TL 25.486).

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

	Number of Branches	Number Of Employees			
Domestic Branches	48	1.111			
			Country		
Foreign Representative Offices	-	-	-		
				Total Assets	Legal Capital
Foreign Branches	-	-	-	-	-
Off-shore Banking Branches	-	-	-	-	-

IX. Explanations and Disclosures Related To Subsequent Events

None.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2021

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

SECTION SIX

OTHER EXPLANATIONS

I. Other explanations on the Bank's operations

None.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

I. Explanations on Independent Auditors' Report

Brief Information on Odea Bank A.Ş:

The unconsolidated financial statements for the period ended 31 December 2021 have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member of KPMG International Cooperative). The auditor's report dated 4 February 2022 is presented preceding the unconsolidated financial statements.

II. Explanations and Notes Prepared By Independent Auditor

None.