

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

Odea Bank Anonim Şirketi

**Unconsolidated Interim Financial Statements
As at and For the Nine-Month Period Ended
30 September 2022**

With Auditors' Review Report Thereon

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

4 November 2022

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

Convenience Translation of the Auditors' Review Report Originally Prepared and Issued in Turkish to English

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 September 2022 and the statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity, cash flows for the nine month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The Bank Management is responsible for the preparation and fair presentation of these 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, "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 September 2022 include a general provision of total of TRL 445.000 thousands which TRL 315.000 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 111.250 thousands of which TRL 78.750 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 September 2022, and its unconsolidated financial performance and its unconsolidated cash flows for the nine month period then ended in accordance with the BRSA Accounting and Reporting Legislation.

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.

Additional paragraph for convenience translation to English:

The accounting principles summarized in Note 1 Section Three, differ from the accounting principles generally accepted in countries in which the accompanying unconsolidated interim financial information is to be distributed and International Financial Reporting Standards (“IFRS”). Accordingly, the accompanying unconsolidated interim financial information is not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the unconsolidated interim financial information and IFRS.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Erdal Tıkmak, SMMM

Partner

4 November 2022

Istanbul, Turkey

Translated into English from the original Turkish report and financial statements

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

Address : Esentepe Mahallesi Büyükdere Cad. Levent 199 Apt. No: 199/119
ŞİŞLİ/İSTANBUL

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

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

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

The unconsolidated financial report as at and for the nine-month 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
Fax Number : +90 (212) 304 84 45

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

INDEX

SECTION ONE
General Information About the Bank

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

SECTION TWO

Unconsolidated Financial Statements of the Bank

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

SECTION THREE

Accounting Policies

I. Basis of Presentation	12
II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions	13
III. Explanations on Futures and Options Markets (VIOP) and Derivative Instruments	13
IV. Explanations on Interest Income and Expenses	14
V. Explanations on Fees and Commission Income and Expenses	14
VI. Explanations on Financial Assets	15
VII. Explanations on Expected Credit Losses	18
VIII. Explanations on Offsetting of Financial Instruments	21
IX. Explanations on Sales and Repurchase Agreements and Lending of Securities	21
X. Explanations on Assets Held for Sale and Discontinued Operations	21
XI. Explanations on Goodwill and Other Intangible Assets	21
XII. Explanations on Tangible Fixed Assets	22
XIII. Explanations on Leasing Transactions	22
XIV. Explanations on Provisions and Contingent Liabilities	24
XV. Explanations on Liabilities Regarding Employee Benefits	24
XVI. Explanations on Taxation	24
XVII. Additional Explanations on Borrowings	25
XVIII. Explanations on Issued Share Certificates	26
XIX. Explanations on Avalized Drafts and Acceptances	26
XX. Explanations on Government Incentives	26
XXI. Explanations on Segment Reporting	26
XXII. Explanations on Reclassifications	26
XXIII. Explanations on Other Disclosures	26

SECTION FOUR

Information Related to Financial Position and Risk Management of the Bank

I. Explanations on Equity	27
II. Explanations on Currency Risk	35
III. Explanations on Interest Rate Risk	38
IV. Explanations on Share Certificates Position Risk	40
V. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio	41
VI. Explanations on Leverage Ratio	45
VII. Explanations on Risk Management	46
VIII. Explanations on Segment Reporting	47

SECTION FIVE

Explanations and Disclosures on Financial Statements

I. Explanations and Disclosures Related to the Assets	48
II. Explanations and Disclosures Related to the Liabilities	60
III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments	67
IV. Explanations and Disclosures Related to Statement of Profit or Loss	69
V. Explanations on the Risk Group of the Bank	73
VI. Domestic, Foreign and Off-Shore Branches or Equity Investments, and Foreign Representative Offices of Bank	74
VII. Explanations and Disclosures Related to Subsequent Event	74

SECTION SIX

Explanations on Independent Auditor's Review Report

I. Explanations on Review Report	75
II. Explanations and Notes Prepared by Independent Auditor	75

SECTION SEVEN

Interim Activity Report

I. Interim Activity Report Included Chairman of the Board of Directors and Ceo's Assessments for the Interim Activities	75
---	----

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 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 September 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, 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 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 115 branches as of 30 September 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 SEPTEMBER 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 SEPTEMBER 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 September 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 September 2022. The Bank has 48 domestic branches with 1.105 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 SEPTEMBER 2022

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

I. BALANCE SHEET – ASSETS

	Note Ref (Section Five)	Reviewed Current Period 30 September 2022			Audited Prior Period 31 December 2021		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		7.921.087	18.539.512	26.460.599	8.897.971	18.235.706	27.133.677
1.1 Cash and cash equivalents		1.271.882	13.144.459	14.416.341	698.155	12.591.571	13.289.726
1.1.1 Cash and balances at Central Bank	I-1	1.272.819	7.989.080	9.261.899	698.223	8.744.186	9.442.409
1.1.2 Banks	I-3	112	5.167.978	5.168.090	186	3.849.928	3.850.114
1.1.3 Receivables from Money Markets		-	-	-	-	-	-
1.1.4 Allowance for expected credit losses (-)		1.049	12.599	13.648	254	2.543	2.797
1.2 Financial assets at fair value through profit or loss	I-2	1.490	28.339	29.829	82.571	19.184	101.755
1.2.1 Public debt securities		1.490	7.007	8.497	723	201	924
1.2.2 Equity instruments		-	21.332	21.332	-	18.983	18.983
1.2.3 Other financial assets		-	-	-	81.848	-	81.848
1.3 Financial assets at fair value through other comprehensive income	I-4	5.987.745	4.384.772	10.372.517	6.015.351	4.024.089	10.039.440
1.3.1 Public debt securities		5.348.130	4.384.349	9.732.479	3.839.372	3.477.533	7.316.905
1.3.2 Equity instruments		10.979	423	11.402	4.897	359	5.256
1.3.3 Other financial assets		628.636	-	628.636	2.171.082	546.197	2.717.279
1.4 Derivative financial assets	I-2	659.970	981.942	1.641.912	2.101.894	1.600.862	3.702.756
1.4.1 Derivative financial assets at fair value through profit or loss		626.500	981.942	1.608.442	2.009.458	1.600.862	3.610.320
1.4.2 Derivative financial assets at fair value through other comprehensive income	I-11	33.470	-	33.470	92.436	-	92.436
II. FINANCIAL ASSET MEASURED AT AMORTISED COST (Net)		20.481.927	14.220.053	34.701.980	12.343.360	14.203.781	26.547.141
2.1 Loans	I-5	18.362.367	14.187.337	32.549.704	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	3.307.976	855.369	4.163.345	270.117	1.064.923	1.335.040
2.4.1 Public debt securities		1.654.240	855.369	2.509.609	198.108	1.064.923	1.263.031
2.4.2 Other financial assets		1.653.736	-	1.653.736	72.009	-	72.009
2.5 Allowance for expected credit losses (-)		1.188.416	822.653	2.011.069	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	946.720	-	946.720	296.839	-	296.839
3.1 Held for sale		946.720	-	946.720	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	183.809	-	183.809	181.790	-	181.790
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	I-13	147.730	-	147.730	147.126	-	147.126
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		147.730	-	147.730	147.126	-	147.126
VII. INVESTMENT PROPERTIES (Net)	I-14	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		469	-	469	4.739	-	4.739
IX. DEFERRED TAX ASSETS	I-15	406.541	-	406.541	256.329	-	256.329
X. OTHER ASSETS	I-17	888.541	9.168	897.709	710.991	187.373	898.364
TOTAL ASSETS		30.976.824	32.768.733	63.745.557	22.839.145	32.626.860	55.466.005

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 SEPTEMBER 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 September 2022			Audited Prior Period 31 December 2021		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	18.168.637	26.620.242	44.788.879	11.162.411	27.254.677	38.417.088
II. LOANS RECEIVED	II-3	21.901	1.430.817	1.452.718	-	1.708.596	1.708.596
III. MONEY MARKET FUNDS	II-4	2.779.719	665.084	3.444.803	1.884.402	340.500	2.224.902
IV. MARKETABLE SECURITIES (Net)	II-5	-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
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	283.083	885.054	1.168.137	1.155.844	1.572.905	2.728.749
7.1 Derivative financial liabilities at fair value through profit or loss		250.494	885.054	1.135.548	1.155.844	1.572.905	2.728.749
7.2 Derivative financial liabilities at fair value through other comprehensive income	II-8	32.589	-	32.589	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	II-7	137.097	-	137.097	120.180	-	120.180
X. PROVISIONS	II-9	646.956	58.138	705.094	288.862	62.439	351.301
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		47.208	-	47.208	35.868	-	35.868
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		599.748	58.138	657.886	252.994	62.439	315.433
XI. CURRENT TAX LIABILITIES	II-10	152.308	-	152.308	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	-	5.166.344	5.166.344	-	3.833.893	3.833.893
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		-	5.166.344	5.166.344	-	3.833.893	3.833.893
XV. OTHER LIABILITIES	II-6	765.725	1.042.512	1.808.237	564.536	1.876.007	2.440.543
XVI. SHAREHOLDERS' EQUITY		5.335.097	(413.157)	4.921.940	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		997.239	(413.157)	584.082	91.338	(158.800)	(67.462)
16.5 Profit reserves		351.332	-	351.332	148.041	-	148.041
16.5.1 Legal reserves		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		703.446	-	703.446	205.688	-	205.688
16.6.1 Prior periods profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		703.446	-	703.446	205.688	-	205.688
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		28.290.523	35.455.034	63.745.557	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 SEPTEMBER 2022

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

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

		Reviewed Current Period 30 September 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)		44.112.619	152.724.522	196.837.141	36.143.655	148.048.781	184.192.436
I.	GUARANTEES	III-1	8.521.299	3.722.026	12.243.325	3.412.776	5.270.535	8.683.311
1.1	Letters of guarantee		6.229.399	1.352.967	7.582.366	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		6.229.399	1.352.967	7.582.366	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		91.300	2.185.216	2.276.516	4.211	2.211.783	2.215.994
1.3.1	Documentary letters of credit		91.300	2.185.216	2.276.516	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		2.200.600	183.843	2.384.443	347.044	1.719.823	2.066.867
1.9	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-1	15.644.835	5.381.544	21.026.379	13.618.283	2.521.407	16.139.690
2.1	Irrevocable commitments		2.222.215	5.381.544	7.603.759	1.680.493	2.521.407	4.201.900
2.1.1	Forward asset purchase and sales commitments		730.370	5.348.954	6.079.324	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		936.006	-	936.006	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		74.429	-	74.429	62.333	-	62.333
2.1.8	Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9	Commitments for credit card expenditure limits		476.040	-	476.040	396.015	-	396.015
2.1.10	Commitments for promotions related with credit cards and banking activities		1.677	-	1.677	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	32.590	36.283	3.693	23.774	27.467
2.2	Revocable commitments		13.422.620	-	13.422.620	11.937.790	-	11.937.790
2.2.1	Revocable loan granting commitments		13.422.620	-	13.422.620	11.937.790	-	11.937.790
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	III-2	19.946.485	143.620.952	163.567.437	19.112.596	140.256.839	159.369.435
3.1	Derivative financial instruments for hedging purposes		1.950.000	-	1.950.000	2.250.000	-	2.250.000
3.1.1	Fair value hedge		-	-	-	-	-	-
3.1.2	Cash flow hedge		1.950.000	-	1.950.000	2.250.000	-	2.250.000
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Trading derivatives		17.996.485	143.620.952	161.617.437	16.862.596	140.256.839	157.119.435
3.2.1	Forward foreign currency buy/sell transactions		113.363	7.522.799	7.636.162	2.078.511	7.235.331	9.313.842
3.2.1.1	Forward foreign currency transactions-buy		41.377	3.705.665	3.747.042	1.693.029	2.925.800	4.618.829
3.2.1.2	Forward foreign currency transactions-sell		71.986	3.817.134	3.889.120	385.482	4.309.531	4.695.013
3.2.2	Swap transactions related to foreign currency. and interest rates		6.715.258	89.032.597	95.747.855	10.142.298	93.932.934	104.075.232
3.2.2.1	Foreign currency swaps-buy		83.174	19.683.363	19.766.537	789.765	17.710.189	18.499.954
3.2.2.2	Foreign currency swaps-sell		3.202.084	16.152.468	19.354.552	4.552.533	13.292.433	17.844.966
3.2.2.3	Interest rate swaps-buy		1.715.000	26.598.383	28.313.383	2.400.000	31.465.156	33.865.156
3.2.2.4	Interest rate swaps-sell		1.715.000	26.598.383	28.313.383	2.400.000	31.465.156	33.865.156
3.2.3	Foreign currency, interest rate and securities options		11.167.864	47.065.556	58.233.420	4.641.787	39.088.574	43.730.361
3.2.3.1	Foreign currency options-buy		6.042.142	10.448.448	16.490.590	3.320.031	4.963.669	8.283.700
3.2.3.2	Foreign currency options-sell		5.125.722	12.576.704	17.702.426	1.321.756	7.144.617	8.466.373
3.2.3.3	Interest rate options-buy		-	12.020.202	12.020.202	-	13.490.144	13.490.144
3.2.3.4	Interest rate options-sell		-	12.020.202	12.020.202	-	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)		79.630.585	150.467.676	230.098.261	74.646.303	113.840.341	188.486.644
IV.	ITEMS HELD IN CUSTODY		6.138.969	6.302.615	12.441.584	5.471.688	3.692.871	9.164.559
4.1	Assets under management		-	-	-	5.426.545	1.142.809	6.569.354
4.2	Investment securities held in custody		6.105.144	5.026.549	11.131.693	5.989	1.363.782	1.369.771
4.3	Checks received for collection		19.110	1.276.066	1.295.176	4.244	1.185.098	1.189.342
4.4	Commercial notes received for collection		6.969	-	6.969	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		7.746	-	7.746	23.509	-	23.509
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGED ITEMS		73.476.606	144.052.533	217.529.139	69.144.605	110.065.382	179.209.987
5.1	Marketable securities		1.938.925	3.713.299	5.652.224	2.123.355	3.062.952	5.186.307
5.2	Guarantee notes		31.348.887	18.182.041	49.530.928	29.307.079	14.140.699	43.447.778
5.3	Commodities		10.533.718	3.333.913	13.867.631	10.522.916	5.677.350	16.200.266
5.4	Warrants		-	-	-	-	-	-
5.5	Properties		20.296.059	79.186.313	99.482.372	17.054.937	55.367.793	72.422.730
5.6	Other pledged items		9.359.017	39.636.967	48.995.984	10.136.318	31.816.588	41.952.906
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		15.010	112.528	127.538	30.010	82.088	112.098
TOTAL OFF - BALANCE SHEET ITEMS (A+B)			123.743.204	303.192.198	426.935.402	110.789.958	261.889.122	372.679.080

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

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

III. INCOME AND EXPENSE ITEMS

INCOME AND EXPENSE ITEMS		Note (Section Five)	Reviewed Current Period 1 January- 30 September 2022	Reviewed Prior Period 1 January- 30 September 2021	Reviewed Current Period 1 July- 30 September 2022	Reviewed Current Period 1 July- 30 September 2021
I.	INTEREST INCOME	IV-1	5.083.337	2.685.564	2.090.906	955.374
1.1	Interest on loans		2.871.936	1.848.728	1.142.231	639.948
1.2	Interest received from reserve deposits		15.469	31.167	-	13.801
1.3	Interest received from banks		31.039	14.734	19.989	4.406
1.4	Interest received from money market transactions		4.300	6.125	1.244	705
1.5	Interest received from marketable securities portfolio		2.153.097	767.354	923.640	293.239
1.5.1	Financial assets at fair value through profit or loss		49.228	20.178	9.960	79
1.5.2	Financial assets at fair value through other comprehensive income		1.600.558	698.821	695.290	276.550
1.5.3	Financial assets measured at amortized cost		503.311	48.355	218.390	16.610
1.6	Finance lease income		-	-	-	-
1.7	Other interest income		7.496	17.456	3.802	3.275
II.	INTEREST EXPENSE (-)	IV-2	3.248.226	1.956.841	1.213.345	698.452
2.1	Interest on deposits		2.548.161	1.373.376	954.616	522.960
2.2	Interest on funds borrowed		35.295	27.119	11.811	8.566
2.3	Interest on money market transactions		263.542	342.983	98.196	108.458
2.4	Interest on securities issued		293.895	193.468	118.989	52.128
2.5	Finance lease interest expenses		17.470	16.751	6.834	5.772
2.6	Other interest expenses		89.863	3.144	22.899	568
III.	NET INTEREST INCOME (I - II)		1.835.111	728.723	877.561	256.922
IV.	NET FEES AND COMMISSIONS INCOME		127.528	79.191	50.635	27.055
4.1	Fees and commissions received		150.051	95.473	57.035	33.492
4.1.1	Non-cash loans		65.408	50.007	24.156	17.321
4.1.2	Other		84.643	45.466	32.879	16.171
4.2	Fees and commissions paid (-)		22.523	16.282	6.400	6.437
4.2.1	Non-cash loans		-	2	-	-
4.2.2	Other		22.523	16.280	6.400	6.437
V.	DIVIDEND INCOME	IV-3	-	-	-	-
VI.	TRADING PROFIT/LOSS (Net)	IV-4	206.130	(25.127)	(162.586)	(44.879)
6.1	Profit/losses from capital market transactions		410.059	34.492	26.612	7.128
6.2	Profit/losses from derivative financial transactions		596.319	720.843	86.917	195.704
6.3	Foreign exchange profit/losses		(800.248)	(780.462)	(276.115)	(247.711)
VII.	OTHER OPERATING INCOME	IV-5	784.546	686.700	385.130	104.197
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		2.953.315	1.469.487	1.150.740	343.295
IX.	EXPECTED CREDIT LOSSES (-)	IV-6	862.772	745.591	332.885	88.116
X.	OTHER PROVISION EXPENSES (-)	IV-6	275.308	23.260	12.592	17.760
XI.	PERSONNEL EXPENSES (-)		420.154	248.364	156.871	83.482
XII.	OTHER OPERATING EXPENSES (-)	IV-7	486.531	276.732	186.556	88.656
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		908.550	175.540	461.836	65.281
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)	IV-8	908.550	175.540	461.836	65.281
XVII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	IV-9	(205.104)	(34.837)	(100.967)	(9.176)
18.1	Current tax provision		(570.525)	(42.776)	(91.900)	(42.776)
18.2	Expense effect of deferred tax (+)		(465.784)	(177.476)	106.633	(37.321)
18.3	Income effect of deferred tax (-)		831.205	185.415	(115.700)	70.921
XVIII.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-10	703.446	140.703	360.869	56.105
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income from assets held for sale		-	-	-	-
20.2	Profit from sale of associates, subsidiaries and joint ventures		-	-	-	-
20.3	Other income from discontinued operations		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expenses on assets held for sale		-	-	-	-
21.2	Losses from sale of associates, subsidiaries and joint ventures		-	-	-	-
21.3	Other expenses from discontinued operations		-	-	-	-
XXII.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Current tax provision		-	-	-	-
23.2	Expense effect of deferred tax (+)		-	-	-	-
23.3	Income effect of deferred tax (-)		-	-	-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV.	NET PROFIT/LOSSES (XIX+XXIV)	IV-11	703.446	140.703	360.869	56.105
	Profit / Loss per Share (*)		0,214	0,043	0,110	0,017

(*) Presented in Full TL.

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 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 September 2022	Reviewed Prior Period 1 January- 30 September 2021
I. CURRENT PERIOD PROFIT / (LOSS)	703.446	140.703
II. OTHER COMPREHENSIVE INCOME	651.544	(112.605)
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	651.544	(112.605)
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	924.166	(97.347)
2.2.3 Income (loss) related with cash flow hedges	(57.413)	(44.581)
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	(215.209)	29.323
III. TOTAL COMPREHENSIVE INCOME (I+II)	1.354.990	28.098

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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 30/09/2022																
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)		-	-	-	-	-	-	-	-	695.807	(44.263)	-	-	703.446	1.354.990
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	-	652.283	(68.201)	351.332	-	703.446	4.921.940

(*) 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 SEPTEMBER 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						
		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 30/09/2021															
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)	-	-	-	-	-	-	-	-	(77.861)	(34.744)	-	-	140.703	28.098
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	-	(13.795)	(77.400)	148.041	-	140.703	3.483.928

(*) 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 SEPTEMBER 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 September 2022	Reviewed Prior Period 1 January- 30 September 2021
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit / (loss) before changes in operating assets and liabilities		2.497.416	1.946.680
1.1.1 Interest received		4.396.652	2.685.981
1.1.2 Interest paid		(3.230.519)	(1.885.210)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		150.051	95.473
1.1.5 Other income/(expense)		515.877	83.532
1.1.6 Collections from previously written off loans		408.888	369.530
1.1.7 Payments to personnel and service suppliers		(682.245)	(389.957)
1.1.8 Taxes paid		(560.047)	(28.477)
1.1.9 Others		1.498.759	1.015.808
1.2 Changes in operating assets and liabilities		(4.916.876)	646.829
1.2.1 Net (increase) decrease in financial assets held for trading		71.295	177.229
1.2.2 Net (increase) decrease in due from banks and other financial institutions		410.467	166.798
1.2.3 Net (increase) decrease in loans		(2.826.694)	(1.181.514)
1.2.4 Net (increase) decrease in other assets		(568.101)	(62.214)
1.2.5 Net increase (decrease) in bank deposits		(234.713)	(524.485)
1.2.6 Net increase (decrease) in other deposits		(568.140)	2.466.675
1.2.7 Net (increase) decrease in financial liability at fair value through profit or loss		(679.554)	466.730
1.2.8 Net increase (decrease) in funds borrowed		583.237	(1.636.447)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		(1.104.673)	774.057
I. Net cash used in from banking operations		(2.419.460)	2.593.509
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		1.603.088	(1.593.733)
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		(63.053)	(51.571)
2.4 Fixed assets sales		532.481	316.573
2.5 Cash paid for purchase of financial assets available for sale		(1.397.118)	(5.424.638)
2.6 Cash obtained from sale of financial assets available for sale		4.022.237	3.524.345
2.7 Cash paid for purchase of investment securities		(3.417.401)	-
2.8 Cash obtained from sale of investment securities		1.925.942	41.558
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities		(35.064)	(658.287)
3.1 Cash obtained from funds borrowed and securities issued		256.325	1.528.052
3.2 Cash used for repayment of funds borrowed and securities issued		(256.325)	(2.164.505)
3.3 Issued equity instrument		-	-
3.4 Dividends paid		-	-
3.5 Payments for leases		(35.064)	(21.834)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		2.388.520	712.684
V. Net increase in cash and cash equivalents		1.537.084	1.054.173
VI. Cash and cash equivalents at beginning of the period		6.969.578	4.013.859
VII. Cash and cash equivalents at end of the period		8.506.662	5.068.032

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

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

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

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

Derivative financial instruments held for hedging purpose

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

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

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

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

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

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

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

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

IV. Explanations on Interest Income and Expenses

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

V. Explanations on Fees and Commission Income and Expenses

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

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

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

VI. Explanations on Financial Assets

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

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

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

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The Bank categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority.

The methods and assumptions used in the recognition and measurement of financial instruments are mentioned below.

Cash, Banks, and Other Financial Institutions:

Cash and cash equivalents comprise cash on hand, demand placements, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash and are carried at amortized cost. The book values of these assets are at their fair values.

Financial Assets at Fair Value Through Profit and Loss:

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

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

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

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

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

VI. Explanations on Financial Assets (continued)

Loans and Receivables:

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

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

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

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

Derecognition of a financial asset:

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

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

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

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

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

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

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

VII. Explanations on Expected Credit Losses

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

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

Stage 1:

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

Stage 2:

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

Stage 3 (Default):

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

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

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

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

VII. Explanations on Expected Credit Losses (continued)

Significant Increase in Credit Risk

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

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

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

- Watchlist exposures,
- Forborne exposures,
- The other retail exposures which belong to an obligor who has a retail exposure that is classified as non-performing loans.

Measurement of Expected Credit Losses

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

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

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

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

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

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

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

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

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

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

VII. Explanations on Expected Credit Losses (continued)

Significant Increase in Credit Risk (continued)

The expected credit loss amount corresponding to each scenario is discounted to the net present value by using the exposure's contractual rate of interest.

If the loan classified under Stage 1, expected credit losses is calculated by considering 12-month PDs. The Bank calculates expected 12-month credit loss on the basis of a 12-month anticipation of default following the reporting date. The marginal PDs calculated as the difference between the cumulative PDs in two consecutive periods multiplied by the total loss in default calculated on EAD amounts for each horizon. This calculation is performed for each of the three scenarios as described above, each scenario is discounted to the net present value by using the exposure's effective interest rate of interest from related date and final ECL is derived from average of each scenario ECL weighted by scenario probabilities. If the loan classified under Stage 2, expected credit losses is calculated by considering lifetime. The expected credit loss measurement, including the use of forward-looking macroeconomic scenarios is similar to that described above however the probability of default is estimate lifetime of the financial instrument.

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

In addition, the Bank assesses a certain portion of Stage 2 non-retail loans individually in the calculation of the expected credit losses based on TFRS 9. As of December 31, 2021, due to the negative effects of the COVID-19 epidemic, the Bank reviewed its cash flow expectations, collection forecasts and scenario weights for its individual assessed loans, and reflected the related effects to the expected loss provisions with the best estimation approach.

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

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

Approaches to Determine Forward Looking Economic Scenario

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

Behavioural Maturity Calculation Methodology

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

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

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

VII. Explanations on Expected Credit Losses (continued)

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

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

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

VIII. Explanations on Offsetting of Financial Instruments

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

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

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

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

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

X. Explanations on Assets Held for Sale and Discontinued Operations

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

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

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

Results of discontinued operations are included in the income statement separately. As of 30 September 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.

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

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

XII. Explanations on Tangible Fixed Assets

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

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

	%
Buildings	2
Safety box	2
ATM	10
Furniture, fixtures and others	6-20
Office equipment's	10-33

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Normal maintenance and repair cost of the properties are expensed.

There is no pledge, mortgage, or any other lien on tangible fixed assets.

Branches, service buildings and vehicles subject to operational lease are accounted in accordance with TFRS 16 as of 1 January 2019.

At the commencement date, the Bank measures the right-of-use asset in accordance with TFRS 16. The depreciation requirements in TAS 16 Property, Plant and Equipment is applied in depreciating real assets considered as right-of-use asset. Amortization calculation considers the length of contract as useful lifetime.

The amortization expenses related to operational leases subject to TFRS 16 are recorded in profit/loss table under amortization expenses of tangible asset.

XIII. Explanations on Leasing Transactions

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

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

a. Disclosures of TFRS 16

Bank- lessee:

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

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

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

XIII. Explanations on Leasing Transactions (continued)

Right of use assets:

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

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

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

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

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

The Lease Obligations:

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

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

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

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

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

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

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

XIV. Explanations on Provisions and Contingent Liabilities

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

XV. Explanations on Liabilities Regarding Employee Benefits

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

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

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

Defined Contribution Plans:

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

Short-term Employee Benefits:

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

XVI. Explanations on Taxation

Corporate Tax:

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.

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

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

XVI. Explanations on Taxation (continued)

As of 30 September 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.

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

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

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 September 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.

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

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

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Explanations on Equity

As of 30 September 2022, Bank's total capital has been calculated as TL 9.802.967 and capital adequacy ratio is 22,54%. 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 September 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	1.139.472
Profit	703.446
Current Period Profit	703.446
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	5.483.092
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	29.837
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	147.730
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	68.197
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	245.764
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	5.237.328

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

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

I. Explanations on Equity (continued)

	Current Period 30 September 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)	5.237.328
TIER II CAPITAL	
Debt instruments and share issue premiums deemed suitable by the BRSA (**)	4.528.971
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	490.384
Tier II Capital Before Deductions	5.019.355
Deductions From Tier II Capital	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	453.716
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	453.716
Total Tier II Capital	4.565.639
Total Capital (The sum of Tier I Capital and Tier II Capital)	9.802.967
Deductions from Total Capital	
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-
Other items to be defined by the BRSA (-)	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	-

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

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

I. Explanations on Equity (continued)

	Current Period 30 September 2022
TOTAL CAPITAL	
Total Capital (TIER I Capital and TIER II Capital)	9.802.967
Total risk weighted amounts	43.498.081
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio	12,04
Tier I Capital Adequacy Ratio	12,04
Capital Adequacy Ratio	22,54
BUFFERS	
Total buffer requirement	2,506
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,006
Systemic important bank buffer ratio	
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	7,54
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)	1.302.000
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	490.384
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, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it 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 September 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 exercised and the coupon interest for the coming periods has been set at 8,606%.

As of 30 September 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 9.351.152 and the capital adequacy standard ratio would have been calculated as 19,99% as of 30 September 2022.

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

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

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

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

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

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

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

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

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.

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%.

Information on the reconciliation of Total Capital and Shareholders' Equity:

The difference between Total Capital and Shareholders' Equity in the unconsolidated balance sheet mainly arises from expected credit loss provisions (for stage I and stage II loans) and subordinated loans. In the calculation of Total Capital, upto 1,25% of expected credit loss from stage I and stage II over total credit risk amount is added to Total Capital. Also, subordinated loans' nominal amount, by reducing 20% each year if the remaining maturity is less than 5 year, is considered as Tier II Capital. In addition; leasehold improvement costs (presented under the Tangible Assets item in the balance sheet) and Intangible Fixed Assets are deducted from Total Capital in the calculation of capital adequacy. Lastly, within the scope of the BRSA's Board Decision dated December 21, 2021, in case the net valuation differences of the securities in the portfolio of "Securities at Fair Value through Other Comprehensive Income" as of December 21, 2021 are negative, these differences are not taken into account in the calculated equity amount.

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

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

I. Explanations on Equity (continued)

Details on Subordinated Liabilities:

Lender	Odea Bank A.Ş
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1655085485/ US67576MAA27
Governing law(s) of the instrument	It is subject to English law additionally certain articles are subject to Turkish law. It has been issued under the "Communiqué on Borrowing Instruments" of the CMB and the "Regulation on Equities of Banks" of the BRSA.
Regulatory treatment	Tier II Capital
Subject to 10% deduction as of 1/1/2015	No
Eligible at stand-alone / consolidated (*)	Stand Alone
Instrument type (types to be specified by each jurisdiction)	Subordinated Loan
Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date) (**)	4.075.255
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 (****)	None.
Subsequent call dates, if applicable	-
Coupons / dividends	-
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	8,606%
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, 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 September 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 exercised.

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

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

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

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

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

II. Explanations on Currency Risk

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

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

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

	23 September 2022	24 September 2022	27 September 2022	28 September 2022	29 September 2022	30 September 2022
USD	18,3953	18,4401	18,4777	18,5118	18,5347	18,4926
CHF	18,8375	18,7002	18,6976	18,7900	18,8709	18,8974
GBP	20,2056	20,0235	19,9107	19,7642	20,3640	20,5730
100 JPY	12,8539	12,7910	12,7715	12,8096	12,8166	12,7929
EURO	17,9116	17,8366	17,7852	17,7792	18,0471	18,0682

	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	9,8565	10,3087	10,9945	11,4204	11,7207
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 September 2022 are as follows:

	Monthly Average Foreign Exchange Rate
USD	18,3022
CHF	18,8155
GBP	20,7527
100 JPY	12,8067
EURO	18,1278

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

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

II. Explanations on Currency Risk (continued)

30 September 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	2.873.789	4.823.114	292.177	7.989.080
Banks	322.780	4.663.160	182.038	5.167.978
Financial Assets at Fair Value through Profit and Loss	668	27.671	-	28.339
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	858.150	3.526.622	-	4.384.772
Loans (*)	9.021.509	5.214.635	-	14.236.144
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Financial Assets measured at Amortized Cost	259.610	595.759	-	855.369
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	113	9.047	10	9.170
Total Assets (**)	13.336.619	18.860.008	474.225	32.670.852
Liabilities				
Bank Deposits	6.813	111.476	5.722	124.011
Other Deposits	6.373.519	15.847.147	4.275.565	26.496.231
Money Market Balances	-	665.084	-	665.084
Funds Provided From Other Financial Institutions (***)	312.926	6.284.235	-	6.597.161
Marketable securities issued	-	-	-	-
Miscellaneous payables	642.487	337.802	11.582	991.871
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	26.040	64.767	8	90.815
Total Liabilities (**)	7.361.785	23.310.511	4.292.877	34.965.173
Net Balance Sheet Position	5.974.834	(4.450.503)	(3.818.652)	(2.294.321)
Net Off-Balance Sheet Position	(4.468.656)	2.212.497	3.496.903	1.240.744
Derivative Financial Assets	7.838.097	20.779.701	7.868.942	36.486.740
Derivative Financial Liabilities	12.306.753	18.567.204	4.372.039	35.245.996
Non-Cash Loans (****)	1.257.143	2.448.551	16.332	3.722.026
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 48.807 are included in the loan portfolio. Expected loss provisions are not considered.

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

(***) Subordinated loans are included.

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

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

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

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 September 2022, the Bank's net foreign exchange exposure as per internal calculation is presented below:

30 September 2022	EURO	USD	OTHER FC	TOTAL
Net currency position including on-balance sheet and off-balance sheet	61.697	824.422	34.505	920.624
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 36.470 and TL (6.928) 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 September 2022	31 December 2021	30 September 2022	31 December 2021
USD	10%	82.442	(5.750)	82.442	(5.750)
USD	-10%	(82.442)	5.750	(82.442)	5.750
EUR	10%	6.170	344	6.170	344
EUR	-10%	(6.170)	(344)	(6.170)	(344)

(*) Represents before tax amounts

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

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

III. Explanations on Interest Rate Risk

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

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

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

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

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

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
30 September 2022							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.225.253	-	-	-	-	8.036.646	9.261.899
Banks (*)	1.313.194	-	-	-	-	3.841.248	5.154.442
Financial Assets at Fair Value Through Profit and Loss	21.332	-	592	1.372	6.533	-	29.829
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	136.295	86.062	2.633.145	6.519.490	986.123	11.402	10.372.517
Loans (*)	6.342.999	6.908.767	6.841.960	4.317.502	6.474.465	(327.199)	30.558.494
Financial assets measured at amortized cost (*)	241.840	121.273	1.298.535	1.407.570	1.094.127	(19.859)	4.143.486
Other Assets (**)	343.876	557.678	99.335	457.095	183.928	2.582.978	4.224.890
Total Assets	9.624.789	7.673.780	10.873.567	12.703.029	8.745.176	14.125.216	63.745.557
Liabilities							
Bank Deposits	-	-	-	-	-	124.394	124.394
Customer Deposits	21.269.210	12.827.062	1.809.873	51.895	-	8.706.445	44.664.485
Money Market Borrowings	3.444.803	-	-	-	-	-	3.444.803
Miscellaneous Payables	-	-	-	-	-	1.338.446	1.338.446
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	742.601	49.008	-	661.109	-	-	1.452.718
Subordinated Loans(***)	-	-	-	5.166.344	-	-	5.166.344
Other Liabilities (****)	121.878	697.130	267.598	81.531	-	6.386.230	7.554.367
Total Liabilities	25.578.492	13.573.200	2.077.471	5.960.879	-	16.555.515	63.745.557
Balance Sheet Long Position	-	-	8.796.096	6.742.150	8.745.176	-	24.283.422
Balance Sheet Short Position	(15.953.703)	(5.899.420)	-	-	-	(2.430.299)	(24.283.422)
Off-Balance Sheet Long Position	21.624.063	16.764.273	3.525.072	26.725.240	12.944.834	-	81.583.482
Off-Balance Sheet Short Position	(22.074.550)	(16.891.634)	(3.320.408)	(28.601.791)	(11.095.572)	-	(81.983.955)
Total Position	(16.404.190)	(6.026.781)	9.000.760	4.865.599	10.594.438	(2.430.299)	(400.473)

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

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

(***) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it 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 September 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 exercised and the coupon interest for the coming periods has been set at 8,606%.

(****) Other obligations line; It includes shareholders' equity amounting to 4.921.940 TL, tax liability of 152.308 TL, provisions of 705.094 TL, liabilities from lease transactions of 137.097 TL and other liabilities of 469.791 TL and derivative financial liabilities amounting to 1.168.137 TL.

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

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

III. Explanations on Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 December 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.

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

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

III. Explanations on Interest Rate Risk (continued)

Current period interest rates applied to monetary financial instruments:

	EURO	USD	JPY	TL
	%	%	%	%
30 September 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	-	0,90	-	-
Financial Assets at Fair Value Through Profit and Loss	7,42	10,35	-	13,61
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,52	5,96	-	28,19
Loans	4,55	7,12	-	19,03
Financial Assets Measured at Amortized Cost	4,55	7,13	-	26,64
Liabilities				
Bank Deposits	-	-	-	23,67
Customer Deposits	2,03	2,97	-	15,08
Money Market Borrowings	-	4,88	-	12,15
Subordinated Loans	-	8,61	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	2,80	3,68	-	24,85

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.

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

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

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.

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

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

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

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

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

		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Current Period- 30 September 2022					
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets	27.170.659	19.655.154	19.717.528	12.859.700
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	30.315.277	17.841.064	2.886.422	1.784.106
3	Stable deposits	2.902.105	-	145.105	-
4	Less stable deposits	27.413.172	17.841.064	2.741.317	1.784.106
5	Unsecured Funding other than Retail and Small Business Customer Deposits	10.771.058	7.301.208	5.365.362	3.594.376
6	Operational deposits	34.574	2	8.643	1
7	Non-Operational Deposits	9.093.785	6.286.809	3.714.020	2.579.978
8	Other Unsecured Funding	1.642.699	1.014.397	1.642.699	1.014.397
9	Secured funding	-	-	-	-
10	Other Cash Outflows	16.471.929	5.018.917	2.194.103	1.452.319
11	Liquidity needs related to derivatives and market	3.173.739	804.964	657.473	804.964
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	13.298.190	4.213.953	1.536.630	647.355
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	-	-	10.445.887	6.830.801
CASH INFLOWS					
17	Secured Lending Transactions	25.543	-	-	-
18	Unsecured Lending Transactions	8.445.452	5.529.128	6.340.679	4.841.904
19	Other contractual cash inflows	671.008	1.473.036	671.008	1.473.036
20	TOTAL CASH INFLOWS	9.142.003	7.002.164	7.011.687	6.314.940
				Upper Limit Applied Amounts	
21	TOTAL HQLA			19.717.528	12.859.700
22	TOTAL NET CASH OUTFLOWS			3.534.048	1.732.249
23	Liquidity Coverage Ratio (%)			584,20	749,05

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

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

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

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

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

		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
Prior Period- 31 December 2021					
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
5	Unsecured Funding other than Retail and Small Business Customer Deposits	8.324.719	5.892.910	3.834.792	2.525.159
6	Operational deposits	7.004	-	1.751	-
7	Non-Operational Deposits	7.651.391	5.675.764	3.166.717	2.308.013
8	Other Unsecured Funding	666.324	217.146	666.324	217.146
9	Secured funding	-	-	-	-
10	Other Cash Outflows	11.618.706	6.906.861	2.830.846	2.640.066
11	Liquidity needs related to derivatives and market	1.671.075	1.925.598	1.671.075	1.925.598
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	9.947.631	4.981.263	1.159.771	714.468
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	-	-	-	-
16	TOTAL CASH OUTFLOWS			8.698.171	6.430.920
CASH INFLOWS					
17	Secured Lending Transactions	18.967	-	-	-
18	Unsecured Lending Transactions	5.099.696	3.518.441	3.676.898	2.855.557
19	Other contractual cash inflows	513.564	1.068.240	513.564	1.068.240
20	TOTAL CASH INFLOWS	5.632.227	4.586.681	4.190.462	3.923.797
				Upper Limit Applied Amounts	
21	TOTAL HQLA			13.768.175	9.687.303
22	TOTAL NET CASH OUTFLOWS			4.507.708	2.509.061
23	Liquidity Coverage Ratio (%)			310,03	399,97

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

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

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

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

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

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

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

	Current Period-30 September 2022		Prior Period-31 December 2021	
	TL+FC	FC	TL+FC	FC
Lowest Week	383,40	577,54	241,65	264,16
	16.09.2022	2.09.2022	03.12.2021	31.12.2021
Highest Week	808,76	941,23	392,84	631,82
	5.08.2022	8.07.2022	19.11.2021	24.12.2021
Average	584,20	749,05	310,03	399,97

Presentation of assets and liabilities according to their remaining maturities:

30 September 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	2.844.259	6.417.640	-	-	-	-	-	9.261.899
Banks	3.854.896	1.313.194	-	-	-	-	(13.648)	5.154.442
Financial Assets at Fair Value Through Profit and Loss	-	21.332	-	592	1.372	6.533	-	29.829
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	11.402	136.295	86.062	2.421.476	6.519.490	1.197.792	-	10.372.517
Loans	-	4.039.078	6.508.646	5.766.926	6.878.223	7.692.820	(327.199)	30.558.494
Financial Assets Measured at Amortized Cost	-	241.840	121.273	1.298.535	1.407.570	1.094.127	(19.859)	4.143.486
Other Assets (**)	-	343.876	251.160	405.853	457.095	183.928	2.582.978	4.224.890
Total Assets	6.710.557	12.513.255	6.967.141	9.893.382	15.263.750	10.175.200	2.222.272	63.745.557
Liabilities								
Bank Deposits	124.394	-	-	-	-	-	-	124.394
Customer Deposits	8.706.445	21.238.683	12.857.589	1.809.873	51.895	-	-	44.664.485
Money Market Borrowings	-	3.444.803	-	-	-	-	-	3.444.803
Miscellaneous Payables	-	-	-	-	-	-	1.338.446	1.338.446
Marketable Securities Issued	-	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	-	766.737	49.008	102.914	534.059	-	-	1.452.718
Subordinated Loans (***)	-	-	-	-	5.166.344	-	-	5.166.344
Other Liabilities (****)	-	123.870	134.105	267.598	467.719	174.846	6.386.229	7.554.367
Total Liabilities	8.830.839	25.574.093	13.040.702	2.180.385	6.220.017	174.846	7.724.675	63.745.557
Liquidity (Gap)/ Surplus	(2.120.282)	(13.060.838)	(6.073.561)	7.712.997	9.043.733	10.000.354	(5.502.403)	-
Net Off-Balance Sheet Position	-	(450.487)	(127.361)	204.664	(1.876.551)	1.849.262	-	(400.473)
Financial Derivative Assets	-	21.624.063	16.764.273	3.525.072	26.725.240	12.944.834	-	81.583.482
Financial Derivative Liabilities	-	(22.074.550)	(16.891.634)	(3.320.408)	(28.601.791)	(11.095.572)	-	(81.983.955)
Non-Cash Loans	2.496.745	790.459	1.265.684	7.690.437	-	-	-	12.243.325
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.

(***) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it 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 September 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 exercised and the coupon interest for the coming periods has been set at 8,606%.

(****) 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.

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

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

VI. Explanations on Leverage Ratio

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

“Regulation on the Measurement and Evaluation of Banks Leverage Levels” regulates the procedures and principles regarding to ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 5,80% (31 December 2021: 5,55%). According to Regulations, minimum leverage ratio is 3%.

Disclosure of Leverage ratio template:

	Current Period	Prior Period	
	30 September	31 December	
	2022(*)	2021 (*)	
Balance sheet transactions			
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	65.165.549	51.854.048
2	(Assets deducted from Core capital)	(200.434)	(161.512)
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	64.965.115	51.692.536
Derivative financial assets and credit derivatives			
4	Cost of replenishment for derivative financial assets and credit derivatives	978.384	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)	978.384	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	29.285.593	17.221.315
11	(Correction amount due to multiplication with credit conversion rates)	(7.902.791)	(5.010.168)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	21.382.802	12.211.147
Capital and total risk			
13	Core Capital	5.066.346	3.620.357
14	Total risk amount(sum of lines 3, 6, 9 and 12)	87.326.301	65.842.190
Leverage ratio			
15	Leverage ratio	5,80	5,55

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

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

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

VII. Explanations on Risk Management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 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 September 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 September 2022	Prior Period 31 December 2021	Current Period 30 September 2022
1 Credit risk (excluding counterparty credit risk) (CCR)	38.664.242	26.176.414	3.093.139
2 Standardised approach (SA)	38.664.242	26.176.414	3.093.139
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	566.501	1.125.467	45.320
5 Standardised approach for counterparty credit risk (SA-CCR)	566.501	1.125.467	45.320
6 Internal model method (IMM)	-	-	-
7 Basic risk weight approach to internal models equity position in the banking account	-	-	-
8 Investments made in collective investment companies – look-through approach	-	-	-
9 Investments made in collective investment companies – mandate-based approach	-	-	-
10 Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11 Settlement risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach (RBA)	-	-	-
14 IRB Supervisory Formula Approach (SFA)	-	-	-
15 SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	1.861.725	1.201.288	148.938
17 Standardised approach (SA)	1.861.725	1.201.288	148.938
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)	43.498.081	30.920.469	3.479.846

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

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

XII. Explanations on Segment Reporting

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

Current Period (1 January-30 September 2022)	Commercial Banking	Retail Banking	Other and Unallocated	Bank's Total
Operating Income	1.426.806	429.370	1.097.139	2.953.315
Profit Before Tax	488.614	74.090	345.846	908.550
Tax Provision	-	-	(205.104)	(205.104)
Net Profit	488.614	74.090	140.742	703.446
Total Asset	31.209.236	413.182	32.123.139	63.745.557
Segment Assets	31.209.236	413.182	32.123.139	63.745.557
Total Liability	11.289.673	33.015.565	19.440.319	63.745.557
Segment Liability	11.289.673	33.015.565	14.518.379	58.823.617
Equity	-	-	4.921.940	4.921.940

Prior Period (1 January-30 September 2021)	Commercial Banking	Retail Banking	Other and Unallocated	Bank's Total
Operating Income	369.501	203.165	896.821	1.469.487
Profit Before Tax	345.153	209.162	(378.775)	175.540
Tax Provision	-	-	(34.837)	(34.837)
Net Profit	345.153	209.162	(413.612)	140.703
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	14.089.736	51.899.055
Equity	-	-	3.566.950	3.566.950

(**) Represents 31 December 2021 balances.

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

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

SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

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

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	38.950	449.092	54.693	1.083.980
Balances with the Central Bank of Turkey	1.233.869	7.539.988	643.530	7.660.206
Other	-	-	-	-
Total	1.272.819	7.989.080	698.223	8.744.186

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

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Unrestricted Demand Deposit	1.233.869	2.347.601	643.530	2.298.863
Unrestricted Time Deposit	-	-	-	612.491
Restricted Time Deposit	-	5.192.387	-	4.748.852
Total	1.233.869	7.539.988	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 CBT 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 September 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 September 2022 (31 December 2021: 5% and 26% for all foreign currency liabilities). According to the conversion rate from real person and commercial entity foreign currency deposit to Turkish Lira time deposit account, additional reserve requirements might be established on foreign currency deposits and precious metal deposit accounts.

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

Within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" numbered 2021/14 and CBT correspondence dated 31.08.2022 numbered 1579, depending on the conversion rates and the share of Turkish Lira deposits in the total, commission over foreign currency reserve requirements might be applied.

Within the scope of the "Communiqué on the Establishment of Turkish Lira Securities for Foreign Currency Liabilities" numbered 2022/20; there is a practice of placing securities over foreign currency liabilities and assets (majorly based on loan allocation, loan growth and differentiation according to interest rate).

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

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

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

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

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (31 December 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 September 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	16.444	52.052	128.538	4.439
Swap Transactions	468.760	814.369	1.486.029	1.567.496
Futures Transactions	-	-	-	-
Options	141.296	115.521	394.891	28.927
Other	-	-	-	-
Total	626.500	981.942	2.009.458	1.600.862

3. Information on banks:

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Banks				
Domestic	112	150.596	186	82.417
Foreign	-	5.017.382	-	3.767.511
Branches and head office abroad	-	-	-	-
Total	112	5.167.978	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 September 2022		31 December 2021	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	2.323.682	3.309.838	613.194	3.694.661
Other	-	-	-	-
Total	2.323.682	3.309.838	613.194	3.694.661

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

As of 30 September 2022, financial assets at fair value through other comprehensive income subject to repurchase agreements: TL 3.370.209 (31 December 2021: TL 1.857.808).

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

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

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

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

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

	30 September 2022	31 December 2021
Debt securities	10.917.944	10.333.261
Quoted on a stock exchange	10.917.944	10.333.261
Not quoted	-	-
Share certificates	11.402	5.256
Quoted on a stock exchange	-	-
Not quoted	11.402	5.256
Value Increase/Impairment Losses (-)	556.829	299.077
Total	10.372.517	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 September 2022		31 December 2021	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	-	14.794	424	15.486
Loans granted to employees	5.763	-	5.134	-
Total	5.763	14.794	5.558	15.486

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

30 September 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	22.938.767	244.297	-	7.702.629
Loans given to enterprises	-	-	-	7.385.001
Export loans	6.536.793	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	1.542.792	-	-	-
Consumer loans	131.608	10.305	-	8.711
Credit cards	133.944	1.334	-	821
Other	14.593.630	232.658	-	308.096
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	22.938.767	244.297	-	7.702.629

(*) 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 6.680.

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

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

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

5. Information on loans (continued)

31 December 2021

	Standard loans	Loans under close monitoring (*)		
		Not under the scope of restructuring	Loans under restructuring	Refinancing
Cash Loans			Modifications on agreement conditions	
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.

First and Second Stage Expected Loss Provisions (*)	30 September 2022		31 December 2021	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month provisions for possible losses	113.167	-	119.320	-
Significant increase in credit risk	-	1.012.246	-	1.297.235
Total	113.167	1.012.246	119.320	1.297.235

(*) The expected loss provision amounting to TL 19.859 related to other financial assets measured at amortized cost is not included.

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

30 September 2022	Commercial	Retail	Total
Standard Loans	22.700.368	238.399	22.938.767
Watchlist	7.918.765	21.481	7.940.246
Significant Increase in Credit Risk	6.680	-	6.680
Non-performing Loans	1.549.687	114.324	1.664.011
Specific Provision (-)	(771.598)	(94.198)	(865.796)
Total	31.403.902	280.006	31.683.908

(*) 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.

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

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

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

5. Information on loans (continued)

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

30 September 2022	Short Term	Medium and Long Term	Total
Consumer Loans – TL	6.092	128.046	134.138
Housing Loans	-	101.376	101.376
Car Loans	-	18	18
General Purpose Loans	6.092	26.652	32.744
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	105.386	675	106.061
With Installments	12.946	675	13.621
Without Installments	92.440	-	92.440
Individual Credit Cards-FC	339	-	339
With Installments	-	-	-
Without Installments	339	-	339
Personnel Loans - TL	456	2.942	3.398
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	456	2.942	3.398
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	2.363	2	2.365
With Installments	287	2	289
Without Installments	2.076	-	2.076
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	7.618	-	7.618
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	122.254	131.665	253.919

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

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

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

5. Information on loans (continued)

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

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

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

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

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

5. Information on loans (continued)

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

30 September 2022	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	1.280.888	5.050.870	6.331.758
Business Loans	-	692	692
Car Loans	7.700	61.141	68.841
General Purpose Loans	1.273.132	4.984.275	6.257.407
Other	56	4.762	4.818
Commercial loans with installment facility-Indexed to FC	-	48.807	48.807
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	48.807	48.807
Other	-	-	-
Commercial loans with installment facility -FC	359.979	10.134.870	10.494.849
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	359.979	10.134.870	10.494.849
Other	-	-	-
Corporate Credit Cards-TL	27.333	-	27.333
With Installments	121	-	121
Without Installments	27.212	-	27.212
Corporate Credit Cards-FC	1	-	1
With Installments	-	-	-
Without Installments	1	-	1
Overdraft Accounts-TL (Legal Entities)	24.535	-	24.535
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	1.692.736	15.234.547	16.927.283

f) Distribution of domestic and foreign loans:

	30 September 2022	31 December 2021
Domestic loans	30.774.639	25.428.269
Foreign loans	111.054	151.725
Total	30.885.693	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 September 2022	31 December 2021
Expected credit losses		
Loans with limited collectability	60.062	67.458
Loans with doubtful collectability	10.485	8.835
Uncollectible loans	795.249	858.017
Total	865.796	934.310

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

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

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

5. Information on loans (continued)

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

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

	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)	-	-	130.023
Restructured loans and other receivables	-	-	130.023
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 (+)	6.923	57.999	18.877
Transfers from other categories of non-performing loans (+)	-	23.173	82.988
Transfers to other categories of non-performing loans (-)	23.173	82.988	-
Collections (-)	24.929	3.887	380.072
Write-offs (-)	-	-	28
Sold	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other (-)	-	-	-
30 September 2022 balance	101.635	16.031	1.546.345
Specific provision (-)	60.062	10.485	795.249
Net Balances on Balance Sheet	41.573	5.546	751.096

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	-	-	532.925
Provision (-)	-	-	253.582
Net Balances on Balance Sheet	-	-	279.343
Prior Period			
Period end balance	-	-	607.290
Provision (-)	-	-	254.339
Net Balances on Balance Sheet	-	-	352.951

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

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

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

5. Information on loans (continued)

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
30 September 2022(Net)	41.573	5.546	751.096
Loans to Real Persons and Legal Entities (Gross)	101.635	16.031	1.546.345
Specific provision (-)	60.062	10.485	795.249
Loans to Real Persons and Legal Entities (Net)	41.573	5.546	751.096
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	594	4.299	585.506
Special Provision Amount (-)	594	4.299	585.506
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 debtor, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 30 September 2022, the net amount after provisions of the non-performing loans and receivables is TL 751.096 (31 December 2021: TL 966.563).

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

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

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

5. Information on loans (continued)

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 September 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 September 2022, financial assets measured at amortized cost given as collateral is amounting to TL 1.780.800 (31 December 2021: TL 616.352).
- b) Investments and legal liabilities subject to repurchase agreements: As of 30 September 2022, financial assets measured at amortized cost subject to repurchase agreements is amounting to TL 619.550 (31 December 2021: TL 644.937).
- c) The Bank has TL 4.163.345 financial assets measured at amortized cost as of 30 September 2022 (31 December 2021: TL 1.335.040).
- d.1) Government securities measured at amortised cost:

	30 September 2022	31 December 2021
Government Bonds	2.509.609	1.263.031
Treasury Bills	-	-
Other Government Securities	1.653.736	72.009
Total	4.163.345	1.335.040

	30 September 2022	31 December 2021
Debt securities	4.163.345	1.355.040
Quoted on a stock exchange	4.163.345	1.355.040
Not quoted	-	-
Value Increase/Impairment Losses (-)	-	-
Total	4.163.345	1.355.040

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

	30 September 2022	31 December 2021
Beginning Balance	1.335.040	1.058.863
Foreign Currency Differences on Monetary Assets (*)	1.336.846	525.071
Purchases During Year	3.417.401	71.232
Disposals Through Sales and Redemptions	(1.925.942)	(320.126)
Impairment Provision (-)	-	-
Total	4.163.345	1.335.040

(*) Represents exchange differences and accrual interest.

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

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

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

7. Information on associates (Net):

The Bank has no associates in the current period (31 December 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 September 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	33.470	-	92.436	-
Net Investment Hedge	-	-	-	-
Total	33.470	-	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 September 2022, the Bank has deferred tax asset amounting to TL 406.541 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	87.754	19.557	53.856	10.855
Provisions	2.203.429	550.054	2.760.097	571.979
Valuation differences	2.362.127	590.532	2.973.831	623.100
Deferred commissions	54.260	13.565	36.862	7.372
Tangible assets differences	9.439	2.360	15.922	3.184
Other	28.521	7.130	76.809	17.753
Deferred Tax Asset	4.745.530	1.183.198	5.917.377	1.234.243
Valuation differences	3.023.995	755.999	3.702.756	777.579
Provisions	71.766	17.942	855.124	171.025
Other	10.866	2.716	147.876	29.310
Deferred Tax Liability (-)	3.106.627	776.657	4.705.756	977.914
Total deferred tax assets, net		406.541		256.329

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

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

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

15. Explanations on deferred tax assets:

- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None (31 December 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 September 2022, the Bank has assets held for sale and discontinued operations amounting to TL 946.720 (31 December 2021: TL 296.839).

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

As of 30 September 2022, the right of repurchase value of assets of the Bank is TL 147.036 (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).

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

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

II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a) 30 September 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	372.037	-	1.444.502	4.240.172	6.661.267	227.092	380.628	-	13.325.698
Foreign currency deposits	3.741.131	-	3.604.802	14.239.442	1.256.313	201.571	58.898	-	23.102.157
Residents in Turkey	3.540.017	-	3.564.756	13.819.589	1.149.913	188.435	51.583	-	22.314.293
Residents abroad	201.114	-	40.046	419.853	106.400	13.136	7.315	-	787.864
Public sector deposits	98.119	-	-	-	-	-	-	-	98.119
Commercial deposits	1.125.884	-	208.451	564.154	1.594.637	806.404	293.802	-	4.593.332
Other institutions deposits	1.256	-	3.693	18.730	127.207	-	219	-	151.105
Precious metals deposits	3.368.018	-	-	26.056	-	-	-	-	3.394.074
Interbank deposits	124.394	-	-	-	-	-	-	-	124.394
Central Bank of Turkey	120.591	-	-	-	-	-	-	-	120.591
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	3.803	-	-	-	-	-	-	-	3.803
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	8.830.839	-	5.261.448	19.088.554	9.639.424	1.235.067	733.547	-	44.788.879

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 September 2022, the total amount of deposits includes 12.498.334 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

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

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

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

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

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

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

Saving deposits	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Saving deposits	3.483.255	2.581.661	9.842.443	5.460.990
Foreign currency saving deposits	2.616.306	1.975.430	17.990.843	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	6.099.561	4.557.091	27.833.286	21.300.196

(* In accordance with the "Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, corporations other than credit institutions and financial institutions, are included within the scope of deposit insurance scheme. In this context, commercial deposits covered by the insurance amounts to TL 216.240 and the said amount is not included in the above footnote.

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

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

	30 September 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	27.110	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 September 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	3.854	207.535	215.654	64.838
Swap Transactions	211.259	621.879	794.406	1.488.071
Futures Transactions	-	-	-	-
Options	35.381	55.640	145.784	19.996
Other	-	-	-	-
Total	250.494	885.054	1.155.844	1.572.905

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

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

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

3. Information on borrowings:

a) Information on banks and other financial institutions:

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
From Domestic Banks and Institutions	21.901	-	-	-
From Foreign Banks, Institutions and Funds	-	1.430.817	-	1.708.596
Total	21.901	1.430.817	-	1.708.596

b) Maturity analysis of borrowings:

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Short-term	21.901	698.888	-	-
Medium and long-term	-	731.929	-	1.708.596
Total	21.901	1.430.817	-	1.708.596

4. Information on funds provided from repurchase agreement transactions:

Funds Provided Under Repurchase Agreements:

	30 September 2022		31 December 2021	
Funds Provided Under Repurchase Agreements		3.444.803		2.224.902
Total		3.444.803		2.224.902

5. Marketable Securities Issued (Net):

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds	-	-	-	-
Total	-	-	-	-

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 September 2022		31 December 2021	
	Gross	Net	Gross	Net
Less Than 1 Year	12.363	9.462	7.820	7.290
Between 1-4 Years	133.455	103.657	99.176	78.390
More Than 4 Years	43.056	23.978	54.275	34.500
Total	188.874	137.097	161.271	120.180

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

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

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

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

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	32.589	-	-	-
Net Investment Hedge	-	-	-	-
Total	32.589	-	-	-

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 September 2022	31 December 2021
Employee termination benefit provision	32.475	26.355
Unused vacation provision	14.733	9.513
Total of provision for employee benefits	47.208	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 September 2022	31 December 2021
Balance at the beginning of period	26.355	16.611
Service Cost	6.120	3.273
Interest expense	-	2.892
Actuarial gain/loss	-	7.120
Payments during the period (*)	-	(3.541)
Balance at the end of period	32.475	26.355

(*) During the period, 4.691 thousand TL severance pay was paid and expense was recorded.

c) Information on other provisions:

c.1) Provisions for possible losses: TL 445.000 (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 67.971 (31 December 2021: TL 60.113), provision for credit cards promotion and banking services amounting to TL 72.043 (31 December 2021: TL 65.550) and other provisions amounting to TL 403 (31 December 2021: TL 1.048).

c.3) Expected loss provisions for non-cash loans: TL 63.443 (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 9.026 (31 December 2021: TL 9.256 provision).

d) Liabilities on pension rights: None.

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

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

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

- d.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 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 September 2022, the provision of corporate income tax: TL 68.636 (31 December 2021: None).

- a.2) Explanations on taxes payable:

	30 September 2022	31 December 2021
Corporate Taxes Payable	68.636	-
Withholding tax on deposits	36.280	27.357
BITT	23.272	23.006
Payroll Tax	9.532	6.050
Property Tax	1.112	407
Value Added Tax Payable	363	5.580
Stamp Tax	568	188
Foreign Exchange Tax	1.449	4.964
Other	846	729
Total	142.058	68.281

- a.3) Information on premiums:

	30 September 2022	31 December 2021
Social Security Premiums-Employee	4.344	2.339
Social Security Premiums-Employer	5.000	2.694
Unemployment Insurance-Employer	604	326
Unemployment Insurance-Employee	302	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	10.250	5.522

- b) 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).

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

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

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

12. Information on subordinated loans:

	30 September 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	-	5.166.344	-	3.833.893
Subordinated loans	-	-	-	-
Subordinated debt	-	5.166.344	-	3.833.893
Total	-	5.166.344	-	3.833.893

(*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it 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 September 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 exercised 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 September 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 September 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 September 2022		31 December 2021	
	TP	YP	TP	YP
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	1.065.436	(413.153)	115.272	(158.796)
Foreign Exchange Difference	-	-	-	-
Toplam	1.065.436	(413.153)	115.272	(158.796)

c) Information on legal reserves:

	30 September 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.

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

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

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

13. Information on Shareholders' Equity (continued):

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 September 2022, the net amount after provisions of the non-performing loans and receivables in the fifth group (in Stage 3) is TL 751.096 (31 December 2021: TL 966.563).

14. Information on minority shares:

None.

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

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

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

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	30 September 2022	31 December 2021
Forward asset purchase and sales commitments	6.079.324	3.093.542
Loan granting commitments	936.006	620.130
Commitments for checks	74.429	62.333
Credit card limit commitments	476.040	396.015
Other irrevocable commitments (*)	37.960	29.880
Total	7.603.759	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 September 2022	31 December 2021
Letters of guarantee	7.582.366	4.395.474
Letters of credit	2.276.516	2.215.994
Bank acceptance loans	-	4.976
Other guarantees	2.384.443	2.066.867
Total	12.243.325	8.683.311

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

	30 September 2022	31 December 2021
Definite letter of guarantees	5.318.999	3.134.625
Temporary letter of guarantees	170.002	111.798
Other letter of guarantees	2.093.365	1.149.051
Total	7.582.366	4.395.474

c) Total amount of non-cash loans:

	30 September 2022	31 December 2021
Non-cash loans given to cover cash loans	1.617.889	859.750
With maturity of 1 year or less than 1 year	1.122.833	236.742
With maturity of more than 1 year	495.056	623.009
Other non-cash loans	10.625.436	7.823.560
Total	12.243.325	8.683.311

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

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

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

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

Forward foreign currency, swap and option transactions include mainly proprietary transactions as well as customer deals, which are entered into for hedging of foreign exchange and interest rate risk purposes regardless of them being subject to hedge accounting and measured at fair value in line with Turkish accounting Standards. Both legs of every derivative transaction are aggregated in the table.

2. Information related to credit derivatives and risk exposures:

None.

3. Explanations on contingent liabilities and assets:

a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.

a.2) Share of jointly controlled entity (joint venture) in its own contingent liabilities: None.

a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in jointly controlled entities (joint ventures): None.

b) Accounting and presentation of contingent assets and liabilities in the financial statements:

b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: None.

b.2) A provision is made for contingent liabilities, if realization is probable and the amount can reliably be determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: None.

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

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

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

1. a) Information on interest on loans:

Interest on loans	30 September 2022		30 September 2021	
	TL	FC	TL	FC
Short term loans	1.067.807	58.596	577.098	53.439
Medium and long term loans	947.324	671.507	667.814	409.232
Interest collected from non-performing loans	126.702	-	141.145	-
Total	2.141.833	730.103	1.386.057	462.671

b) Information on interest received from banks:

	30 September 2022		30 September 2021	
	TL	FC	TL	FC
From The Central Bank of Republic of Turkey	606	-	464	-
From domestic banks	9.811	95	8.580	32
From foreign banks	-	20.527	-	5.658
From branches and offices abroad	-	-	-	-
Total	10.417	20.622	9.044	5.690

c) Interest received from marketable securities portfolio:

	30 September 2022		30 September 2021	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss (Net)	48.584	644	19.866	312
Financial assets at fair value through other comprehensive income	1.420.275	180.283	614.574	84.247
Financial Assets Measured at Amortized Cost	443.859	59.452	13.314	35.041
Total	1.912.718	240.379	647.754	119.600

2. a) Information on interest on funds borrowed:

Interest on funds borrowed	30 September 2022		30 September 2021	
	TL	FC	TL	FC
Banks	1.041	32.607	2	26.125
The Central Bank of Turkey	-	-	-	-
Domestic banks	1.041	187	2	258
Foreign banks	-	32.420	-	25.867
Branches and offices abroad	-	-	-	-
Other institutions	1.647	-	992	-
Total	2.688	32.607	994	26.125

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

c) Information on interest expense to marketable securities issued: As of 30 September 2022, the Bank has interest expense to Tier II sub-loan issued amounting to TL 293.895 (30 September 2021: TL 193.468).

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

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

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

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

30 September 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	-	9.098	-	-	-	-	-	9.098
Saving deposits	182	253.005	515.154	387.452	31.864	386.760	-	1.574.417
Public sector deposits	-	1	-	-	-	-	-	1
Commercial deposits	11	69.005	212.205	48.438	162.092	26.391	-	518.142
Other deposits	-	1.605	15.850	4.225	5.372	30.157	-	57.209
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	193	332.714	743.209	440.115	199.328	443.308	-	2.158.867
Foreign Currency								
Foreign currency deposits	283	37.055	306.185	33.954	3.207	871	-	381.555
Bank deposits	-	7.472	-	-	-	-	-	7.472
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1	258	8	-	-	-	267
Total	283	44.528	306.443	33.962	3.207	871	-	389.294
Grand Total	476	377.242	1.049.652	474.077	202.535	444.179	-	2.548.161
30 September 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	-	13.640	-	-	-	-	-	13.640
Saving deposits	105	212.848	455.594	155.112	29.181	136.121	-	988.961
Public sector deposits	-	-	111	931	-	-	-	1.042
Commercial deposits	15	37.266	103.464	7.606	11.468	4.329	-	164.148
Other deposits	-	503	5.837	2.112	3.322	22.985	-	34.759
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	120	264.257	565.006	165.761	43.971	163.435	-	1.202.550
Foreign Currency								
Foreign currency deposits	44	22.484	134.405	9.386	1.735	1.442	-	169.496
Bank deposits	-	855	-	-	-	-	-	855
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	11	463	1	-	-	-	475
Total	44	23.350	134.868	9.387	1.735	1.442	-	170.826
Grand Total	164	287.607	699.874	175.148	45.706	164.877	-	1.373.376

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

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

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

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

4. Information on net trading income:

	30 September 2022	30 September 2021
Income	145.944.564	80.490.771
Gains on capital market operations	418.761	36.501
Gains on derivative financial instruments	6.227.334	3.000.737
Foreign exchange gains	139.298.469	77.453.533
Losses (-)	145.738.434	80.515.898
Losses on capital market operations	8.702	2.009
Losses on derivative financial instruments	5.631.015	2.279.894
Foreign exchange losses	140.098.717	78.233.995
Net Amount	206.130	(25.127)

5. Information on other operating income:

	30 September 2022	30 September 2021
Income from Reversal of Prior Years' General and Specific Provisions	651.075	616.834
Income from Reversal of Prior Years' Other Provisions	33.870	21.015
Other Income	99.601	48.851
Total	784.546	686.700

6. Provision for impairment of loans and other receivables:

a) Expected credit loss provisions:

	30 September 2022	30 September 2021
Expected Credit Loss Provisions	862.772	745.286
12-Month Expected Credit Losses (Stage 1)	169.746	90.381
Significant Increase In Credit Risk (Stage 2)	514.651	233.278
Credit-Impaired (Stage 3)	178.375	421.627
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	862.772	745.591

b) Other Provisions:

As of 30 September 2022, other provision expenses are TL 275.308 (30 September 2021: TL 23.260).

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

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

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

7. Information on other operating expenses:

	30 September 2022	30 September 2021
Employee termination benefit provision	6.120	3.961
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Amortization expenses of fixed assets	57.552	43.996
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	32.391	25.421
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	390.168	198.845
Leasing expenses related to TFRS 16 exemptions (*)	3.199	1.620
Maintenance expenses	7.893	4.705
Advertisement expenses	47.648	10.612
Other expenses (**)	331.428	181.908
Loss on sales of assets	300	4.509
Other	-	-
Total	486.531	276.732

(*) 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 September 2022, the Bank's profit before tax from continued operations is TL 908.550 (30 September 2021: 175.540).

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

As of 30 September 2022, The Bank has deferred tax income amounting to TL 365.421 and TL 570.525 current tax expense amounting (30 September 2021: TL 7.939 deferred tax income and TL 42.776 current tax provision).

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

As of 30 September 2022, the Bank's net profit from continued operations is TL 703.446 (30 September 2021: TL 140.703).

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

- Free provision expense amounting to TL 274.308 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.

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

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

V. Explanations on the Risk Group of the Bank

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

a) 30 September 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	-	-	-	14.794	350	1.076
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 (*)	-	-	30	-	-	-

(*) Prior periods are as of 30 September 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	-	-	3.803	10.856	27.110	8.413
Interest on deposits (*)	-	-	-	128	1.595	881

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

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

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

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	-	-	36.060.608	40.470.430	-	-
Total loss/ profit (*)	-	-	(1.508.550)	(82.659)	-	-

(*) As of 30 September 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 September 2022 is TL 44.713 (30 September 2021: TL 25.212).

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

	Number of Branches	Number Of Employees			
Domestic Branches	48	1.105			
			Country		
Foreign Representative Offices	-	-	-		
				Total Assets	Legal Capital
Foreign Branches	-	-	-	-	-
Off-shore Banking Branches	-	-	-	-	-

VIII. Explanations and Disclosures Related To Subsequent Events

None.

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

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

SECTION SIX

EXPLANATIONS ON INDEPENDENT AUDITOR'S REVIEW REPORT

I. Explanations on Review Report

The unconsolidated financial statements for the period ended 30 September 2022 have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ. The auditor's review report dated 4 November 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 September 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 September 2022 the Bank has 48 domestic branches and 1.105 personnel.

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

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

Information on Board Members and executive management of the Bank

<u>Title</u>	<u>Name-Surname</u>	<u>Responsibility</u>	<u>Education</u>
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

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

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

Message from the Chairman

Dear Stakeholders,

Ongoing escalation of geopolitical risks in the world remains the ongoing flight to safe havens in financial markets. The US Dollar continues to be a strong currency compared to other world currencies, as the monetary tightening policy of the FED became more effective in the third quarter of the year. While inflation represents a common global that countries are struggling with, the monetary and financial methods applied to combat it increase the risk of recession and make the currencies of emerging countries weak against the dollar.

While the Turkish economy and the banking sector are affected by the fluctuations in the global markets, in order to support the liraization strategy, regulatory agencies have introduced various regulations, especially specific to banks, within the scope of macroprudential measures. As Odeabank, our main goals continue to be strengthening our financial position, improving our asset quality, and maintaining our targeted growth strategy by always prioritizing customer satisfaction by complying with these measures.

In the third quarter of 2022, while passing through a period of difficulties on the basis of the Global and Turkish economy, as Odeabank, we have succeeded in gaining customers' trust by developing innovative and fast solutions in commercial and retail banking, thanks to our customer-oriented approach and the value we place on our human capital; Making a difference in our field will always be our priority.

As Odeabank, as we celebrate our 10th anniversary, we continue to take steps towards becoming Turkey's leading "phygital" bank, offering the best digital experience integrated with authentic physical services, while increasing value-creating banking services focused on customers needs.

I would like to take this opportunity to thank once again to all our employees, business partners and shareholders for their support and contributions as we enter the last quarter of 2022.

Respectfully yours,

Dr. Imad Itani

Bank Audit Board Member

Odea Bank's Chairman of the Board of Directors

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

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

CEO's Message

Dear Stakeholders,

While global geopolitical tensions continue to affect the global economy, supply constraints, inflation, and recession concerns play a prominent role in the world agenda at this time of the year. Fed's interest rate hikes and monetary tightening policy also stamp on other countries' monetary policies, and developing country currencies lose value against the dollar. As the domestic markets are inevitably affected by the global climate, new measures/regulations are introduced within the scope of the liraization strategy. On the other hand, the medium-term economic plan studies have been revised with this strategy and shared with the public.

As the first bank in the Turkish banking sector to obtain a license from scratch after a 15-year hiatus, Odeabank celebrates 10th anniversary of its establishment as the last quarter of the year begins.

Odeabank enjoys being the most dynamic, innovative, and competitive player in the sector in just a decade and ranked among Turkey's top 10 private deposit banks in terms of asset size.

Since the day one, we have adapted to constant change and defined ourselves as a dynamic bank. As Odeabank, we aimed to do 'more than it seems', not only as a financial institution that supports the economy but also with the projects we carry out on a social and cultural scale. In this context, Odeabank's O'Art art platform collaborates with Pıksel - one of the most prominent training and support program to contribute to digital art and support new media artists - whereby a total of TL 1 million support will be given to 10 artists, aged 35 and under, for their production of art works. This scholarship will be supported further with an intensive 3-month training and development program for the selected artists.

While we continue to provide resources to the economy with our robust capital structure, our resources, and our belief in our country, we are happy to realize projects that will make a difference in the field of culture and arts. As we celebrate our 10th year anniversary we succeeded in completing the first 9 months of 2022 with growth, in line with our targets, by maintaining our phygital banking approach and customer-oriented approach.

While our net profit, which was TL 141 million in the first nine months of 2021, increased to TL 703 million in the first nine months of 2022, our total assets reached TL 63,7 billion, an increase of 46% compared to the same period of the previous year. In the same period, our gross loans reached TL 32,5 billion increasing by 38%, and our deposits reached TL 44,8 billion increasing by 47%. Our non-cash loans grew by 64% compared to the same period of the previous year and reached TL 12,2 billion. Net interest income increased by 152% in the first nine months of 2022 compared to the same period of the last year, reaching TL 1,8 billion. As a result of the accurate management of our asset structure and strong equity structure, our Tier 1 capital ratio is 12.0% and our capital adequacy ratio is 22.5%, 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 8,1 billion, while the share of demand deposits in total customer deposits stood at 19.5%.

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

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

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

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	caa1
Adjusted Baseline Credit Assessment	caa1
Long Term National Scale Rating	Baa1.tr
Short Term National Scale Rating	TR-2

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

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

Brief financial information of the Bank

ASSETS:

	Reviewed Current Period 30 September 2022			Audited Prior Period 31 December 2021		
	TL	FC	Total	TL	FC	Total
CASH AND CASH EQUIVALENTS	1.271.882	13.144.459	14.416.341	698.155	12.591.571	13.289.726
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	1.490	28.339	29.829	82.571	19.184	101.755
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	5.987.745	4.384.772	10.372.517	6.015.351	4.024.089	10.039.440
DERIVATIVE FINANCIAL ASSETS	659.970	981.942	1.641.912	2.101.894	1.600.862	3.702.756
FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	20.481.927	14.220.053	34.701.980	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"	946.720	-	946.720	296.839	-	296.839
TANGIBLE ASSETS (NET)	183.809	-	183.809	181.790	-	181.790
INTANGIBLE ASSETS AND GOODWILL (NET)	147.730	-	147.730	147.126	-	147.126
CURRENT TAX ASSETS	469	-	469	4.739	-	4.739
DEFERRED TAX ASSETS	406.541	-	406.541	256.329	-	256.329
OTHER ASSETS	888.541	9.168	897.709	710.991	187.373	898.364
Total	30.976.824	32.768.733	63.745.557	22.839.145	32.626.860	55.466.005

LIABILITIES:

	Reviewed Current Period 30 September 2022			Audited Prior Period 31 December 2021		
	TL	FC	Total	TL	FC	Total
DEPOSITS	18.168.637	26.620.242	44.788.879	11.162.411	27.254.677	38.417.088
LOANS RECEIVED	21.901	1.430.817	1.452.718	-	1.708.596	1.708.596
MONEY MARKET FUNDS	2.779.719	665.084	3.444.803	1.884.402	340.500	2.224.902
MARKETABLE SECURITIES (Net)	-	-	-	-	-	-
FUNDS	-	-	-	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	-	-	-
DERIVATIVE FINANCIAL LIABILITIES	283.083	885.054	1.168.137	1.155.844	1.572.905	2.728.749
FACTORING PAYABLES	-	-	-	-	-	-
LEASE PAYABLES	137.097	-	137.097	120.180	-	120.180
PROVISIONS	646.956	58.138	705.094	288.862	62.439	351.301
CURRENT TAX LIABILITIES	152.308	-	152.308	73.803	-	73.803
DEFERRED TAX LIABILITIES	-	-	-	-	-	-
LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	-	-	-	-	-	-
SUBORDINATED DEBT	-	5.166.344	5.166.344	-	3.833.893	3.833.893
OTHER LIABILITIES	765.725	1.042.512	1.808.237	564.536	1.876.007	2.440.543
SHAREHOLDERS' EQUITY	5.335.097	(413.157)	4.921.940	3.725.750	(158.800)	3.566.950
TOTAL LIABILITIES AND EQUITY	28.290.523	35.455.034	63.745.557	18.975.788	36.490.217	55.466.005

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

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

STATEMENT OF PROFIT OR LOSS:

	Reviewed Current Period 1 January- 30 September 2022	Reviewed Prior Period 1 January- 30 September 2021
INTEREST INCOME	5.083.337	2.685.564
INTEREST EXPENSE	3.248.226	1.956.841
NET INTEREST INCOME (I - II)	1.835.111	728.723
NET FEES AND COMMISSIONS INCOME	127.528	79.191
DIVIDEND INCOME	-	-
NET TRADING PROFIT/LOSS (Net)	206.130	(25.127)
OTHER OPERATING INCOME	784.546	686.700
GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII+VIII)	2.953.315	1.469.487
ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	862.772	745.591
OTHER PROVISION EXPENSES	275.308	23.260
PERSONNEL EXPENSES (-)	420.154	248.364
OTHER OPERATING EXPENSES (-)	486.531	276.732
NET OPERATING PROFIT/(LOSS) (VIII-IX-X)	908.550	175.540
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)	908.550	175.540
PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(205.104)	(34.837)
NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)	703.446	140.703
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	0,214	0,043
NET PROFIT/LOSSES (XVIII+XXIII)	703.446	140.703