

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

Odea Bank Anonim Şirketi

Unconsolidated Interim Financial Statements As at and For the Six-Month Period Ended 30 June 2022

With Auditors' Review Report Thereon

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

3 August 2022

This report includes "Auditors' Review Report" comprising 2 pages and; "Unconsolidated Financial Statements and Related Disclosures and Footnotes" comprising 90 pages.



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

REVIEW REPORT ON INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of Odea Bank Anonim Şirketi;

Introduction

We have reviewed the accompanying statement of financial position of Odea Bank A.Ş. (the "Bank") as at 30 June 2022 and the related statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity, cash flows for the six month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The Bank Management is responsible for the preparation and fair presentation of these interim financial information in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by the aforementioned legislations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

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



Basis for Qualified Conclusion

As stated in Note 2.9. of Section Five, the accompanying unconsolidated financial statements as at 30 June 2022 include a general provision of total of TRL 400.000 thousands which TRL 270.000 thousands was recognized as expense in the current period and TRL 130.000 thousands had been recognized as expense in the prior periods; with a deferred tax asset on this general provision amounting to TRL 100.000 thousands of which TRL 67.500 thousands was recognized in the current period and TRL 32.500 thousands had been recognized in prior periods 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.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information do not present fairly, in all material respects, the unconsolidated financial position of Odea Bank A.Ş. as at 30 June 2022, and its unconsolidated financial performance and its unconsolidated cash flows for the six month period then ended in accordance with the BRSA Accounting and Reporting Legislation.

Report on Other Legal and Regulatory Requirements

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



3 August 2022

Istanbul, Turkey

Translated into English from the original Turkish report and financial statements

**ODEA BANK A.Ş.
UNCONSOLIDATED FINANCIAL REPORT
AS OF JUNE 30, 2022**

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

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- AUDITOR’S REVIEW REPORT
- INTERIM ACTIVITY REPORT

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

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:

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

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ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2022

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

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

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

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

As of 30 June 2022 and 31 December 2021, 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 113 branches as of 30 June 2022.

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 30 JUNE 2022

(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
	Mouayed MAKHLOUF	Member of the Board of Directors and Member of the Audit Committee	Master's Degree
	Antoine NAJM	Member of the Board of Directors	Bachelor's Degree
	Ayşe Botan BERKER	Member of the Board of Directors	Ph.D. Degree
	Farid LAHOUD	Member of the Board of Directors and Member of the Audit Committee	Ph.D. Degree
	Chahdan JEBEYLI	Member of the Board of Directors	Master's Degree
	Oya AYDINLIK	Member of the Board of Directors and Chair of the Audit Committee	Bachelor's Degree
	Ebru OĞAN KNOTTNERUS	Member of the Board of Directors	Bachelor's Degree
	Hilmi GÜVENAL *	Member of the Board of Directors	Bachelor's Degree
Member of the Board of Directors and General Manager	Mert ÖNCÜ	Member of the Board of Directors and General Manager	Ph.D. Degree
Deputy General Manager	Yalçın AVCI	Commercial Banking	Master's Degree
	Mehmet Gökmen UÇAR	Finance, Financial Control and Strategy	Bachelor's Degree
Assistant General Managers	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	Risk Management and Internal Control	Bachelor's Degree
	Cenk DEMİRÖZ	Credit Allocation	Master's Degree
	Hüseyin Cem Taner **	Credit Monitoring and Remedial	Bachelor's Degree
	Ebru Vardar ***	Human Resources	Bachelor's Degree

(*) The term of Mrs. Dragica Pilipovic-Chaffey as member of the Board of Directors has ended as of March 29, 2022. Mr. Hilmi Guvenal has been appointed as member of the Board in replacement of Mrs. Dragica Pilipovic Chaffey during the Ordinary General Assembly. Mr. Hilmi Guvenal took his oath on 7 April 2022 and officially started his duty.

(**) Mr. Hüseyin Cem Taner has been appointed as Assistant General Manager in charge of Credit Monitoring and Remedial on February 22, 2022.

(***) Ms. Ebru Vardar has been appointed as Assistant General Manager in charge of Human Resources on February 22, 2022.

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2022

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

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

Information about the persons and institutions that have qualified shares as of 30 June 2022:

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

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

The headquarters of the Bank is located in Istanbul and as of 30 June 2022. The Bank has 48 domestic branches with 1.083 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 2021: 48 domestic branches, 1.111 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 Assets - Liabilities and Shareholder's Equity
- II. Statement of Off-Balance Sheet Items
- III. Statement of Profit or Loss
- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2022

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

I. BALANCE SHEET – ASSETS

		Reviewed Current Period 30 June 2022			Audited Prior Period 31 December 2021		
	Note Ref (Section Five)	TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		9,584.268	18,076.384	27,660.652	8,897.971	18,235.706	27,133.677
1.1 Cash and cash equivalents		1,179.080	12,942.531	14,121.611	698.155	12,591.571	13,289.726
1.1.1 Cash and balances at Central Bank	I-1	1,179.557	10,020.085	11,199.642	698.223	8,744.186	9,442.409
1.1.2 Banks	I-3	122	2,925.832	2,925.954	186	3,849.928	3,850.114
1.1.3 Receivables from Money Markets		-	-	-	-	-	-
1.1.4 Allowance for expected credit losses (-)		599	3.386	3.985	254	2.543	2.797
1.2 Financial assets at fair value through profit or loss	I-2	245.852	46.158	292.010	82.571	19.184	101.755
1.2.1 Public debt securities		1,043	24.830	25.873	723	201	924
1.2.2 Equity instruments		-	21.328	21.328	-	18.983	18.983
1.2.3 Other financial assets		244.809	-	244.809	81.848	-	81.848
1.3 Financial assets at fair value through other comprehensive income	I-4	6,939.034	4,699.235	11,638.269	6,015.351	4,024.089	10,039.440
1.3.1 Public debt securities		5,611,314	4,024.635	9,635.949	3,839.372	3,477.533	7,316.905
1.3.2 Equity instruments		4,897	407	5,304	4,897	359	5,256
1.3.3 Other financial assets		1,322,823	674.193	1,997,016	2,171,082	546,197	2,717,279
1.4 Derivative financial assets	I-2	1,220.302	388.460	1,608.762	2,101.894	1,600.862	3,702.756
1.4.1 Derivative financial assets at fair value through profit or loss		1,110,270	388,460	1,498,730	2,009,458	1,600,862	3,610,320
1.4.2 Derivative financial assets at fair value through other comprehensive income	I-11	110,032	-	110,032	92,436	-	92,436
II. FINANCIAL ASSET MEASURED AT AMORTISED COST (Net)		17,314.541	15,176.872	32,491.413	12,343.360	14,203.781	26,547.141
2.1 Loans	I-5	16,259.087	15,428.037	31,687.124	13,422.045	14,147.077	27,569.122
2.2 Receivables from leasing transactions	I-10	-	-	-	-	-	-
2.3 Factoring receivables		-	-	-	-	-	-
2.4 Other financial assets measured at amortized cost	I-6	2,318.447	1,204.801	3,523.248	270.117	1,064.923	1,335.040
2.4.1 Public debt securities		198,981	1,204,801	1,403,782	198,108	1,064,923	1,263,031
2.4.2 Other financial assets		2,119,466	-	2,119,466	72,009	-	72,009
2.5 Allowance for expected credit losses (-)		1,262.993	1,455.966	2,718.959	1,348.802	1,008.219	2,357.021
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS" (Net)	I-16	261.996	-	261.996	296.839	-	296.839
3.1 Held for sale		261,996	-	261,996	296,839	-	296,839
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	184.346	-	184.346	181.790	-	181.790
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	I-13	136.588	-	136.588	147.126	-	147.126
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		136,588	-	136,588	147,126	-	147,126
VII. INVESTMENT PROPERTIES (Net)	I-14	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		23.596	-	23.596	4.739	-	4.739
IX. DEFERRED TAX ASSETS	I-15	386.594	-	386.594	256.329	-	256.329
X. OTHER ASSETS	I-17	799.615	232.559	1,032.174	710.991	187.373	898.364
TOTAL ASSETS		28,691.544	33,485.815	62,177.359	22,839.145	32,626.860	55,466.005

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2022

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

I. BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY

		Note Ref. (Section Five)	Reviewed Current Period 30 June 2022			Audited Prior Period 31 December 2021		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	II-1	15.065.372	28.103.138	43.168.510	11.162.411	27.254.677	38.417.088
II.	LOANS RECEIVED	II-3	-	2.173.756	2.173.756	-	1.708.596	1.708.596
III.	MONEY MARKET FUNDS	II-4	3.501.661	633.748	4.135.409	1.884.402	340.500	2.224.902
IV.	MARKETABLE SECURITIES (Net)	II-5	253.826	-	253.826	-	-	-
4.1	Bills		253.826	-	253.826	-	-	-
4.2	Asset backed securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	II-2	342.005	413.027	755.032	1.155.844	1.572.905	2.728.749
7.1	Derivative financial liabilities at fair value through profit or loss		336.198	413.027	749.225	1.155.844	1.572.905	2.728.749
7.2	Derivative financial liabilities at fair value through other comprehensive income	II-8	5.807	-	5.807	-	-	-
VIII.	FACTORING PAYABLES		-	-	-	-	-	-
IX.	LEASE PAYABLES	II-7	131.239	-	131.239	120.180	-	120.180
X.	PROVISIONS	II-9	282.992	353.791	636.783	288.862	62.439	351.301
10.1	Provision for restructuring		-	-	-	-	-	-
10.2	Reserves for employee benefits		45.329	-	45.329	35.868	-	35.868
10.3	Insurance technical reserves (Net)		-	-	-	-	-	-
10.4	Other provisions		237.663	353.791	591.454	252.994	62.439	315.433
XI.	CURRENT TAX LIABILITIES	II-10	63.306	-	63.306	73.803	-	73.803
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	-	4.741.296	4.741.296	-	3.833.893	3.833.893
14.1	Loans		-	-	-	-	-	-
14.2	Other debt instruments		-	4.741.296	4.741.296	-	3.833.893	3.833.893
XV.	OTHER LIABILITIES	II-6	705.926	764.485	1.470.411	564.536	1.876.007	2.440.543
XVI.	SHAREHOLDERS' EQUITY		5.114.211	(466.420)	4.647.791	3.725.750	(158.800)	3.566.950
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		(3.564)	-	(3.564)	(5.961)	-	(5.961)
16.4	Other accumulated comprehensive income that will be reclassified in profit or loss		1.137.222	(466.420)	670.802	91.338	(158.800)	(67.462)
16.5	Profit reserves		351.332	-	351.332	148.041	-	148.041
16.5.1	Legal reserves	II-13	46.700	-	46.700	36.415	-	36.415
16.5.2	Statutory reserves		-	-	-	-	-	-
16.5.3	Extraordinary reserves		304.632	-	304.632	111.626	-	111.626
16.5.4	Other profit reserves		-	-	-	-	-	-
16.6	Profit or loss		342.577	-	342.577	205.688	-	205.688
16.6.1	Prior periods profits or losses		-	-	-	-	-	-
16.6.2	Current period net profit or loss		342.577	-	342.577	205.688	-	205.688
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			25.460.538	36.716.821	62.177.359	18.975.788	36.490.217	55.466.005

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 30 JUNE 2022**

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

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

		Reviewed Current Period 30 June 2022			Audited Prior Period 31 December 2021		
	Note Ref. (Section Five)	TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		42,973.978	153,469.197	196,443.175	36,143.655	148,048.781	184,192.436
I. GUARANTEES	III-1	7,728.702	4,742.540	12,471.242	3,412.776	5,270.535	8,683.311
1.1 Letters of guarantee		5,350.694	1,614.898	6,965.592	3,061.521	1,333.953	4,395.474
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		5,350.694	1,614.898	6,965.592	3,061.521	1,333.953	4,395.474
1.2 Bank acceptances		-	-	-	-	4,976	4,976
1.2.1 Import letter of acceptance		-	-	-	-	4,976	4,976
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		6,793	2,612.477	2,619.270	4,211	2,211.783	2,215.994
1.3.1 Documentary letters of credit		6,793	2,612.477	2,619.270	4,211	2,211.783	2,215.994
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		2,371.215	515.165	2,886.380	347.044	1,719.823	2,066.867
1.9 Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-1	14,007.835	2,693.146	16,700.981	13,618.283	2,521.407	16,139.690
2.1 Irrevocable commitments		1,359.757	2,693.146	4,052.903	1,680.493	2,521.407	4,201.900
2.1.1 Forward asset purchase and sales commitments		51.252	2,663.746	2,714.998	595.909	2,497.633	3,093.542
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		813.296	-	813.296	620.130	-	620.130
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		77.488	-	77.488	62.333	-	62.333
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		412.411	-	412.411	396.015	-	396.015
2.1.10 Commitments for promotions related with credit cards and banking activities		1,617	-	1,617	2,413	-	2,413
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		3,693	29,400	33,093	3,693	23,774	27,467
2.2 Revocable commitments		12,648.078	-	12,648.078	11,937.790	-	11,937.790
2.2.1 Revocable loan granting commitments		12,648.078	-	12,648.078	11,937.790	-	11,937.790
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	III-2	21,237.441	146,033.511	167,270.952	19,112.596	140,256.839	159,369.435
3.1 Derivative financial instruments for hedging purposes		3,050.000	-	3,050.000	2,250.000	-	2,250.000
3.1.1 Fair value hedge		-	-	-	-	-	-
3.1.2 Cash flow hedge		3,050.000	-	3,050.000	2,250.000	-	2,250.000
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Trading derivatives		18,187.441	146,033.511	164,220.952	16,862.596	140,256.839	157,119.435
3.2.1 Forward foreign currency buy/sell transactions		517.578	9,422.126	9,939.704	2,078.511	7,235.331	9,313.842
3.2.1.1 Forward foreign currency transactions-buy		351.110	4,566.266	4,917.376	1,693.029	2,925.800	4,618.829
3.2.1.2 Forward foreign currency transactions-sell		166.468	4,855.860	5,022.328	385.482	4,309.531	4,695.013
3.2.2 Swap transactions related to foreign currency, and interest rates		7,346.087	90,732.445	98,078.532	10,142.298	93,932.934	104,075.232
3.2.2.1 Foreign currency swaps-buy		321.535	16,483.235	16,804.770	789.765	17,710.189	18,499.954
3.2.2.2 Foreign currency swaps-sell		1,394.552	14,900.000	16,294.552	4,552.533	13,292.433	17,844.966
3.2.2.3 Interest rate swaps-buy		2,815.000	29,674.605	32,489.605	2,400.000	31,465.156	33,865.156
3.2.2.4 Interest rate swaps-sell		2,815.000	29,674.605	32,489.605	2,400.000	31,465.156	33,865.156
3.2.3 Foreign currency, interest rate and securities options		10,323.776	45,878.940	56,202.716	4,641.787	39,088.574	43,730.361
3.2.3.1 Foreign currency options-buy		6,504.734	9,025.780	15,530.514	3,320.031	4,963.669	8,283.700
3.2.3.2 Foreign currency options-sell		3,819.042	11,828.932	15,647.974	1,321.756	7,144.617	8,466.373
3.2.3.3 Interest rate options-buy		-	12,512.114	12,512.114	-	13,490.144	13,490.144
3.2.3.4 Interest rate options-sell		-	12,512.114	12,512.114	-	13,490.144	13,490.144
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	-	-	-	-	-
3.2.4.1 Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2 Foreign currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		75,990.002	145,515.915	221,505.917	74,646.303	113,840.341	188,486.644
IV. ITEMS HELD IN CUSTODY		6,123.847	5,144.582	11,268.429	5,471.688	3,692.871	9,164.559
4.1 Assets under management		5,848.686	1,479.313	7,327.999	5,426.545	1,142.809	6,569.354
4.2 Investment securities held in custody		246.738	2,313.224	2,559.962	5,989	1,363.782	1,369.771
4.3 Checks received for collection		12,411	1,352.045	1,364.456	4,244	1,185.098	1,189.342
4.4 Commercial notes received for collection		9,355	-	9,355	11,401	1,182	12,583
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		6,657	-	6,657	23,509	-	23,509
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		69,836.145	140,269.818	210,105.963	69,144.605	110,065.382	179,209.987
5.1 Marketable securities		2,000.105	3,797.347	5,797.452	2,123.355	3,062.952	5,186.307
5.2 Guarantee notes		30,172.048	16,746.914	46,918.962	29,307.079	14,140.699	43,447.778
5.3 Commodities		10,525.943	3,070.755	13,596.698	10,522.916	5,677.350	16,200.266
5.4 Warrants		-	-	-	-	-	-
5.5 Properties		17,517.148	73,973.749	91,490.897	17,054.937	55,367.793	72,422.730
5.6 Other pledged items		9,620.901	42,681.053	52,301.954	10,136.318	31,816.588	41,952.906
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		30.010	101.515	131.525	30.010	82.088	112.098
TOTAL OFF - BALANCE SHEET ITEMS (A+B)		118,963.980	298,985.112	417,949.092	110,789.958	261,889.122	372,679.080

ODEA BANK ANONİM ŞİRKETİ **UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS** **FOR THE PERIOD ENDED 30 JUNE 2022**

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

III. INCOME AND EXPENSE ITEMS

		Note (Section Five)	Reviewed Current Period 1 January- 30 June 2022	Reviewed Prior Period 1 January- 30 June 2021	Reviewed Current Period 1 April- 30 June 2022	Reviewed Current Period 1 April- 30 June 2021
INCOME AND EXPENSE ITEMS						
I.	INTEREST INCOME	IV-1	2.992.431	1.730.190	1.699.344	890.441
1.1	Interest on loans		1.729.705	1.208.780	942.896	600.929
1.2	Interest received from reserve deposits		15.469	17.366	2.149	11.337
1.3	Interest received from banks		11.050	10.328	6.981	3.500
1.4	Interest received from money market transactions		3.056	5.420	1.118	1.935
1.5	Interest received from marketable securities portfolio		1.229.457	474.115	744.519	270.250
1.5.1	Financial assets at fair value through profit or loss		39.268	20.099	18.886	15.306
1.5.2	Financial assets at fair value through other comprehensive income		905.268	422.271	527.445	238.668
1.5.3	Financial assets measured at amortized cost		284.921	31.745	198.188	16.276
1.6	Finance lease income		-	-	-	-
1.7	Other interest income		3.694	14.181	1.681	2.490
II.	INTEREST EXPENSE (-)	IV-2	2.034.881	1.258.389	1.017.083	696.518
2.1	Interest on deposits		1.593.545	850.416	773.505	477.549
2.2	Interest on funds borrowed		23.484	18.553	12.641	9.496
2.3	Interest on money market transactions		165.346	234.525	101.927	130.760
2.4	Interest on securities issued		174.906	141.340	100.482	70.700
2.5	Finance lease interest expenses		10.636	10.979	6.207	6.053
2.6	Other interest expenses		66.964	2.576	22.321	1.960
III.	NET INTEREST INCOME (I - II)		957.550	471.801	682.261	193.923
IV.	NET FEES AND COMMISSIONS INCOME		76.893	52.136	37.025	26.955
4.1	Fees and commissions received		93.016	61.981	45.820	31.093
4.1.1	Non-cash loans		41.252	32.686	21.887	16.240
4.1.2	Other		51.764	29.295	23.933	14.853
4.2	Fees and commissions paid (-)		16.123	9.845	8.795	4.138
4.2.1	Non-cash loans		-	2	-	1
4.2.2	Other		16.123	9.843	8.795	4.137
V.	DIVIDEND INCOME	IV-3	-	-	-	-
VI.	TRADING PROFIT/LOSS (Net)	IV-4	368.716	19.752	66.325	(94.166)
6.1	Profit/losses from capital market transactions		383.447	27.364	102.896	19.525
6.2	Profit/losses from derivative financial transactions		509.402	525.139	697.921	(64.726)
6.3	Foreign exchange profit/losses		(524.133)	(532.751)	(734.492)	(48.965)
VII.	OTHER OPERATING INCOME	IV-5	399.416	582.503	127.683	373.664
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		1.802.575	1.126.192	913.294	500.376
IX.	EXPECTED CREDIT LOSSES (-)	IV-6	529.887	657.475	230.443	344.099
X.	OTHER PROVISION EXPENSES (-)	IV-6	262.716	5.500	91.716	(73.500)
XI.	PERSONNEL EXPENSES (-)		263.283	164.882	129.524	82.724
XII.	OTHER OPERATING EXPENSES (-)	IV-7	299.975	188.076	163.736	89.816
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		446.714	110.259	297.875	57.237
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-	-	-
XV.	NET MONETARY POSITION GAIN/LOSS		-	-	-	-
XVI.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)		446.714	110.259	297.875	57.237
XVII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	IV-8	(104.137)	(25.661)	(58.887)	(14.904)
XVIII.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-9	342.577	84.598	238.988	42.333
18.1	Current tax provision		(478.625)	-	80.948	-
18.2	Expense effect of deferred tax (+)		(572.417)	(140.155)	(283.099)	32.064
18.3	Income effect of deferred tax (-)		946.905	114.494	143.264	(46.968)
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)		342.577	84.598	238.988	42.333
XX.	INCOME FROM DISCONTINUED OPERATIONS	IV-10	-	-	-	-
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	342.577	84.598	238.988	42.333
Profit / Loss per Share (*)			0,104	0,026	0,073	0,013

(*) Presented in Full TL.

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed Current Period 1 January- 30 June 2022	Reviewed Prior Period 1 January- 30 June 2021
I. CURRENT PERIOD PROFIT / (LOSS)	342.577	84.598
II. OTHER COMPREHENSIVE INCOME	738.264	(82.280)
2.1 Other comprehensive income that will not be reclassified to profit or loss	-	-
2.1.1 Gains (losses) on revaluation of property, plant and equipment	-	-
2.1.2 Gains (losses) on revaluation of intangible assets	-	-
2.1.3 Gains (losses) on remeasurements of defined benefit plans	-	-
2.1.4 Other Components of other comprehensive income that will not be reclassified to profit or loss	-	-
2.1.5 Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	-	-
2.2 Other comprehensive income that will be reclassified to profit or loss	738.264	(82.280)
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	963.928	(65.609)
2.2.3 Income (loss) related with cash flow hedges	18.559	(38.201)
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	(244.223)	21.530
III. TOTAL COMPREHENSIVE INCOME (I+II)	1.080.841	2.318

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022

(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 30/06/2022															
I.	Balance at the beginning of the period		3,288,842	-	-	(2,198)	-	(12,878)	6,917	-	(43,524)	(23,938)	148,041	-	205,688	3,566,950
II.	Adjustment in accordance with TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)		3,288,842	-	-	(2,198)	-	(12,878)	6,917	-	(43,524)	(23,938)	148,041	-	205,688	3,566,950
IV.	Total comprehensive income (loss)		-	-	-	-	-	-	-	-	725,640	12,624	-	-	342,577	1,080,841
V.	Capital increase in cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	2,397	-	-	-	203,291	-	(205,688)	-
11.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to reserves (**)		-	-	-	-	-	-	-	-	-	-	205,688	-	(205,688)	-
11.3	Others		-	-	-	-	-	-	2,397	-	-	-	(2,397)	-	-	-
	End Balance (III+IV+.....+X+XI)		3,288,842	-	-	(2,198)	-	(12,878)	9,314	-	682,116	(11,314)	351,332	-	342,577	4,647,791

(*) TL 2.397 presented under extraordinary reserves includes the real estate sales gain benefited from corporate tax exemption and transferred to the Revaluation Surplus on Tangible and Intangible Assets account.

(**) At the Ordinary General Assembly meeting dated March 29, 2022, TL 10.284, which is 5% of the Bank's net profit for the year 2021, TL 205.688, was reserved as 1st Arrangement Legal Reserve in accordance with Article 519 of the Turkish Commercial Code numbered 6102 and the remaining amount of TL 195.404 has been decided to reserve as extraordinary Reserves.

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022
(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 30/06/2021															
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)		-	-	-	-	-	-	-	-	(52.484)	(29.796)	-	-	84.598	2,318
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)	-	(7.182)	6,917	-	11,582	(72,452)	148,041	-	84,598	3,458,148

(*) 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.

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

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

VI. STATEMENT OF CASH FLOWS

	Footnotes (Section Five)	Reviewed Current Period 1 January- 30 June 2022	Reviewed Prior Period 1 January- 30 June 2021
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit / (loss) before changes in operating assets and liabilities		2.190.617	1.615.257
1.1.1 Interest received		1.931.095	1.547.084
1.1.2 Interest paid		(1.883.131)	(1.192.525)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		93.016	61.981
1.1.5 Other income/(expense)		421.701	58.109
1.1.6 Collections from previously written off loans		277.863	212.256
1.1.7 Payments to personnel and service suppliers		(417.249)	(259.586)
1.1.8 Taxes paid		(539.235)	(19.760)
1.1.9 Others		2.306.557	1.207.698
1.2 Changes in operating assets and liabilities		(3.524.856)	(760.671)
1.2.1 Net (increase) decrease in financial assets held for trading		(177.408)	175.367
1.2.2 Net (increase) decrease in due from banks and other financial institutions		(809.755)	(38.332)
1.2.3 Net (increase) decrease in loans		(1.603.678)	(1.509.737)
1.2.4 Net (increase) decrease in other assets		153.230	566.078
1.2.5 Net increase (decrease) in bank deposits		(219.076)	(740.649)
1.2.6 Net increase (decrease) in other deposits		(274.926)	1.100.877
1.2.7 Net (increase) decrease in financial liability at fair value through profit or loss		(1.168.898)	(761.571)
1.2.8 Net increase (decrease) in funds borrowed		2.058.992	(549.268)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		(1.483.337)	996.564
I. Net cash used in from banking operations		(1.334.239)	854.586
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(331.664)	(453.822)
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		(34.361)	(24.991)
2.4 Fixed assets sales		272.215	185.957
2.5 Cash paid for purchase of financial assets available for sale		(945.706)	(1.926.051)
2.6 Cash obtained from sale of financial assets available for sale		2.188.767	1.269.705
2.7 Cash paid for purchase of investment securities		(2.466.549)	-
2.8 Cash obtained from sale of investment securities		653.970	41.558
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities		234.109	(222.794)
3.1 Cash obtained from funds borrowed and securities issued		256.325	1.411.855
3.2 Cash used for repayment of funds borrowed and securities issued		-	(1.617.724)
3.3 Issued equity instrument		-	-
3.4 Dividends paid		-	-
3.5 Payments for leases		(22.216)	(16.925)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		22.153	715.026
V. Net increase in cash and cash equivalents		6.969.578	4.013.859
VI. Cash and cash equivalents at beginning of the period		6.991.731	4.728.885
VII. Cash and cash equivalents at end of the period			

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2022

(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 Public Oversight Accounting on January 20, 2022, 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. As of 30 June 2022, Public Oversight Accounting and Auditing Standards Authority has not made a new announcement within the scope TAS 29. Therefore, no inflation adjustment has been applied on the financial statements dated 30 June 2022 in accordance with TAS 29.

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 2022 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2022

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

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

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

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

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

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

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

III. Explanations on Futures and Options Contracts and Derivative Instruments

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

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

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

Derivative financial instruments held for hedging purpose

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

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

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

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

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

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

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

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

IV. Explanations on Interest Income and Expenses

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

V. Explanations on Fees and Commission Income and Expenses

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

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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 30 JUNE 2022

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

VI. Explanations on Financial Assets (continued)

Financial Assets at Fair Value Through Other Comprehensive Income:

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

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

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

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

Financial Assets Measured at Amortized Cost:

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

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

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

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VI. Explanations on Financial Assets (continued)

Loans and Receivables:

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

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

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

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

Derecognition of a financial asset:

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

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

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

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

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

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VII. Explanations on Expected Credit Losses

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

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

Stage 1:

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

Stage 2:

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

Stage 3 (Default):

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

- Delinquency in interest and/or principal payments by more than 90 days. On the other hand, based on the BRSA's decision numbered 8948 dated 27 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.

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VII. Explanations on Expected Credit Losses (continued)

Significant Increase in Credit Risk

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

To make the quantitative assessment, the Bank compares the rating information of the financial asset at the reporting date with the rating information at the date of initial recognition. The 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:

- 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.

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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.

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VII. Explanations on Expected Credit Losses (continued)

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

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

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

VIII. Explanations on Offsetting of Financial Instruments

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

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

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

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

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

X. Explanations on Assets Held for Sale and Discontinued Operations

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

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

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

Results of discontinued operations are included in the income statement separately. As of 30 June 2022 and 31 December 2021 the Bank does not have any discontinued operations.

XI. Explanations on Goodwill and Other Intangible Assets

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

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

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

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XII. Explanations on Tangible Fixed Assets

Tangible fixed assets are accounted for at acquisition cost less accumulated depreciation.

Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. Depreciation method is not changed in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Buildings	2
Safety box	2
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.

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XIII. Explanations on Leasing Transactions (continued)

Right of use assets:

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

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

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

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

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

The Lease Obligations:

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

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

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

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

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

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XIV. Explanations on Provisions and Contingent Liabilities

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

XV. Explanations on Liabilities Regarding Employee Benefits

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

The Bank has calculated provision for employee severance benefits in the accompanying financial statements in accordance with TAS 19 "Employee Benefits" by using the "Projection Method" 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:

While corporate tax which is applied to corporate earnings at the rate of 20% in Turkey, in accordance with the regulation introduced by the Law No. 7316 on the "Procedure for Collection of Public Receivables and the Law Amending Some Laws", has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2021 and as 23% for the corporate earnings for the taxation periods of 2022, in accordance with the regulation introduced by the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law", this rate has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2022 for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies

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.

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XVI. Explanations on Taxation (continued)

As of 30 June 2022, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting period including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

Deferred Tax Liability / Asset:

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

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

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

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

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

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

In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

XVII. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

The Bank has not issued convertible bonds.

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XVIII. Explanations on Issued Share Certificates

Direct transaction costs related to issuance of stock certificates are recognized as discount from equity.

XIX. Explanations on Avalized Drafts and Acceptances

Avalized draft and acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable commitments in off-balance sheet accounts.

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

XXI. Explanations on Segment Reporting

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

XXII. Explanations on Reclassifications

None.

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 30 June 2022.

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.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Explanations on Equity

As of 30 June 2022, Bank's total capital has been calculated as TL 10.180.740 and capital adequacy ratio is 22,97%. As of 31 December 2021, Bank's total capital amounted to TL 7.936.802 and capital adequacy ratio was 25,67%. These ratios are above the minimum ratio required by the legislation.

a. Information about Total Capital:

	Current Period 30 June 2022
COMMON EQUITY TIER 1 CAPITAL	
Paid-up Capital following all debts in terms of claim in liquidation of the Bank	3.288.842
Share issue premiums	-
Reserves (*)	351.332
Gains recognized in equity as per TAS	1.283.545
Profit	342.577
Current Period Profit	342.577
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	5.266.296
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	28.718
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	136.588
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	11.309
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	176.615
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	-
Total Common Equity Tier 1 Capital	5.089.681

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I. Explanations on Equity (continued)

	Current Period 30 June 2022
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)	5.089.681
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA (**)	5.004.845
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	495.527
Tier II Capital Before Deductions	5.500.372
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	409.313
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	409.313
Total Tier II Capital	5.091.059
Total Capital (The sum of Tier I Capital and Tier II Capital)	10.180.740
Deductions from Total Capital	
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-
Other items to be defined by the BRSA (-)	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	-

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I. Explanations on Equity (continued)

	Current Period 30 June 2022
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital) (***)	10.180.740
Total risk weighted amounts	44.329.576
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	11,48
Tier I Capital Adequacy Ratio	11,48
Capital Adequacy Ratio	22,97
BUFFERS	
Total buffer requirement	2,507
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,007
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	6,98
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)	1.994.415
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	495.527
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

(*) At the Ordinary General Assembly meeting dated March 29, 2022, TL 10,284, which is 5% of the Bank's net profit for the year 2021, amounting to TL 205.688, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 195,404. It has been decided to set aside TL 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 30 June 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been used and the coupon interest for the coming periods has been set at 8,606%.

(***) With reference to the Banking Regulation and Supervision Agency's elections on 21 December 2021 1 9996, it should not be taken into account that the expectation from the selection of TL 348,269, which is not included in the equity selection, is not made from the net valuations related to the "Securities Recognised" and "Securities Reflected in Different Eligible Income". The amounts included in the equity calculation are consistent with the statutory equity balances.

As of 30 June 2022, the Bank has calculated the amount subject to credit risk in the capital adequacy calculations based on the Banking Regulation and Supervision Agency's decision numbered 10188 and dated 28 April 2022, taking into account the Central Bank's foreign exchange buying rates as of 31 December 2021. In addition, as of December 21, 2021, negative net valuation differences of securities in the "Securities at Fair Value through Other Comprehensive Income" portfolio are not taken into account in the equity calculation. Had the said regulations not been implemented, the Bank's equity amount would have been calculated as TL 9,609,918 and the capital adequacy standard ratio would have been calculated as 20.34% as of 30 June 2022.

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I. Explanations on Equity (continued)

	Prior 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 recognised 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

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I. Explanations on Equity (continued)

	Prior 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 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	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

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I. Explanations on Equity (continued)

	Prior 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	-

- (*) 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 set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 127.499 It has been decided to set aside TL as Extraordinary Reserves.
- (**) On 1 August 2017, the Bank issued Basel III compliant bonds with a maturity of 10 years, a semi-annual coupon payment, an annual interest rate of 7,625%, amounting to USD 300 million, to be sold to real and legal persons residing abroad. According to the BRSA's letter of 17 July 2017, the bond has been classified as supplementary capital in accordance with the Regulation on Banks' Equity. Pursuant to the approval of the BRSA with the letter dated September 26, 2018, the Bank repurchased US\$ 24.535 thousand subordinated bonds as of December 31, 2021 and made a deduction from the contribution capital amount in the equity calculation. The shares have not been canceled by the Bank, and their re-circulation is at the disposal of the Bank.
- (***) Pursuant to the decision of the Banking Regulation and Supervision Agency dated December 21, 2021 and numbered 9996, the net valuation differences of the securities in the "Securities at Fair Value through Other Comprehensive Income" portfolio are not taken into account due to the fact that the negative ones are not taken into account in the equity calculation, except for TL 352.637, which is included in the balance sheet and is included in the legal legal framework. The amounts included in the equity calculation are consistent with the statutory equity balances.

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%.

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I. Explanations on Equity (continued)

Details on Subordinated Liabilities:

Lender	Odea Bank A.Ş
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1655085485/ US67576MAA27
Governing law(s) of the instrument	It is subject to English law additionally certain articles are subject to Turkish law. It has been issued under the "Communiqué on Borrowing Instruments" of the CMB and the "Regulation on Equities of Banks" of the BRSA.
Regulatory treatment	Tier II Capital
Subject to 10% deduction as of 1/1/2015	No
Eligible at stand-alone / consolidated (*)	Stand Alone
Instrument type (types to be specified by each jurisdiction)	Subordinated Loan
Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date) (**)	4.595.533
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 4.042.532 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.

(***) On 1 August 2017, the Bank issued Basel III compliant bonds with a maturity of 10 years, a semi-annual coupon payment, an annual interest rate of 7,625%, amounting to USD 300 million, to be sold to real and legal persons residing abroad. According to the BRSA's letter of 17 July 2017, the bond has been classified as supplementary capital in accordance with the Regulation on Banks' Equity. Pursuant to the approval of the BRSA with the letter dated September 26, 2018, the Bank repurchased US\$ 24.535 thousand subordinated bonds as of June 30, 2022 and made a deduction from the contribution capital amount in the equity calculation. The shares have not been canceled by the Bank, and their re-circulation is at the disposal of the Bank. On August 1, 2022, the early pay option of the subordinated bond has not been used and the coupon interest for the coming periods has been set at 8,606%.

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I. Explanations on Equity (continued)

Basic information in the TFRS 9 transition process: The Bank implemented 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, has been added to the core capital amount after the tax deduction. As of 31 December 2021, Provisional Article 5 of the “Regulation on Equity of Banks” is finalized.

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

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II. Explanations on Currency Risk

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

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

The announced foreign exchange buying rates of the Bank at 30 June 2022 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	23 June 2022	24 June 2022	27 June 2022	28 June 2022	29 June 2022	30 June 2022
USD	17,3491	17,3597	16,5760	16,6537	16,6312	16,6828
CHF	18,0874	18,1630	17,3020	17,3922	17,4433	17,4593
GBP	21,3100	21,3049	20,3583	20,3505	20,1433	20,2754
100 JPY	12,9116	12,8517	12,2693	12,2237	12,1429	12,2728
EURO	18,2791	18,2861	17,5396	17,5419	17,4299	17,3693

	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	10,3160	9,85648	10,30868	10,99454	11,4204	11,72074
EURO	13,3573	12,7927	13,3932	14,3037	14,8711	15,3123

The simple arithmetic averages of foreign exchange buying rates of the Bank for major currencies the thirty days before 30 June 2022 are as follows:

	Monthly Average Foreign Exchange Rate
USD	17,0000
CHF	17,5539
GBP	20,9613
100 JPY	12,7003
EURO	17,9618

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II. Explanations on Currency Risk (continued)

30 June 2022	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	3.440.099	6.326.431	253.555	10.020.085
Banks	101.622	2.540.851	283.359	2.925.832
Financial Assets at Fair Value through Profit and Loss	4.565	41.593	-	46.158
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	813.072	3.886.163	-	4.699.235
Loans (*)	8.920.635	6.558.716	-	15.479.351
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Financial Assets measured at Amortized Cost	246.713	958.088	-	1.204.801
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	49	232.813	10	232.872
Total Assets (**)	13.526.755	20.544.655	536.924	34.608.334
Liabilities				
Bank Deposits	63.413	18.775	368	82.556
Other Deposits	7.322.467	16.856.807	3.841.308	28.020.582
Money Market Balances	-	633.748	-	633.748
Funds Provided From Other Financial Institutions (***)	1.085.870	5.829.182	-	6.915.052
Marketable securities issued	-	-	-	-
Miscellaneous payables	307.354	204.648	120	512.122
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	25.341	264.548	-	289.889
Total Liabilities (**)	8.804.445	23.807.708	3.841.796	36.453.949
Net Balance Sheet Position	4.722.310	(3.263.053)	(3.304.872)	(1.845.615)
Net Off-Balance Sheet Position	(2.718.591)	1.278.943	3.515.097	2.075.449
Derivative Financial Assets	8.927.899	46.292.248	7.654.092	62.874.239
Derivative Financial Liabilities	11.646.490	45.013.305	4.138.995	60.798.790
Non-Cash Loans (****)	1.542.070	3.181.827	18.643	4.742.540
Prior Period				
Total Assets	12.956.933	18.761.821	369.712	32.088.466
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
Financial Derivative Assets	4.585.116	47.164.596	7.125.937	58.875.649
Financial Derivative 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

(*) Foreign currency indexed loans amounting to TL 51.314 are included in the loan portfolio. Expected loss provisions are not considered.

(**) The foreign currency risk calculation is presented in accordance with the "Regulation on Foreign Currency Net General Position / Equity Standard Ratio Calculation and Implementation of Banks' on Consolidated and Non-Consolidated Basis" as published in the Official Gazette dated 1 November 2006 and numbered 26333 (FCNGP Regulation) and does not include all items in the financial statements.

(***) Subordinated loans are included.

(****) Does not affect net off-balance sheet position.

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II. Explanations on Currency Risk (continued)

Foreign currency sensitivity:

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

As of 30 June 2022, the Bank's net foreign exchange exposure as per internal calculation is presented below:

30 June 2022	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	92.372	1.041.745	(74.616)	1.059.501

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)

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 9.258 and TL (80.608) respectively (31 December 2021: TL 72.770 and TL (198.361)).

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

Change in currency rate in %		Effect on profit or loss (*)		Effect on equity(*)	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
USD	10%	104.175	(5.750)	104.175	(5.750)
USD	-10%	(104.175)	5.750	(104.175)	5.750
EUR	10%	9.237	344	9.237	344
EUR	-10%	(9.237)	(344)	(9.237)	(344)

(*) Represents before tax amounts

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III. Explanations on Interest Rate Risk

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

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

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

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

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

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
30 June 2022							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.034.526	-	-	-	-	10.165.116	11.199.642
Banks (****)	183.552	-	-	-	-	2.738.417	2.921.969
Financial Assets at Fair Value Through Profit and Loss	21.328	244.837	532	16.072	9.241	-	292.010
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	3.000	1.629.668	1.770.997	6.841.357	1.387.944	5.303	11.638.269
Loans (****)	8.065.452	4.664.511	7.378.385	4.376.722	5.416.058	(926.522)	28.974.606
Financial assets measured at amortized cost (****)	-	1.288.961	1.169.120	743.114	322.053	(6.441)	3.516.807
Other Assets (*) (****)	465.162	567.859	302.989	223.793	48.959	2.025.294	3.634.056
Total Assets	9.773.020	8.395.836	10.622.023	12.201.058	7.184.255	14.001.167	62.177.359
Liabilities							
Bank Deposits	50.317	60.221	-	-	-	30.752	141.290
Customer Deposits	22.777.433	10.816.130	1.542.134	65.357	-	7.826.166	43.027.220
Money Market Borrowings	4.135.409	-	-	-	-	-	4.135.409
Miscellaneous Payables	-	-	-	-	-	847.293	847.293
Marketable Securities Issued	253.826	-	-	-	-	-	253.826
Funds Provided From Other Financial Institutions	457.227	166.955	64.808	1.484.766	-	-	2.173.756
Subordinated Loans(**)	-	4.741.296	-	-	-	-	4.741.296
Other Liabilities (***)	148.953	256.505	268.347	22.652	58.577	6.102.235	6.857.269
Total Liabilities	27.823.165	16.041.107	1.875.289	1.572.775	58.577	14.806.446	62.177.359
Balance Sheet Long Position	-	-	8.746.734	10.628.283	7.125.678	-	26.500.695
Balance Sheet Short Position	(18.050.145)	(7.645.271)	-	-	-	(805.279)	(26.500.695)
Off-Balance Sheet Long Position	21.880.386	24.627.222	10.181.877	1.051.929	25.441.298	-	83.182.712
Off-Balance Sheet Short Position	(20.821.235)	(23.741.028)	(11.442.166)	(2.642.514)	(25.441.297)	-	(84.088.240)
Total Position	(16.990.994)	(6.759.077)	7.486.445	9.037.698	7.125.679	(805.279)	(905.528)

(*) Derivative financial assets are classified under other assets and expected loss provisions for other assets are netted off in other assets.

(**) On 1 August 2017, the Bank issued Basel III compliant bonds with a maturity of 10 years, a semi-annual coupon payment, an annual interest rate of 7.625%, amounting to USD 300 million, to be sold to real and legal persons residing abroad. According to the BRSA's letter of 17 July 2017, the bond has been classified as supplementary capital in accordance with the Regulation on Banks' Equity. Pursuant to the approval of the BRSA with the letter dated September 26, 2018, the Bank repurchased US\$ 24.535 thousand subordinated bonds as of June 30, 2022 and deducted the related amount from the contribution capital amount in the equity calculation. The shares have not been canceled by the Bank, and their re-circulation is at the disposal of the Bank.

(***) Other obligations line; It includes shareholders' equity amounting to 4,647,791 TL, tax liability of 63,306 TL, provisions of 636,783 TL, liabilities from lease transactions of 131,239 TL and other liabilities of 623,118 TL and derivative financial liabilities amounting to 755,032 TL.

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

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III. Explanations on Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 December 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 March 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion.

(***) 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.

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III. Explanations on Interest Rate Risk (continued)

Current period interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
30 June 2022				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	0,21	-	-
Financial Assets at Fair Value Through Profit and Loss	8,05	8,90	-	26,91
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,60	5,04	-	22,65
Loans	4,52	7,05	-	20,54
Financial Assets Measured at Amortized Cost	4,60	6,65	-	28,42
Liabilities				
Bank Deposits	-	-	-	19,81
Customer Deposits	2,35	3,29	-	16,64
Money Market Borrowings	-	3,58	-	14,00
Subordinated Loans	-	7,63	-	-
Marketable Securities Issued	-	-	-	19,70
Funds Provided From Other Financial Institutions	1,58	3,12	-	-

Prior 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	-	-

IV. Explanations on Share Certificates Position Risk

The Bank has no outstanding share certificate position.

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V. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Information regarding weekly solo liquidity coverage ratios realized in the second quarter of 2022 is as follows:

Current Period- 30 June 2022		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				17.705.107	12.314.443
1	High quality liquid assets	24.472.464	18.133.663	17.705.107	12.314.443
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	25.429.752	16.154.372	2.406.346	1.615.437
3	Stable deposits	2.732.585	-	136.629	-
4	Less stable deposits	22.697.167	16.154.372	2.269.717	1.615.437
	Unsecured Funding other than Retail and Small Business Customer Deposits	9.632.795	6.650.010	4.689.046	3.172.375
5	Operational deposits	23.386	-	5.846	-
6	Non-Operational Deposits	8.675.048	6.238.971	3.748.839	2.761.336
8	Other Unsecured Funding	934.361	411.039	934.361	411.039
9	Secured funding	-	-	-	-
10	Other Cash Outflows	13.852.704	5.673.140	1.940.510	1.314.812
11	Liquidity needs related to derivatives and market	622.375	659.263	482.829	659.264
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	13.230.329	5.013.877	1.457.681	655.548
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	-	-	-	-
16	TOTAL CASH OUTFLOWS	-	-	9.035.902	6.102.624
CASH INFLOWS					
17	Secured Lending Transactions	20.330	-	-	-
18	Unsecured Lending Transactions	5.380.856	3.818.156	4.053.834	3.211.862
19	Other contractual cash inflows	419.915	1.075.028	419.915	1.075.028
20	TOTAL CASH INFLOWS	5.821.101	4.893.184	4.473.749	4.286.890
				Upper Limit Applied	Amounts
21	TOTAL HQLA			17.705.107	12.314.443
22	TOTAL NET CASH OUTFLOWS			4.562.153	1.995.863
23	Liquidity Coverage Ratio (%)			402,56	673,54

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

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

Information regarding weekly unconsolidated liquidity coverage ratios realized in the fourth quarter of 2021 is as follows:

Prior Period- 31 December 2021		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				13.768.175	9.687.303
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
Unsecured Funding other than Retail and Small Business Customer Deposits					
5	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.

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

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

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

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

	Current Period-30 June 2022		Prior Period-31 December 2021	
	TL+FC	FC	TL+FC	FC
Lowest Week	272,57 03.06.2022	326,95 27.05.2022	241,65 03.12.2021	264,16 31.12.2021
Highest Week	585,22 29.04.2022	962,43 15.04.2022	392,84 19.11.2021	631,82 24.12.2021
Average	402,56	673,54	310,03	399,97

Presentation of assets and liabilities according to their remaining maturities:

30 June 2022	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	3.304.061	7.895.581	-	-	-	-	-	11.199.642
Banks (****)	2.742.402	183.552	-	-	-	-	(3.985)	2.921.969
Financial Assets at Fair Value Through Profit and Loss	-	21.328	244.837	532	16.072	9.241	-	292.010
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	5.303	3.000	1.419.856	1.770.999	6.841.355	1.597.756	-	11.638.269
Loans (****)	-	3.160.305	3.326.166	7.066.984	9.033.713	7.313.960	(926.522)	28.974.606
Financial Assets Measured at Amortized Cost (****)	-	-	1.288.961	1.169.120	743.114	322.053	(6.441)	3.516.807
Other Assets (**)(****)	-	464.529	242.489	576.644	234.402	90.697	2.025.295	3.634.056
Total Assets	6.051.766	11.728.295	6.522.309	10.584.279	16.868.656	9.333.707	1.088.347	62.177.359
Liabilities								
Bank Deposits	30.752	50.317	60.221	-	-	-	-	141.290
Customer Deposits	7.826.166	22.645.634	10.858.942	1.631.121	65.357	-	-	43.027.220
Money Market Borrowings	-	4.135.409	-	-	-	-	-	4.135.409
Miscellaneous Payables	-	-	-	-	-	-	847.293	847.293
Marketable Securities Issued	-	253.826	-	-	-	-	-	253.826
Funds Provided From Other Financial Institutions	-	457.227	166.955	401.720	1.147.854	-	-	2.173.756
Subordinated Loans (***)	-	-	-	-	-	4.741.296	-	4.741.296
Other Liabilities (****)	-	147.766	150.116	318.192	30.436	108.522	6.102.237	6.857.269
Total Liabilities	7.856.918	27.690.179	11.236.234	2.351.033	1.243.647	4.849.818	6.949.530	62.177.359
Liquidity (Gap)/ Surplus	(1.805.152)	(15.961.884)	(4.713.925)	8.233.246	15.625.009	4.483.889	(5.861.183)	-
Net Off-Balance Sheet Position	-	478.022	150.365	(1.510.821)	(23.094)	-	-	(905.528)
Financial Derivative Assets	-	20.665.364	9.390.443	11.328.782	3.427.642	38.370.481	-	83.182.712
Financial Derivative Liabilities	-	(20.187.342)	(9.240.078)	(12.839.603)	(3.450.736)	(38.370.481)	-	(84.088.240)
Non-Cash Loans	3.204.271	442.733	1.065.040	7.759.198	-	-	-	12.471.242
Prior period								
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
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

(*) Active accounts such as fixed assets, other assets, securities representing shares in the capital, current tax assets and non-performing loans are recorded here from the active accounts that make up the balance sheet.

(**) Other assets line includes assets other than those mentioned above.

(***) On 1 August 2017, the Bank issued Basel III compliant bonds with a maturity of 10 years, a semi-annual coupon payment, an annual interest rate of 7,625%, amounting to USD 300 million, to be sold to real and legal persons residing abroad. According to the BRSA's letter of 17 July 2017, the bond has been classified as supplementary capital in accordance with the Regulation on Banks' Equity. Pursuant to the approval of the BRSA with the letter dated September 26, 2018, the Bank repurchased US\$ 24.535 thousand subordinated bonds as of June 30, 2022 and deducted the related amount from the contribution capital amount in the equity calculation. The shares have not been canceled by the Bank, and their re-circulation is at the disposal of the Bank.

(****) Other obligations line; It includes shareholders' equity amounting to 4.647.791 TL, tax liability of 63.306 TL, provisions of 636.783 TL, liabilities from lease transactions of 131.239 TL and other liabilities of 623.118 TL and derivative financial liabilities amounting to 755.032 TL.

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

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VI. Explanations on Leverage Ratio

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

“Regulation on the Measurement and Evaluation of Banks Leverage Levels” regulates the procedures and principles regarding to ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 5,98% (31 December 2021: 5,55%). According to Regulations, minimum leverage ratio is 3%.

Disclosure of Leverage ratio template:

	Current Period 30 June 2022(*)	Prior Period 31 December 2021 (*)
Balance sheet transactions		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	60.007.395	51.854.048
2 (Assets deducted from Core capital)	(166.845)	(161.512)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	59.840.550	51.692.536
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	2.190.932	1.938.507
5 Potential credit risk amount of derivative financial assets and credit derivatives	-	-
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	2.190.932	1.938.507
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	28.209.092	17.221.315
11 (Correction amount due to multiplication with credit conversion rates)	(8.345.415)	(5.010.168)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	19.863.677	12.211.147
Capital and total risk		
13 Core Capital	4.896.839	3.620.357
14 Total risk amount(sum of lines 3, 6, 9 and 12)	81.895.159	65.842.190
Leverage ratio		
15 Leverage ratio	5,98	5,55

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

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VII. Explanations on Risk Management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 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 30 June 2022:

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

a. Overview of RWA

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period 30 June 2022	Prior Period 31 December 2021	Current Period 30 June 2022
1	Credit risk (excluding counterparty credit risk) (CCR)	37.955.336	26.176.414	3.036.427
2	Standardised approach (SA)	37.955.336	26.176.414	3.036.427
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	1.686.839	1.125.467	134.947
5	Standardised approach for counterparty credit risk (SA-CCR)	1.686.839	1.125.467	134.947
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	2.281.788	1.201.288	182.543
17	Standardised approach (SA)	2.281.788	1.201.288	182.543
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	2.405.613	2.417.300	192.449
20	Basic Indicator Approach	2.405.613	2.417.300	192.449
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)	44.329.576	30.920.469	3.546.366

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VII. Explanations on Risk Management (continued)

b. 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.

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. 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)				
Current period 30 June 2022	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values
1 Loans	1.785.995	29.901.129	2.712.518	28.974.606
2 Debt Securities	-	15.156.213	6.441	15.149.772
3 Off-balance sheet exposures	50.947	29.121.276	74.929	29.097.294
4 Total	1.836.942	74.178.618	2.793.888	73.221.672
Gross carrying values of (according to TAS)				
Prior Period 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

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VII. Explanations on Risk Management (continued)

b. Credit risk explanation (continued)

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

	30 June 2022	31 December 2021
1 Defaulted loans and debt securities at end of the previous reporting period	1.989.128	2.280.483
2 Loans and debt securities that have defaulted since the last reporting period	5.536	84.290
3 Returned to non-defaulted status	-	-
4 Amounts written off	28	32.185
5 Other changes	(208.641)	(343.460)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	1.785.995	1.989.128

4. 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
Current period 30 June 2022							
1 Loans	25.677.014	3.297.593	421.223	-	-	-	-
2 Debt securities	15.149.772	-	-	-	-	-	-
3 Total	40.826.786	3.297.593	421.223	-	-	-	-
4 Of which defaulted	1.785.848	147	70	-	-	-	-

(*) 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.

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VII. Explanations on Risk Management (continued)

b. Credit risk explanation (continued)

		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
	Prior period 31 December 2021							
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.

5. 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.

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

Current Period – 30 June 2022		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Assets classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	20.243.591	4	20.406.353	1	-	0%
2	Exposures to regional governments or local authorities	139.751	-	139.751	-	69.876	50%
3	Exposures to public sector entities	-	-	-	-	-	0%
4	Exposures to multilateral development banks	809.375	-	809.375	-	-	0%
5	Exposures to international organisations	-	-	-	-	-	0%
6	Exposures to institutions	7.795.427	3.037.248	7.795.427	1.275.365	3.610.750	40%
7	Exposures to corporates	22.200.335	12.729.644	21.595.764	7.084.934	30.042.712	105%
8	Retail exposures	279.941	491.127	257.043	41.676	228.829	77%
9	Exposures secured by residential property	18.818	-	18.818	-	6.586	35%
10	Exposures secured by commercial real estate	4.168.087	175.805	4.167.098	141.257	3.296.191	77%
11	Past-due loans	508.178	-	508.109	-	588.771	116%
12	Higher-risk categories by the Agency Board	667	-	666	-	995	149%
13	Exposures in the form of covered bonds	-	-	-	-	-	0%
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16	Other assets	2.265.045	-	2.265.045	-	1.202.484	53%
17	Investments in equities	-	-	-	-	-	0%
18	Total	58.429.215	16.433.828	57.963.449	8.543.233	39.047.194	59%

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VII. Explanations on Risk Management (continued)

b. Credit risk explanation (continued)

Prior 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%

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

Current Period – 30 June 2022										Total credit risk exposure amount (***)
Asset classes/ Risk weight (*)	0%	10%	20%	50 %(*)	75%	100%	150%	200%	Other (35% - 50% (**))	
Exposures to central governments or central banks	20.406.354	-	-	-	-	-	-	-	-	20.406.354
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	139.751	139.751
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	809.375	-	-	-	-	-	-	-	-	809.375
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-
Exposures to institutions	-	-	3.808.687	-	-	136.018	149.951	-	4.976.136	9.070.792
Exposures to corporates	-	-	-	-	-	27.317.249	2.871	1.360.578	-	28.680.698
Retail exposures	-	-	-	-	291.756	864	6.099	-	-	298.719
Exposures secured by residential property	-	-	-	-	-	-	-	-	18.818	18.818
Exposures secured by commercial real estate	-	-	-	2.024.327	-	2.284.028	-	-	-	4.308.355
Past-due loans	-	-	-	-	-	126.323	271.555	-	110.231	508.109
Higher-risk categories by the Agency Board	-	-	-	-	-	6	659	-	1	666
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	1.062.561	-	-	-	-	1.202.484	-	-	-	2.265.045
Total	22.278.290	-	3.808.687	2.024.327	291.756	31.066.972	431.135	1.360.578	5.244.937	66.506.682

(*) Collateralized with the Real Estate Mortgage

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

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

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VII. Explanations on Risk Management (continued)

b. Credit risk explanation (continued)

7. Standard approach – exposures by asset classes and risk weights (continued)

Prior Period - 31.12.2021										Other (35% - 50% (**))	Total credit risk exposure amount (***)
Asset classes/ Risk weight(*)	0%	10%	20%	50% (*)	75%	100%	150%	200%			
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

c. Counterparty Credit risk (CCR) explanations:

1. Qualitative disclosure related to counterparty credit risk:

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

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

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

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

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

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VII. Explanations on Risk Management (continued)

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

1. Qualitative disclosure related to counterparty credit risk: (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

Current Period – 30 June 2022		Revaluation Cost	Potential credit risk exposure	EBPRT(*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
1	Standard Approach-CCR	811.467	697.958	-	1,40	1.464.708	1.078.449
2	Internal Model Approach	-	-	-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation	-	-	-	-	-	-
4	Comprehensive Method for Credit Risk Mitigation	-	-	-	-	120.909	13.409
5	Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions	-	-	-	-	120.909	13.409
6	Total	-	-	-	-	-	1.091.858

(*) Effective expected positive risk amount

Prior Period – 31.12.2021		Revaluation Cost	Potential credit risk exposure	EBPRT(*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
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

3. Credit valuation adjustment (CVA) capital charge

		Current Period – 30 June 2022		Prior Period – 31 December 2021	
		Exposure (After credit risk mitigation methods)	Risk Weighted Amounts	Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
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	1.418.209	594.981	1.286.393	276.771
4	Total amount of CVA capital adequacy	1.418.209	594.981	1.286.393	276.771

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VII. Explanations on Risk Management (continued)

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

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

Current Period – 30 June 2022										Total Credit Risk(*)
Risk Weights	0%	10%	20%	50%	75%	100%	150%	Other		
Risk Classes										
Central governments and central banks receivables	138.182	-	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	169.217	588.958	-	-	149.952	-	-	553.250
Corporate receivables	-	-	-	-	-	536.507	-	-	-	536.507
Retail receivables	-	-	-	-	2.801	-	-	-	-	2.101
Mortgage receivables	-	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-	-
Securitisation Positions	-	-	-	-	-	-	-	-	-	-
Short term credit rated banks and Intermediary Institutions receivables	-	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Other assets (**)	-	-	-	-	-	-	-	-	-	-
Total	138.182	-	169.217	588.958	2.801	536.507	149.952	-	-	1.091.858

(*) 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- 31.12.2021										Total Credit Risk(*)
Risk Weights	0%	10%	20%	50%	75%	100%	150%	Other		
Risk Classes	498.728	-	-	-	-	-	-	-	-	-
Central governments and central banks receivables	-	-	-	-	-	-	-	-	-	-
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
Mortgage receivables	-	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-	-
Securitisation Positions	-	-	-	-	-	-	-	-	-	-
Short term credit rated banks and Intermediary Institutions receivables	-	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
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.

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.

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VII. Explanations on Risk Management (continued)

d. Explanations Related to Securitization Positions: None.

e. 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

	30 June 2022	31 December 2021
	RWA	RWA
Outright products		
1 Interest rate risk (general and specific)	419.585	276.411
2 Equity risk (general and specific)	42.650	37.975
3 Foreign exchange risk	849.588	386.625
4 Commodity risk	876.176	407.789
Options	-	-
5 Simplified approach	-	-
6 Delta-plus method	93.788	92.488
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	2.281.786	1.201.288

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XII. Explanations on Segment Reporting

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

Current Period (1 January-30 June 2022)	Commercial Banking	Retail Banking	Other and Unallocated (*)	Bank's Total Activities
Net Interest Income	332.723	165.484	459.343	957.550
Net Fee and Commission Income	50.370	28.536	(2.013)	76.893
Dividend Income	-	-	-	-
Other Operating Income and Net Profit/Loss	398.600	64.871	304.661	768.132
Operating Income	781.693	258.891	761.991	1.802.575
Other Operating Expenses	(112.369)	(193.235)	(257.654)	(563.258)
Credit and Other Provisions	(497.992)	(18.137)	(276.474)	(792.603)
Profit Before Tax	171.332	47.519	227.863	446.714
Tax Provision	-	-	(104.137)	(104.137)
Net Profit	171.332	47.519	123.726	342.577
Total Asset	29.954.816	449.921	31.772.622	62.177.359
Segment Assets	29.954.816	449.921	31.772.622	62.177.359
Total Liability	13.485.576	29.167.920	19.523.863	62.177.359
Segment Liability	13.485.576	29.167.920	10.134.776	52.788.272
Subordinated Loan	-	-	4.741.296	4.741.296
Equity	-	-	4.647.791	4.647.791

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

Prior Period (1 January-30 June 2021)	Commercial Banking	Retail Banking	Other and Unallocated (*)	Bank's Total Activities
Net Interest Income	186.248	87.305	198.248	471.801
Net Fee and Commission Income	42.957	19.149	(9.970)	52.136
Dividend Income	-	-	-	-
Other Operating Income and Net Profit/Loss	8.516	27.600	566.139	602.255
Operating Income	237.721	134.054	754.417	1.126.192
Other Operating Expenses	-	-	(352.958)	(352.958)
Credit and Other Provisions	(45.485)	5.112	(622.602)	(662.975)
Profit Before Tax	192.236	139.166	(221.143)	110.259
Tax Provision	-	-	(25.661)	(25.661)
Net Profit	192.236	139.166	(246.804)	84.598
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.

(**) Represents 31 December 2021 balances.

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SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

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

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	44.320	619.972	54.693	1.083.980
Balances with the Central Bank of Turkey	1.135.237	9.400.113	643.530	7.660.206
Other	-	-	-	-
Total	1.179.557	10.020.085	698.223	8.744.186

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

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Unrestricted Demand Deposit	1.042.503	2.631.792	643.530	2.298.863
Unrestricted Time Deposit	-	-	-	612.491
Restricted Time Deposit	92.734	6.768.321	-	4.748.852
Total	1.135.237	9.400.113	643.530	7.660.206

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 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 30 June 2022 (31 December 2021: 3% and 8% 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 30 June 2022 (31 December 2021: 5% and 26% for all foreign currency liabilities).

As of April 15, 2022, the 8.5% interest rate applied by the CBRT for required reserves in Turkish Lira has been terminated. No interest is paid for required reserves in foreign currency.

Within the scope of the "Communique on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" numbered 2021/14, conversion rate from foreign currency deposit accounts in USD, EUR, GBP and participation fund accounts in foreign currency to TL time deposit and participation accounts for which real persons and legal entities is above 10% as of 15 April 2022 obligation date, real persons is above 10% and legal entities is above 20% as of 8 July 2022 obligation date, real persons and legal entities is both above 20% as of 2 September 2022 obligation date, no commission will be collected from banks.

As of September 2, 2022, the rate of commission to be taken from banks of which conversion rate cannot reach 20% separately for real persons and legal entities, will be 5%.

Within the scope of the Communiqué Amending the Communiqué numbered. 2022/17 on Required Reserves (Number: 2013/15) published in the Official Gazette dated 23 April 2022 and numbered 31818; reserve requirement have started to be established at the rate of 20% on Turkish Lira assets.

Within the scope of the "Communique on the Establishment of Turkish Lira Securities for Foreign Currency Liabilities" numbered 2022/20; as of 24 June 2022 obligation date and to be started from 29 July 2022 placement date, TL marketable securities have started to be placed as additional reserve requirement for foreign currency liabilities.

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

2. Information on financial assets at fair value through profit and loss (net):

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (31 December 2021: None).

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2021: None).

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

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	49.488	25.743	128.538	4.439
Swap Transactions	713.159	262.777	1.486.029	1.567.496
Futures Transactions	-	-	-	-
Options	347.623	99.940	394.891	28.927
Other	-	-	-	-
Total	1.110.270	388.460	2.009.458	1.600.862

3. Information on banks:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Banks				
Domestic	122	249.396	186	82.417
Foreign	-	2.676.436	-	3.767.511
Branches and head office abroad	-	-	-	-
Total	122	2.925.832	186	3.849.928

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

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

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	865.445	3.584.809	613.194	3.694.661
Other	-	-	-	-
Total	865.445	3.584.809	613.194	3.694.661

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

As of 30 June 2022, financial assets at fair value through other comprehensive income subject to repurchase agreements: TL 4.412.841 (31 December 2021: TL 1.857.808).

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

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

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

	30 June 2022	31 December 2021
Debt securities	12.292.245	10.333.261
Quoted on a stock exchange	12.292.245	10.333.261
Not quoted	-	-
Share certificates	5.304	5.256
Quoted on a stock exchange	-	-
Not quoted	5.304	5.256
Value Increase/Impairment Losses (-)	659.280	299.077
Total	11.638.269	10.039.440

5. Information on loans:

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

	30 June 2022		31 December 2021	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	1.778	13.346	424	15.486
Loans granted to employees	5.664	-	5.134	-
Total	7.442	13.346	5.558	15.486

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

5. Information on loans (continued)

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

30 June 2022

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	20.668.508	2.445.584	-	6.787.037
Loans given to enterprises	-	-	-	6.341.791
Export loans	4.040.478	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	1.303.665	-	-	-
Consumer loans	152.685	12.981	-	10.832
Credit cards	146.117	1.581	-	1.112
Other	15.025.563	2.431.022	-	433.302
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	20.668.508	2.445.584	-	6.787.037

(*) 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 27.989.

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.

30 June 2022			31 December 2021	
First and Second Stage Expected Loss Provisions (*)	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month provisions for possible losses	119.894	-	119.320	-
Significant increase in credit risk	-	1.736.715	-	1.297.235
Total	119.894	1.736.715	119.320	1.297.235

(*) The expected loss provision amounting to TL 6.441 related to other financial assets measured at amortized cost is not included.

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

5. Information on loans (continued)

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

30 June 2022	Commercial	Retail	Total
Standard Loans	20.410.544	257.964	20.668.508
Watchlist	9.176.127	28.505	9.204.632
Significant Increase in Credit Risk	27.989	-	27.989
Non-performing Loans	1.665.881	120.114	1.785.995
Specific Provision (-)	(788.322)	(67.586)	(855.908)
Total	30.492.219	338.997	30.831.216

(*) According to the internal segmentation of the bank

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

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

5. Information on loans (continued)

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

30 June 2022	Short Term	Medium and Long Term	Total
Consumer Loans – TL	7.703	144.923	152.626
Housing Loans	-	113.781	113.781
Car Loans	-	26	26
General Purpose Loans	7.703	31.116	38.819
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	113.784	903	114.687
With Installments	12.573	903	13.476
Without Installments	101.211	-	101.211
Individual Credit Cards-FC	471	-	471
With Installments	-	-	-
Without Installments	471	-	471
Personnel Loans - TL	176	3.291	3.467
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	176	3.291	3.467
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	2.195	2	2.197
With Installments	286	2	288
Without Installments	1.909	-	1.909
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	11.195	-	11.195
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	135.524	149.119	284.643

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

5. Information on loans (continued)

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

31 December 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

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

5. Information on loans (continued)

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

30 June 2022	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	1.099.152	5.418.086	6.517.238
Business Loans	-	746	746
Car Loans	13.293	74.870	88.163
General Purpose Loans	1.085.771	5.334.958	6.420.729
Other	88	7.512	7.600
Commercial loans with installment facility-Indexed to FC	-	51.314	51.314
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	51.314	51.314
Other	-	-	-
Commercial loans with installment facility -FC	337.612	11.657.427	11.995.039
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	337.612	11.657.427	11.995.039
Other	-	-	-
Corporate Credit Cards-TL	31.453	-	31.453
With Installments	81	-	81
Without Installments	31.372	-	31.372
Corporate Credit Cards-FC	2	-	2
With Installments	-	-	-
Without Installments	2	-	2
Overdraft Accounts-TL (Legal Entities)	9.672	-	9.672
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	1.477.891	17.126.827	18.604.718

f) Distribution of domestic and foreign loans:

	30 June 2022	31 December 2021
Domestic loans	29.829.769	25.428.269
Foreign loans	71.360	151.725
Total	29.901.129	25.579.994

g) Loans granted to subsidiaries and associates: None. (31 December 2021: None)

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

	30 June 2022	31 December 2021
Expected credit losses		
Loans with limited collectability	56.711	67.458
Loans with doubtful collectability	36.738	8.835
Uncollectible loans	762.459	858.017
Total	855.908	934.310

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

5. Information on loans (continued)

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

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

	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)	-	24	141.142
Restructured loans and other receivables	-	24	141.142
Prior Period			
(Gross amounts before provisions)	-	2.844	128.744
Restructured loans and other receivables	-	2.844	128.744

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

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
31 December 2021 balance	142.814	21.734	1.824.580
Additions (+)	5.536	57.204	12.018
Transfers from other categories of non-performing loans (+)	-	21.437	6.718
Transfers to other categories of non-performing loans (-)	21.437	6.718	-
Collections (-)	21.586	1.143	255.134
Write-offs (-)	-	-	28
Sold	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other (-)	-	-	-
30 June 2022 balance	105.327	92.514	1.588.154
Specific provision (-)	56.711	36.738	762.459
Net Balances on Balance Sheet	48.616	55.776	825.695

i.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	-	57.737	553.756
Provision (-)	-	21.956	232.298
Net Balances on Balance Sheet	-	35.781	321.458
Prior Period			
Period end balance	-	-	607.290
Provision (-)	-	-	254.339
Net Balances on Balance Sheet	-	-	352.951

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

5. Information on loans (continued)

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
30 June 2022(Net)	48.616	55.776	825.695
Loans to Real Persons and Legal Entities (Gross)	105.327	92.514	1.588.154
Specific provision (-)	56.711	36.738	762.459
Loans to Real Persons and Legal Entities (Net)	48.616	55.776	825.695
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
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)	-	-	-

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

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net)			
Interest Accruals, Rediscounts and Valuation Differences	129	2.555	580.823
Special Provision Amount (-)	129	2.555	580.823
Prior Period (Net)			
Interest Accruals, Rediscounts and Valuation Differences	347	413	552.163
Special Provision Amount (-)	347	413	552.163

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

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 29750 dated June 22, 2016; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 30 June 2022, the net amount after provisions of the non-performing loans and receivables is TL 825.695 (31 December 2021: TL 966.563).

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

5. Information on loans (continued)

k) Explanations on write-off policy:

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on November 27, 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as "Uncollectible loans" if it cannot reasonably be expected to be recovered. Loans and receivables considered as non-collectable are written-off pursuant to approval of Board of Directors (BoD) and other related departments. As of 30 June 2022, The Bank has written-off TL 28 of non-performing loan portfolio which has 100% provision.

6. Information on financial assets measured at amortized cost:

- a) Information on financial assets given as collateral or blocked: As of 30 June 2022, financial assets measured at amortized cost given as collateral is amounting to TL 1.157.620 (31 December 2021: TL 616.352).
- b) Investments and legal liabilities subject to repurchase agreements: As of 30 June 2022, financial assets measured at amortized cost subject to repurchase agreements is amounting to TL 160.783 (31 December 2021: TL 644.937).
- c) The Bank has TL 3.523.248 financial assets measured at amortized cost as of 30 June 2022 (31 December 2021: TL 1.335.040).
- d.1) Government securities measured at amortised cost:

	30 June 2022	31 December 2021
Government Bonds	1.403.782	1.263.031
Treasury Bills	-	-
Other Government Securities	2.119.466	72.009
Total	3.523.248	1.335.040

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

	30 June 2022	31 December 2021
Beginning Balance	1.335.040	1.058.863
Foreign Currency Differences on Monetary Assets (*)	375.629	525.071
Purchases During Year	2.466.549	71.232
Disposals Through Sales and Redemptions	(653.970)	(320.126)
Impairment Provision (-)	-	-
Total	3.523.248	1.335.040

(*) Represents exchange differences and accrual interest.

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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 2021: None).

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period (31 December 2021: None).

9. Information on jointly controlled entities (Net):

The Bank has no jointly controlled entities in the current period (31 December 2021: None).

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period (31 December 2021: None).

11. Information on derivative financial assets for hedging purposes:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	110.032	-	92.436	-
Net Investment Hedge	-	-	-	-
Total	110.032	-	92.436	-

12. Information on tangible assets (Net):

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

13. Information on intangible assets:

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

14. Investment Property (Net):

None (31 December 2021: None).

15. Explanations on deferred tax assets:

- a) As of 30 June 2022, the Bank has deferred tax asset amounting to TL 386.594 arising from deductible temporary differences (31 December 2021: TL 256.329).

Timing differences constituting the basis for deferred tax	Current Period		Prior Period	
	Basis	Deferred tax asset/(liability)	Basis	Deferred tax asset/(liability)
Difference between net book value and tax value of financial assets	49.792	9.990	53.856	10.855
Provisions	2.723.922	675.549	2.760.097	571.979
Valuation differences	1.959.911	488.362	2.973.831	623.100
Deferred commissions	23.596	4.719	36.862	7.372
Tangible assets differences	9.099	1.820	15.922	3.184
Financial Loss	-	-	-	-
Other	36.869	9.217	76.809	17.753
Deferred Tax Asset	4.803.189	1.189.657	5.917.377	1.234.243
Valuation differences	3.109.056	777.264	3.702.756	777.579
Provisions	53.532	13.383	855.124	171.025
Other	52.577	12.416	147.876	29.310
Deferred Tax Liability (-)	3.215.165	803.063	4.705.756	977.914
Total deferred tax assets, net		386.594		256.329

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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 2021: None).
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None (31 December 2021: None).

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

As of 30 June 2022, the Bank has assets held for sale and discontinued operations amounting to TL 261.996 (31 December 2021: TL 296.839).

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

As of 30 June 2022, the right of repurchase value of assets of the Bank is TL 77.993 (31 December 2021: TL 119.669).

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 2021: None).

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II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a) 30 June 2022

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	311.319	-	1.765.196	3.541.651	4.051.670	250.136	472.173	-	10.392.145
Foreign currency deposits	3.925.409	-	3.215.741	15.708.614	1.803.551	210.749	80.590	-	24.944.654
Residents in Turkey	3.756.113	-	3.159.727	15.387.812	1.769.761	205.907	69.246	-	24.348.566
Residents abroad	169.296	-	56.014	320.802	33.790	4.842	11.344	-	596.088
Public sector deposits	86.448	-	-	-	-	-	-	-	86.448
Commercial deposits	447.896	-	344.584	1.340.492	173.571	1.847.589	81.995	-	4.236.127
Other institutions deposits	688	-	3.014	28.583	48.170	67.057	144.406	-	291.918
Precious metals deposits	3.054.406	-	-	18.352	3.170	-	-	-	3.075.928
Interbank deposits	30.752	-	-	86.931	6.182	17.425	-	-	141.290
Central Bank of Turkey	26.414	-	-	-	-	-	-	-	26.414
Domestic Banks	-	-	-	52.153	6.182	-	-	-	58.335
Foreign Banks	4.338	-	-	34.778	-	17.425	-	-	56.541
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	7.856.918	-	5.328.535	20.724.623	6.086.314	2.392.956	779.164	-	43.168.510

Currency-protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against exchange rate changes in foreign currency, has started to be offered to bank customers. As of 30 June 2022, the total amount of deposits includes 8.297.895 TL (31 December 2021: 489.997 TL) deposits within this scope.

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

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

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

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

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

Saving deposits (*)	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Saving deposits	3.446.378	2.581.661	6.945.767	5.460.990
Foreign currency saving deposits	2.481.642	1.975.430	16.966.867	15.839.206
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	5.928.020	4.557.091	23.912.634	21.300.196

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

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

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

	30 June 2022	31 December 2021
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	23.551	8.413
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:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	15.168	145.645	215.654	64.838
Swap Transactions	208.340	194.642	794.406	1.488.071
Futures Transactions	-	-	-	-
Options	112.690	72.740	145.784	19.996
Other	-	-	-	-
Total	336.198	413.027	1.155.844	1.572.905

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

3. Information on borrowings:

a) Information on banks and other financial institutions:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
From Domestic Banks and Institutions	-	-	-	-
From Foreign Banks, Institutions and Funds	-	2.173.756	-	1.708.596
Total	-	2.173.756	-	1.708.596

b) Maturity analysis of borrowings:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Short-term	-	624.183	-	-
Medium and long-term	-	1.549.573	-	1.708.596
Total	-	2.173.756	-	1.708.596

4. Information on funds provided from repurchase agreement transactions:

Funds Provided Under Repurchase Agreements:

	30 June 2022	31 December 2021
Funds Provided Under Repurchase Agreements	4.135.409	2.224.902
Total	4.135.409	2.224.902

5. Marketable Securities Issued (Net):

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Bills	253.826	-	-	-
Bonds	-	-	-	-
Total	253.826	-	-	-

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 2021: None).

7. Explanations on lease obligations (Net):

	30 June		31 December	
	Gross	Net	Gross	Net
Less Than 1 Year	12.797	9.657	7.820	7.290
Between 1-4 Years	122.386	95.411	99.176	78.390
More Than 4 Years	44.708	26.171	54.275	34.500
Total	179.891	131.239	161.271	120.180

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

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

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	5.807	-	-	-
Net Investment Hedge	-	-	-	-
Total	5.807	-	-	-

9. Information on provisions:

a) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: None (31 December 2021: None).

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

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

	30 June 2022	31 December 2021
Employee termination benefit provision	30.290	26.355
Unused vacation provision	15.039	9.513
Total of provision for employee benefits	45.329	35.868

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

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

	30 June 2022	31 December 2021
Balance at the beginning of period	26.355	16.611
Service Cost	3.935	3.273
Interest expense	-	2.892
Actuarial gain/loss	-	7.120
Payments during the period (*)	-	(3.541)
Balance at the end of period	30.290	26.355

(*) During the period, 2,739 thousand TL severance pay was paid and expense was recorded.

c) Information on other provisions:

c.1) Provisions for possible losses: TL 400.000 (31 December 2021: TL 130.000).

c.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions: Other provisions consist of litigation provision amounting to TL 65.322 (31 December 2021: TL 60.113), provision for credit cards promotion and banking services amounting to TL 50.793 (31 December 2021: TL 65.550) and other provisions amounting to TL 409 (31 December 2021: TL 1.048).

c.3) Expected loss provisions for non-cash loans: TL 65.795 (31 December 2021: TL 49.466 provision).

c.4) Information on provisions for non-cash loans that are non-funded and non-transformed into cash: TL 9.135 (31 December 2021: TL 9.256 provision).

d) Liabilities on pension rights: None.

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

- d.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2021: None).
- d.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None (31 December 2021: None).

10. Explanations on taxes payable:

- a) Information on current tax liability:

- a.1) Information on corporate tax:

As of 30 June 2022, the provision of corporate income tax: None. (31 December 2021: None).

- a.2) Explanations on taxes payable:

	30 June 2022	31 December 2021
Corporate Taxes Payable	-	-
Withholding tax on deposits	24.392	27.357
BITT	17.233	23.006
Payroll Tax	7.130	6.050
Property Tax	690	407
Value Added Tax Payable	3.003	5.580
Stamp Tax	343	188
Foreign Exchange Tax	1.363	4.964
Other	1.325	729
Total	55.479	68.281

- a.3) Information on premiums:

	30 June 2022	31 December 2021
Social Security Premiums-Employee	3.313	2.339
Social Security Premiums-Employer	3.822	2.694
Unemployment Insurance-Employer	461	326
Unemployment Insurance-Employee	231	163
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	7.827	5.522

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

- 11. Information on liabilities regarding assets held for sale and discounted operations:** None (31 December 2021: None).

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

12. Information on subordinated loans:

	30 June 2022(*)		31 December 2021	
	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	-	4.741.296	-	3.833.893
Subordinated loans	-	-	-	-
Subordinated debt	-	4.741.296	-	3.833.893
Total	-	4.741.296	-	3.833.893

(*) 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 30 June 2022, 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. On August 1, 2022, the early pay option of the subordinated bond has not been used and the coupon interest for the coming periods has been set at 8,606%.

13. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

As of 30 June 2022, the Bank's paid in capital consists of TL 3.288.842.000 shares which nominal value is TL 1(full TL).

TL	30 June 2022	31 December 2021
Common stock (*)	3.288.842	3.288.842
Preferred stock	-	-
Total	3.288.842	3.288.842

(*) Nominal Capital

b) Information on marketable securities value increase fund:

	30 June 2022		31 December 2021	
	TP	YP	TP	YP
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	1.148.532	(466.416)	115.272	(158.796)
Foreign Exchange Difference	-	-	-	-
Toplam	1.148.532	(466.416)	115.272	(158.796)

c) Information on legal reserves:

	30 June 2022	31 December 2021
Primary Legal Reserves	46.700	36.415
Secondary Legal Reserve	-	-
Other Legal Reserves Per Special Legislation	-	-
Total	46.700	36.415

At the Ordinary General Assembly meeting dated March 29, 2022, TL 10,284, which is 5% of the Bank's net profit for the year 2021 amounting to TL 205.688, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining TL 195,404 has been decided to set aside as Extraordinary Reserves.

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

13. Information on Shareholders' Equity (continued):

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.

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

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 30 June 2022, the net amount after provisions of the non-performing loans and receivables in the fifth group (in Stage 3) is TL 825.695 (31 December 2021: TL 966.563).

14. Information on minority shares:

None.

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

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	30 June 2022	31 December 2021
Forward asset purchase and sales commitments	2.714.998	3.093.542
Loan granting commitments	813.296	620.130
Commitments for checks	77.488	62.333
Credit card limit commitments	412.411	396.015
Other irrevocable commitments (*)	34.710	29.880
Total	4.052.903	4.201.900

(*) 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:

	30 June 2022	31 December 2021
Letters of guarantee	6.965.592	4.395.474
Letters of credit	2.619.270	2.215.994
Bank acceptance loans	-	4.976
Other guarantees	2.886.380	2.066.867
Total	12.471.242	8.683.311

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

	30 June 2022	31 December 2021
Definite letter of guarantees	4.628.665	3.134.625
Temporary letter of guarantees	128.135	111.798
Other letter of guarantees	2.208.792	1.149.051
Total	6.965.592	4.395.474

c) Total amount of non-cash loans:

	30 June 2022	31 December 2021
Non-cash loans given to cover cash loans	1.717.497	859.750
With maturity of 1 year or less than 1 year	1.061.012	236.742
With maturity of more than 1 year	656.484	623.009
Other non-cash loans	10.753.745	7.823.561
Total	12.471.242	8.683.311

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

1. Information on off-balance sheet liabilities (continued):

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.

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

1. a) Information on interest on loans:

Interest on loans	30 June 2022		30 June 2021	
	TL	FC	TL	FC
Short term loans	506.976	30.921	371.508	36.242
Medium and long term loans	673.082	427.721	416.367	283.667
Interest collected from non-performing loans	91.005	-	100.996	-
Total	1.271.063	458.642	888.871	319.909

b) Information on interest received from banks:

	30 June 2022		30 June 2021	
	TL	FC	TL	FC
From The Central Bank of Republic of Turkey	290	-	97	-
From domestic banks	7.209	-	5.015	32
From foreign banks	-	3.551	-	5.184
From branches and offices abroad	-	-	-	-
Total	7.499	3.551	5.112	5.216

c) Interest received from marketable securities portfolio:

	30 June 2022		30 June 2021	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss (Net)	38.887	381	19.847	252
Financial assets at fair value through other comprehensive income	792.762	112.506	366.723	55.548
Financial Assets Measured at Amortized Cost	247.318	37.603	8.797	22.948
Total	1.078.967	150.490	395.367	78.748

2. a) Information on interest on funds borrowed:

Interest on funds borrowed	30 June 2022		30 June 2021	
	TL	FC	TL	FC
Banks	-	22.438	2	17.928
The Central Bank of Turkey	-	-	-	-
Domestic banks	-	-	2	204
Foreign banks	-	22.438	-	17.724
Branches and offices abroad	-	-	-	-
Other institutions	1.046	-	623	-
Total	1.046	22.438	625	17.928

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

c) Information on interest expense to marketable securities issued: As of 30 June 2022, the Bank has interest expense to Tier II sub-loan issued amounting to TL 174.906 (30 June 2021: TL 141.340).

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

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

30 June 2022								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TL								
Bank deposits	-	5.464	-	-	-	-	-	5.464
Saving deposits	124	168.197	317.021	172.626	22.347	350.062	-	1.030.377
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	10	56.983	145.576	11.776	106.093	19.664	-	340.102
Other deposits	-	1.435	10.197	1.009	3.727	29.140	-	45.508
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	134	232.079	472.794	185.411	132.167	398.866	-	1.421.451
Foreign Currency								
Foreign currency deposits	260	18.863	135.623	14.281	1.085	438	-	170.550
Bank deposits	-	1.326	-	-	-	-	-	1.326
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1	216	1	-	-	-	218
Total	260	20.190	135.839	14.282	1.085	438	-	172.094
Grand Total	394	252.269	608.633	199.693	133.252	399.304	-	1.593.545
30 June 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	-	9.240	-	-	-	-	-	9.240
Saving deposits	61	130.261	290.135	87.374	10.068	85.911	-	603.810
Public sector deposits	-	-	53	-	-	-	-	53
Commercial deposits	2	22.449	53.480	6.610	4.952	2.437	-	89.930
Other deposits	-	310	2.930	2.018	2.808	6.108	-	14.174
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	63	162.260	346.598	96.002	17.828	94.456	-	717.207
Foreign Currency								
Foreign currency deposits	34	16.346	106.385	6.969	1.230	1.128	-	132.092
Bank deposits	-	832	-	-	-	-	-	832
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	7	278	-	-	-	-	285
Total	34	17.185	106.663	6.969	1.230	1.128	-	133.209
Grand Total	97	179.445	453.261	102.971	19.058	95.584	-	850.416

3. Information on Dividend Income: None (30 June 2021: None).

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

4. Information on net trading income:

	30 June 2022	30 June 2021
Income	117.045.292	60.858.083
Gains on capital market operations	394.718	33.240
Gains on derivative financial instruments	3.938.459	2.326.451
Foreign exchange gains	112.712.115	58.498.392
Losses (-)	116.676.576	60.838.331
Losses on capital market operations	11.271	5.876
Losses on derivative financial instruments	3.429.057	1.801.312
Foreign exchange losses	113.236.248	59.031.143
Net Amount	368.716	19.752

5. Information on other operating income:

	30 June 2022	30 June 2021
Income from Reversal of Prior Years' General and Specific Provisions	335.799	532.564
Income from Reversal of Prior Years' Other Provisions	31.293	19.337
Other Income	32.324	30.602
Total	399.416	582.503

6. Provision for impairment of loans and other receivables:

a) Expected credit loss provisions:

	30 June 2022	30 June 2021
Expected Credit Loss Provisions	529.887	657.170
12-Month Expected Credit Losses (Stage 1)	114.593	62.336
Significant Increase In Credit Risk (Stage 2)	323.579	198.033
Credit-Impaired (Stage 3)	91.715	396.801
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	529.887	657.475

b) Other Provisions:

As of 30 June 2022, other provision expenses are TL 262.716 (30 June 2021: TL 5.500).

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

7. Information on other operating expenses:

	30 June 2022	30 June 2021
Employee termination benefit provision	3.935	2.641
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Amortization expenses of fixed assets	36.863	28.951
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	20.898	16.352
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	237.979	135.956
Leasing expenses related to TFRS 16 exemptions (*)	2.080	1.051
Maintenance expenses	4.024	2.764
Advertisement expenses	32.456	8.348
Other expenses (**)	199.419	123.793
Loss on sales of assets	300	4.176
Other	-	-
Total	299.975	188.076

(*) 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

Not reported in accordance with Article 25 of the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to the Public by Banks

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

As of 30 June 2022, the Bank's profit before tax from continued operations is TL 446.714 (30 June 2021: 110.259).

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

As of 30 June 2022, The Bank has deferred tax income amounting to TL 374.488 and TL 478.625 current tax expense amounting (30 June 2021: TL 25.661 deferred tax expense).

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

As of 30 June 2022, the Bank's net profit from continued operations is TL 342.577 (30 June 2021: TL 84.598).

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

- Free provision expense amounting to TL 261.716 has been incurred in the current period due to the by the Bank's management for 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.

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V. Explanations on the Risk Group of the Bank

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

a) 30 June 2022:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	424	15.486	-	561
Balance at end of period	-	-	-	13.346	148	926
Interest and commission income	-	-	-	-	-	-

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 (*)	-	-	23	-	-	-

(*) Prior periods are as of 30 June 2021.

b.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	-	-	10.856	641.592	8.413	5.162
Balance at end of period	-	-	4.338	10.856	23.551	8.413
Interest on deposits (*)	-	-	-	128	989	665

(*) Prior periods are as of 30 June 2021.

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V. 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	-	-	40.470.430	22.328.683	-	-
Balance at end of period	-	-	37.536.344	40.470.430	-	-
Total loss/ profit (*)	-	-	(1.069.377)	(61.134)	-	-

(*) As of 30 June 2022 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 30 June 2022 is TL 36.002 (30 June 2021: TL 16.868).

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

	Number of Branches	Number Of Employees	Country	Total Assets	Legal Capital
Domestic Branches	48	1.083			
Foreign Representative Offices	-	-	-	-	-
Foreign Branches	-	-	-	-	-
Off-shore Banking Branches	-	-	-	-	-

VIII. Explanations and Disclosures Related To Subsequent Events

On August 1, 2017, the Bank issued US\$300 million of Basel III-compliant, 10-year, 6-month coupon-paying bonds with an annual interest rate of 7.625% for sale to individuals and legal entities who are resident abroad. On August 1, 2022, the early pay option of the subordinated bond has not been used and the coupon interest for the coming periods has been set at 8,606%.

With the decision of the Board of Directors dated June 21, 2022, it was deemed appropriate for the Bank to participate in Export Development Joint Stock Company (IGE İhracatı Gelistirme A.S.) up to (full) TL 3.040.974,57 of the increased capital and up to (full) TL 3.040.974,57 premium. Thus, the Bank become a shareholder of IGE in Group D shareholder status. On July 26, 2022, the capital commitment of the Bank amounting to TL 6.082 thousand, including the premium, was paid in cash and fully fulfilled by the Bank.

After the international rating agency Fitch Ratings downgraded Turkey's long-term FX rating from "B+" to "B" on 8 July 2022 and determined the outlook as Negative; on 26 July 2022, together with 24 other banks operating in Turkey, Odea Bank's long-term FX and TL rating ratings were revised from "B" to "B-" and its financial capacity rating from "b" to "b-".

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SECTION SIX

EXPLANATIONS ON INDEPENDENT AUDITOR'S REVIEW REPORT

I. Explanations on Review Report

The unconsolidated financial statements for the period ended 30 June 2022 have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ. The auditor's review report dated 3 August 2022 is presented preceding the unconsolidated financial statements.

II. Explanations and Notes Prepared By Independent Auditor

None.

SECTION SEVEN

INTERIM ACTIVITY REPORT

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

Brief Information on Odea Bank A.Ş.:

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

Capital and shareholders' structure:

As of 30 June 2022 and 31 December 2021, the shareholders' structure and their ownerships are summarized as follows:

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

Changes in the articles of association:

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

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

Information on number of branches and personnel:

As of 30 June 2022 the Bank has 48 domestic branches and 1.083 personnel.

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Information on Board Members and executive management of the Bank

<u>Title</u>	<u>Name-Surname</u>	<u>Responsibility</u>	<u>Education</u>
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
	Mouayed MAKHLOUF	Member of the Board of Directors and Member of the Audit Committee	Master's Degree
	Antoine NAJM	Member of the Board of Directors	Bachelor's Degree
	Ayşe Botan BERKER	Member of the Board of Directors	Ph.D. Degree
	Farid LAHOUD	Member of the Board of Directors and Member of the Audit Committee	Ph.D. Degree
	Chahdan JEBEYLI	Member of the Board of Directors	Master's Degree
	Oya AYDINLIK	Member of the Board of Directors and Chair of the Audit Committee	Bachelor's Degree
	Ebru OĞAN KNOTTNERUS	Member of the Board of Directors	Bachelor's Degree
	Hilmi GÜVENAL *	Member of the Board of Directors	Bachelor's Degree
Member of the Board of Directors and General Manager	Mert ÖNCÜ	Member of the Board of Directors and General Manager	Ph.D. Degree
Deputy General Manager	Yalçın AVCI	Commercial Banking	Master's Degree
	Mehmet Gökmen UÇAR	Finance, Financial Control and Strategy	Bachelor's Degree
Assistant General Managers	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	Risk Management and Internal Systems	Bachelor's Degree
	Cenk DEMİRÖZ	Credit Allocation	Master's Degree
	Hüseyin Cem Taner **	Credit Monitoring and Remedial	Bachelor's Degree
	Ebru Vardar ***	Human Resources	Bachelor's Degree

(*) The term of Mrs. Dragica Pilipovic-Chaffey as member of the board of directors has ended as of March 29, 2022. Mr. Hilmi Guvenal has been appointed as member of the board in replacement of Mrs. Dragica Pilipovic Chaffey during the Ordinary General Assembly. Mr. Hilmi Güvenal took his oath on 7 April 2022 and officially started his duty.

(**) Mr. Hüseyin Cem Taner has been appointed as Assistant General Manager in charge of Credit Monitoring and Remedial on February 22, 2022.

(***) Ms. Ebru Vardar has been appointed as Assistant General Manager in charge of Human Resources on February 22, 2022.

Individuals mentioned above do not own any shares of the Bank

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Message from the Chairman

Dear Stakeholders,

The first half of 2022 has been marked by challenges at every turn: on the backdrop of rising FED policy rates, inflationary hikes driven by energy and commodity prices fluctuations and supply disruptions, leading to recession concerns globally. In this volatile global environment, locally increasing inflationary trend and Turkish Lira depreciation continued in the first half of 2022. In order to maintain the stability of Turkish Lira and decrease the inflation, government and the regulatory agency have been introducing new products and some various precautions.

Since the establishment of Odea Bank in 2012, our belief in the solid fundamentals of Turkey and the diverse opportunities its economy and banking sector has to offer remain unchanged. Accordingly, we continue to stand behind our commitment to sound banking while supporting the financing of the Turkish economy. At the same time, we are all equally conscious that that the activity and results of Odea Bank at any given point remain closely linked to the overall political, social and economic situation in Turkey and inter-connectedly globally.

While watching events unfold around us, we, at Odea Bank, are now focused more than ever on what we can do to remain resilient and well equipped to support our clients and community. Our priorities continue to be geared towards strengthen of its financial standing and its ability to adopt targeted growth strategy and customer-oriented approach while meeting fully any arising regulatory requirement.

Asset quality has been continued to be one of our key priorities. In parallel with improving bank's asset quality, we focus primarily on preserving and growing a well-diversified portfolio of core clients covering a wide range of industry sectors while continuously committing to premium facilitation of their banking needs.

With this once again I would like to thank our employees, business partners, and shareholders for their cooperation in the first half of 2022 and look forward into the rest of the year.

Respectfully yours,

Dr. Imad Itani

Bank Audit Board Member

Odea Bank's Chairman of the Board of Directors

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CEO's Message

Dear Stakeholders,

Commodity and energy markets saw great upheaval during the first half of 2022, following the Russia-Ukraine war amongst other factors. Accordingly, global economic growth has not yet stabilized. This is expected to continue after the FED's policy rate hike in March, the first in some time, with more likely to come.

Turning to the domestic scene, even though growth was stronger than expected in 2021, the Russia-Ukraine situation still threatens in the background. Rapid inflation in Türkiye in the first half of 2022 continues to dominate the agenda, and will remain to the forefront with the 'liralization' strategy and the accompanying regulatory changes since the beginning of the year.

Even in the face of global and local economic turbulence, we still achieved growth in the first half of 2022, thanks to our "phygital" banking concept and customer-oriented approach.

While our net profit, which was TL 85 million as of the first half of 2021, increased to TL 343 million as of the first half of 2022, our total assets reached TL 62.2 billion, with an increase of 43% compared to the same period of the previous year. In the same period, our gross loans reached TL 31.7 billion increasing by 31%, and our deposits reached TL 43.2 billion increasing by 51%. Our non-cash loans grew by 70% compared to the same period of the previous year and reached TL 12.5 billion. Net interest income increased by 103% in the first half of 2022 compared to the same period of the last year, reaching TL 958 million. As a result of the accurate management of our asset structure and strong equity structure, our Tier 1 capital ratio is 11.5% and our capital adequacy ratio is 23.0%, which continues to be above the sector average. With the various investment products offered to customers, the Bank's non-deposit managed asset volume increased to TL 7 billion, while the share of demand deposits in total customer deposits stood at 18.2%.

As Odeabank, we will continue to generate added value for the Turkish economy and contribute to our country's economic growth by maintaining our steady work in the upcoming periods.

Best Regards,

Mert Öncü
CEO and Board Member

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XIII. Information on international risk ratings

FITCH RATINGS (July 2022)

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	caal
Adjusted Baseline Credit Assessment	caal
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 30 JUNE 2022**

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Brief financial information of the Bank

ASSETS:

	Reviewed Current Period 30 June 2022			Audited Prior Period 31 December 2021		
	TL	FC	Total	TL	FC	Total
CASH AND CASH EQUIVALENTS	1.179.080	12.942.531	14.121.611	698.155	12.591.571	13.289.726
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	245.852	46.158	292.010	82.571	19.184	101.755
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	6.939.034	4.699.235	11.638.269	6.015.351	4.024.089	10.039.440
DERIVATIVE FINANCIAL ASSETS	1.220.302	388.460	1.608.762	2.101.894	1.600.862	3.702.756
FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	17.314.541	15.176.872	32.491.413	12.343.360	14.203.781	26.547.141
NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM INVESTMENT IN ASSOCIATES SUBSIDIARIES AND JOINT VENTURES"	261.996	-	261.996	296.839	-	296.839
TANGIBLE ASSETS (NET)	184.346	-	184.346	181.790	-	181.790
INTANGIBLE ASSETS AND GOODWILL (NET)	136.588	-	136.588	147.126	-	147.126
CURRENT TAX ASSETS	23.596	-	23.596	4.739	-	4.739
DEFERRED TAX ASSETS	386.594	-	386.594	256.329	-	256.329
OTHER ASSETS	799.615	232.559	1.032.174	710.991	187.373	898.364
Total	28.691.544	33.485.815	62.177.359	22.839.145	32.626.860	55.466.005

LIABILITIES:

	Reviewed Current Period 30 June 2022			Audited Prior Period 31 December 2021		
	TL	FC	Total	TL	FC	Total
DEPOSITS	15.065.372	28.103.138	43.168.510	11.162.411	27.254.677	38.417.088
LOANS RECEIVED	-	2.173.756	2.173.756	-	1.708.596	1.708.596
MONEY MARKET FUNDS	3.501.661	633.748	4.135.409	1.884.402	340.500	2.224.902
MARKETABLE SECURITIES (Net)	253.826	-	253.826	-	-	-
FUNDS	-	-	-	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	-	-	-
DERIVATIVE FINANCIAL LIABILITIES	342.005	413.027	755.032	1.155.844	1.572.905	2.728.749
FACTORING PAYABLES	-	-	-	-	-	-
LEASE PAYABLES	131.239	-	131.239	120.180	-	120.180
PROVISIONS	282.992	353.791	636.783	288.862	62.439	351.301
CURRENT TAX LIABILITIES	63.306	-	63.306	73.803	-	73.803
DEFERRED TAX LIABILITIES	-	-	-	-	-	-
LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	-	-	-	-	-	-
SUBORDINATED DEBT	-	4.741.296	4.741.296	-	3.833.893	3.833.893
OTHER LIABILITIES	705.926	764.485	1.470.411	564.536	1.876.007	2.440.543
SHAREHOLDERS' EQUITY	5.114.211	(466.420)	4.647.791	3.725.750	(158.800)	3.566.950
TOTAL LIABILITIES AND EQUITY	25.460.538	36.716.821	62.177.359	18.975.788	36.490.217	55.466.005

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STATEMENT OF PROFIT OR LOSS:

	Reviewed Current Period 1 January- 30 June 2022	Reviewed Prior Period 1 January- 30 June 2021
INTEREST INCOME	2.992.431	1.730.190
INTEREST EXPENSE	2.034.881	1.258.389
NET INTEREST INCOME (I - II)	957.550	471.801
NET FEES AND COMMISSIONS INCOME	76.893	52.136
DIVIDEND INCOME	-	-
NET TRADING PROFIT/LOSS (Net)	368.716	19.752
OTHER OPERATING INCOME	399.416	582.503
GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII+VIII)	1.802.575	1.126.192
ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	529.887	657.475
OTHER PROVISION EXPENSES	262.716	5.500
PERSONNEL EXPENSES (-)	263.283	164.882
OTHER OPERATING EXPENSES (-)	299.975	188.076
NET OPERATING PROFIT/(LOSS) (VIII-IX-X)	446.714	110.259
SURPLUS WRITTEN AS GAIN AFTER MERGER	-	-
PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES	-	-
NET MONETARY POSITION GAIN/LOSS	-	-
PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)	446.714	110.259
PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(104.137)	(25.661)
NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)	342.577	84.598
INCOME ON DISCONTINUED OPERATIONS	-	-
EXPENSES FROM DISCONTINUED OPERATIONS (-)	-	-
PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XIX-XX)	-	-
TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-	-
NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)	-	-
Profit / Loss per Share	0,104	0,026
NET PROFIT/LOSSES (XVIII+XXIII)	342.577	84.598