

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

## **Odea Bank Anonim Şirketi**

**Unconsolidated Interim Financial Statements  
As at and For the Three-Month Period Ended  
31 March 2019**

With Auditors' Review Report Thereon

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

9 May 2019

*This report includes "Auditors' Review Report" comprising 2 pages and; "Unconsolidated Financial Statements and Related Disclosures and Footnotes" comprising 79 pages.*

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

**REVIEW REPORT ON INTERIM UNCONSOLIDATED FINANCIAL INFORMATION**

To the Board of Directors of Odea Bank Anonim Şirketi;

*Introduction*

We have reviewed the accompanying unconsolidated statement of financial position of Odea Bank A.Ş. (the "Bank") as at 31 March 2019 and the related unconsolidated statement of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity, cash flows for the three month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The Bank Management is responsible for the preparation and fair presentation of these unconsolidated interim financial information in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by the aforementioned legislations. Our responsibility is to express a conclusion on these unconsolidated interim financial information based on our review.

*Scope of Review*

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

### *Basis for Qualified Conclusion*

The accompanying unconsolidated interim financial information as at 31 March 2019 includes a provision amounting to TL 107.828 thousands, which is recognized in prior periods by the Bank Management and was increased during the current period amounting to TL 91.443 thousands for possible negative outcome of the changes in the economy and market conditions. As a result of this provision, which does not meet the recognition criteria of TAS 37, net profit is understated by TL 71.326 thousands for the period ended 31 March 2019, other provisions are overstated by TL 107.828 thousands, deferred tax asset is overstated by TL 23.722 thousands and profit reserves are understated by TL 12.780 thousands as at 31 March 2019.

### *Qualified Conclusion*

Based on our review, except for effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information do not present fairly, in all material respects, the unconsolidated financial position of Odea Bank as at 31 March 2019, and its unconsolidated financial performance and its unconsolidated cash flows for the three month period then ended in accordance with the BRSA Accounting and Reporting Legislation.

### *Other Matter*

The financial statements of the Bank as at and for the year ended 31 December 2018 and as at and for the three-month period ended 31 March 2019 were audited and reviewed by another auditor who expressed a qualified opinion and qualified conclusion, due to the general provisions provided by the Bank, on 27 February 2019 and 10 May 2018, respectively.

### *Report on other legal and regulatory requirements*

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

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

Funda Aslanoğlu, SMMM  
Partner

9 May 2019  
Istanbul, Turkey

**Translated into English from the original Turkish report and financial statements**

**ODEA BANK A.Ş.  
UNCONSOLIDATED FINANCIAL REPORT  
AS OF MARCH 31, 2019**

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

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

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

Samir HANNA

Chairman of the  
Board of Directors

Mert ÖNCÜ

Member of Board of  
Directors and General  
Manager

Mehmet Gökmen UÇAR

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

Öcal PERÇİN

Financial Reporting  
Director

Imad ITANI

Member of Board of Directors  
and Head of the Audit Committee

Bülent ADANIR

Member of Board of Directors  
and Audit Committee Member

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

Name-Surname / Title : Aydın Sadık Mağdenoğlu / Financial Reporting Manager  
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**Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish,  
See Note I.b of Section three**

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**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2019**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

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

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

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

As of 31 March 2019 and 31 December 2018, 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%
	<b>3.288.842</b>	<b>100,00%</b>	<b>3.288.842</b>	<b>100,00%</b>

The Bank Audi Group (Group), which is ranked among the largests banking groups in the Middle East and North Africa region (MENA), operates in 11 different countries serving its customers a wide range of products and services, including commercial and corporate banking, individual banking, online brokerage, private banking and investment banking.

In addition to its long-term presence in Lebanon, Switzerland and France; the Group operates in Jordan, Egypt, Saudi Arabia, Abu Dhabi, Turkey and Iraq, has an asset management company in Monaco. The Group has subsidiaries across the region: two in Lebanon, four in the MENA region outside Lebanon, two in Europe and one main subsidiary in Turkey.

The Group ranks among the top banks in Lebanon in terms of asset size, shareholders' equity, customer deposits, loans and net income. Having one of the largest branch networks in Lebanon, the Group has 201 branches as of 31 March 2019.

The Bank Audi Group, established in 1830, has become a private joint stock company (Société Anonyme Libanaise), limited to 99 years in 1962. The Group's shareholder base has been expanding since 1983, with the first shareholders being the members of the Audi family along with Kuwaiti investors. Today, the Group's shareholder base covers 1,500 shares and/or Global Warehouse certification (GDR) holders representing the shares. The parent bank of the Group, Bank Audi's shares are listed on the Beirut Stock Exchange, while its Global Warehouse Certificates (GDR) are quoted both on the Beirut Stock Exchange and at the London Stock Exchange.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2019**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

<b><u>Title</u></b>	<b><u>Name-Surname</u></b>	<b><u>Responsibility</u></b>	<b><u>Education</u></b>
<b>Chairman of the Board of Directors</b>	Samir HANNA	Chairman	High School
<b>Members of the Board of Directors</b>	Freddie BAZ	Member of the Board of Directors	Ph.D. Degree
	Imad ITANI	Member of the Board of Directors and Chairman of Audit Committee	Ph.D. Degree
	Marwan GHANDOUR	Member of the Board of Directors	Ph.D. Degree
	Elia SAMAHA	Member of the Board of Directors	Bachelor's Degree
	Khalil El DEBS	Member of the Board of Directors	Master's Degree
	Philippe Elias Farid EL-KHOURY	Member of the Board of Directors	Master's Degree
	Aristeidis VOURAKIS	Member of the Board of Directors	Master's Degree
	Bülent ADANIR	Member of the Board of Directors and Member of Audit Committee	Master's Degree
	Dragica Pilipovic-CHAFFEY	Member of the Board of Directors	Master's Degree
<b>Member of the Board of Directors and General Manager</b>	Mert ÖNCÜ	Member of the Board of Directors and General Manager	Ph.D. Degree
<b>Deputy General Manager</b>	Alpaslan YURDAGÜL	Credits Allocation	Master's Degree
<b>Assistant General Managers</b>	Cem MURATOĞLU	Retail Banking	Master's Degree
	Gökhan ERKIRALP	Treasury and Capital Markets	Bachelor's Degree
	Yalçın AVCI	Commercial Banking	Master's Degree
	Mehmet Gökmen UÇAR	Finance, Financial Control and Strategy	Bachelor's Degree
	Sinan Erdem ÖZER	Technology and Operations	Master's Degree

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

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2019**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

Information about the persons and institutions that have qualified shares as of 31 March 2019:

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

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

The headquarters of the Bank is located in Istanbul and as of 31 March 2019. The Bank has 45 domestic branches with 1.076 employees. The Bank is organized to operate in all operational aspects of commercial, and retail banking under the scope of 4th Article of the Banking Law. The Bank has no subsidiaries in the financial sector (31 December 2018: 45 domestic branches, 1.088 employees).

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

The Bank has no consolidated subsidiaries.

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

None.



**Translated into English from the original Turkish report and financial statements**

**SECTION TWO**

**UNCONSOLIDATED FINANCIAL STATEMENTS**

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2019**

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

**I. BALANCE SHEET – ASSETS (STATEMENT OF FINANCIAL POSITION)**

	Note Ref (Section Five)	Reviewed Current Period 31 March 2019			Audited Prior Period 31 December 2018		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>1,919,905</b>	<b>6,335,031</b>	<b>8,254,936</b>	<b>3,987,346</b>	<b>4,148,189</b>	<b>8,135,535</b>
<b>1.1 Cash and cash equivalents</b>		<b>540,649</b>	<b>5,844,895</b>	<b>6,385,544</b>	<b>2,820,844</b>	<b>3,920,663</b>	<b>6,741,507</b>
1.1.1 Cash and balances at Central Bank	I-1	198,489	3,164,440	3,362,929	1,022,782	2,976,158	3,998,940
1.1.2 Banks	I-3	340,961	2,685,084	3,026,045	1,058,065	944,809	2,002,874
1.1.3 Receivables from Money Markets		1,237	-	1,237	740,121	-	740,121
<b>1.1.4 Allowance for expected credit losses (-)</b>		<b>38</b>	<b>4,629</b>	<b>4,667</b>	<b>124</b>	<b>304</b>	<b>428</b>
<b>1.2 Financial assets at fair value through profit or loss</b>	<b>I-2</b>	<b>3,272</b>	<b>8,421</b>	<b>11,693</b>	<b>3,269</b>	<b>-</b>	<b>3,269</b>
1.2.1 Public debt securities		3,272	8,421	11,693	3,269	-	3,269
1.2.2 Equity instruments		-	-	-	-	-	-
1.2.3 Other financial assets		-	-	-	-	-	-
<b>1.3 Financial assets at fair value through other comprehensive income</b>	<b>I-4</b>	<b>487,997</b>	<b>115,958</b>	<b>603,955</b>	<b>300,657</b>	<b>4,801</b>	<b>305,458</b>
1.3.1 Public debt securities		483,100	109,946	593,046	295,760	-	295,760
1.3.2 Equity instruments		4,897	6,012	10,909	4,897	4,801	9,698
1.3.3 Other financial assets		-	-	-	-	-	-
<b>1.4 Derivative financial assets</b>	<b>I-2</b>	<b>887,987</b>	<b>365,757</b>	<b>1,253,744</b>	<b>862,576</b>	<b>222,725</b>	<b>1,085,301</b>
1.4.1 Derivative financial assets at fair value through profit or loss		886,786	365,757	1,252,543	862,576	222,725	1,085,301
1.4.2 Derivative financial assets at fair value through other comprehensive income	I-11	1,201	-	1,201	-	-	-
<b>II. FINANCIAL ASSET MEASURED AT AMORTISED COST (Net)</b>		<b>8,910,069</b>	<b>11,648,361</b>	<b>20,558,430</b>	<b>9,291,634</b>	<b>11,998,653</b>	<b>21,290,287</b>
<b>2.1 Loans</b>	<b>I-5</b>	<b>9,928,293</b>	<b>9,976,018</b>	<b>19,904,311</b>	<b>10,551,880</b>	<b>9,946,465</b>	<b>20,498,345</b>
2.2 Receivables from leasing transactions	I-10	-	-	-	-	-	-
2.3 Factoring receivables		-	-	-	-	-	-
<b>2.4 Other financial assets measured at amortized cost</b>	<b>I-6</b>	<b>553,013</b>	<b>2,124,860</b>	<b>2,677,873</b>	<b>471,071</b>	<b>2,231,271</b>	<b>2,702,342</b>
2.4.1 Public debt securities		553,013	1,178,184	1,731,197	471,071	1,495,213	1,966,284
2.4.2 Other financial assets		-	946,676	946,676	-	736,058	736,058
<b>2.5 Allowance for expected credit losses (-)</b>		<b>1,571,237</b>	<b>452,517</b>	<b>2,023,754</b>	<b>1,731,317</b>	<b>179,083</b>	<b>1,910,400</b>
<b>III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)</b>	<b>I-16</b>	<b>466,043</b>	<b>-</b>	<b>466,043</b>	<b>238,525</b>	<b>-</b>	<b>238,525</b>
3.1 Held for sale		466,043	-	466,043	238,525	-	238,525
3.2 Held from discontinued operations		-	-	-	-	-	-
<b>IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4.1 Investments in associates (Net)</b>	<b>I-7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-consolidated associates		-	-	-	-	-	-
<b>4.2 Investments in subsidiaries (Net)</b>	<b>I-8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1 Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2 Non-consolidated non-financial subsidiaries		-	-	-	-	-	-
<b>4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)</b>	<b>I-9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2 Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	<b>I-12</b>	<b>246,568</b>	<b>-</b>	<b>246,568</b>	<b>86,823</b>	<b>-</b>	<b>86,823</b>
<b>VI. INTANGIBLE ASSETS AND GOODWILL (Net)</b>	<b>I-13</b>	<b>71,572</b>	<b>-</b>	<b>71,572</b>	<b>62,942</b>	<b>-</b>	<b>62,942</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		71,572	-	71,572	62,942	-	62,942
<b>VII. INVESTMENT PROPERTIES (Net)</b>	<b>I-14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSETS</b>		<b>81,192</b>	<b>-</b>	<b>81,192</b>	<b>78,747</b>	<b>-</b>	<b>78,747</b>
<b>IX. DEFERRED TAX ASSETS</b>	<b>I-15</b>	<b>282,187</b>	<b>-</b>	<b>282,187</b>	<b>272,167</b>	<b>-</b>	<b>272,167</b>
<b>X. OTHER ASSETS</b>	<b>I-17</b>	<b>433,384</b>	<b>665,570</b>	<b>1,098,954</b>	<b>627,587</b>	<b>608,005</b>	<b>1,235,592</b>
<b>TOTAL ASSETS</b>		<b>12,410,920</b>	<b>18,648,962</b>	<b>31,059,882</b>	<b>14,645,771</b>	<b>16,754,847</b>	<b>31,400,618</b>

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2019**

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

**I. BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY (STATEMENT OF FINANCIAL POSITION)**

	Note Ref. (Section Five)	Reviewed Current Period 31 March 2019			Audited Prior Period 31 December 2018		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>II-1</b>	<b>6.356.548</b>	<b>14.133.451</b>	<b>20.489.999</b>	<b>8.495.839</b>	<b>13.065.209</b>	<b>21.561.048</b>
<b>II. LOANS RECEIVED</b>	<b>II-3</b>	<b>2.045</b>	<b>2.355.658</b>	<b>2.357.703</b>	<b>2.549</b>	<b>3.004.633</b>	<b>3.007.182</b>
<b>III. MONEY MARKET FUNDS</b>	<b>II-4</b>	<b>686</b>	<b>169.485</b>	<b>170.171</b>	<b>100</b>	<b>-</b>	<b>100</b>
<b>IV. MARKETABLE SECURITIES (Net)</b>	<b>II-5</b>	<b>674.067</b>	<b>-</b>	<b>674.067</b>	<b>207.110</b>	<b>-</b>	<b>207.110</b>
4.1 Bills		674.067	-	674.067	207.110	-	207.110
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-2</b>	<b>871.345</b>	<b>327.621</b>	<b>1.198.966</b>	<b>971.302</b>	<b>221.318</b>	<b>1.192.620</b>
7.1 Derivative financial liabilities at fair value through profit or loss		871.345	327.621	1.198.966	855.261	221.318	1.076.579
7.2 Derivative financial liabilities at fair value through other comprehensive income	<b>II-8</b>	-	-	-	116.041	-	116.041
<b>VIII. FACTORING PAYABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. LEASE PAYABLES</b>	<b>II-7</b>	<b>200.608</b>	<b>-</b>	<b>200.608</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. PROVISIONS</b>	<b>II-9</b>	<b>188.669</b>	<b>20.925</b>	<b>209.594</b>	<b>109.730</b>	<b>21.594</b>	<b>131.324</b>
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		14.284	-	14.284	11.847	-	11.847
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		174.385	20.925	195.310	97.883	21.594	119.477
<b>XI. CURRENT TAX LIABILITIES</b>	<b>II-10</b>	<b>59.153</b>	<b>-</b>	<b>59.153</b>	<b>48.582</b>	<b>-</b>	<b>48.582</b>
<b>XII. DEFERRED TAX LIABILITIES</b>	<b>II-10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)</b>	<b>II-11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Held for sale		-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT</b>	<b>II-12</b>	<b>-</b>	<b>1.707.660</b>	<b>1.707.660</b>	<b>-</b>	<b>1.636.012</b>	<b>1.636.012</b>
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		-	1.707.660	1.707.660	-	1.636.012	1.636.012
<b>XV. OTHER LIABILITIES</b>	<b>II-6</b>	<b>169.919</b>	<b>640.658</b>	<b>810.577</b>	<b>227.591</b>	<b>169.227</b>	<b>396.818</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>		<b>3.175.470</b>	<b>5.914</b>	<b>3.181.384</b>	<b>3.218.328</b>	<b>1.494</b>	<b>3.219.822</b>
16.1 Paid-in capital	<b>II-13</b>	3.288.842	-	3.288.842	3.288.842	-	3.288.842
16.2 Capital reserves		(2.198)	-	(2.198)	(2.198)	-	(2.198)
16.2.1 Equity share premiums		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		(2.198)	-	(2.198)	(2.198)	-	(2.198)
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		2.700	2.299	4.999	2.700	1.494	4.194
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		(74.322)	3.615	(70.707)	(88.901)	-	(88.901)
16.5 Profit reserves		(43.577)	-	(43.577)	735	-	735
16.5.1 Legal reserves	<b>II-13</b>	26.149	-	26.149	25.291	-	25.291
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		(69.726)	-	(69.726)	(24.556)	-	(24.556)
16.5.4 Other profit reserves		-	-	-	-	-	-
16.6 Profit or loss		4.025	-	4.025	17.150	-	17.150
16.6.1 Prior years' profits or losses		-	-	-	-	-	-
16.6.2 Current period net profit or loss		4.025	-	4.025	17.150	-	17.150
17 Minority Shares	<b>II-14</b>	-	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11.698.510</b>	<b>19.361.372</b>	<b>31.059.882</b>	<b>13.281.131</b>	<b>18.119.487</b>	<b>31.400.618</b>

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS AS AT 31 MARCH 2019**

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

**II. STATEMENT OF OFF-BALANCE SHEET ITEMS**

		Reviewed Current Period 31 March 2019			Audited Prior Period 31 December 2018		
	Note Ref. (Section Five)	TL	FC	Total	TL	FC	Total
<b>A.</b>	<b>OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>	<b>15.868.741</b>	<b>67.033.368</b>	<b>82.902.109</b>	<b>16.577.715</b>	<b>69.256.341</b>	<b>85.834.056</b>
<b>I.</b>	<b>GUARANTEES</b>	<b>851.178</b>	<b>3.208.636</b>	<b>4.059.814</b>	<b>842.498</b>	<b>2.843.284</b>	<b>3.685.782</b>
1.1	Letters of guarantee	847.755	1.038.268	1.886.023	837.641	957.928	1.795.569
1.1.1	Guarantees subject to State Tender Law	-	-	-	-	-	-
1.1.2	Guarantees given for foreign trade operations	-	-	-	-	-	-
1.1.3	Other letters of guarantee	847.755	1.038.268	1.886.023	837.641	957.928	1.795.569
1.2	Bank loans	3.423	545.501	548.924	4.857	646.200	651.057
1.2.1	Import letter of acceptance	3.423	545.501	548.924	4.857	646.200	651.057
1.2.2	Other bank acceptances	-	-	-	-	-	-
1.3	Letters of credit	-	803.607	803.607	-	669.337	669.337
1.3.1	Documentary letters of credit	-	803.607	803.607	-	669.337	669.337
1.3.2	Other letters of credit	-	-	-	-	-	-
1.4	Prefinancing given as guarantee	-	-	-	-	-	-
1.5	Endorsements	-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey	-	-	-	-	-	-
1.5.2	Other endorsements	-	-	-	-	-	-
1.6	Securities issue purchase guarantees	-	-	-	-	-	-
1.7	Factoring guarantees	-	-	-	-	-	-
1.8	Other guarantees	-	821.260	821.260	-	569.819	569.819
1.9	Other collaterals	-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	<b>1.439.567</b>	<b>2.833.748</b>	<b>4.273.315</b>	<b>1.059.791</b>	<b>7.405.555</b>	<b>8.465.346</b>
2.1	Irrevocable commitments	1.439.567	2.833.748	4.273.315	1.059.791	7.405.555	8.465.346
2.1.1	Forward asset purchase and sales commitments	714.987	2.823.821	3.538.808	295.906	7.335.418	7.631.324
2.1.2	Forward deposit purchase and sales commitments	-	-	-	-	-	-
2.1.3	Share capital commitment to associates and subsidiaries	-	-	-	-	-	-
2.1.4	Loan granting commitments	162.549	-	162.549	171.113	60.801	231.914
2.1.5	Securities underwriting commitments	-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7	Payment commitment for checks	66.991	-	66.991	58.384	-	58.384
2.1.8	Tax and fund liabilities from export commitments	-	-	-	-	-	-
2.1.9	Commitments for credit card expenditure limits	495.040	-	495.040	534.388	-	534.388
2.1.10	Commitments for promotions related with credit cards and banking activities	-	-	-	-	-	-
2.1.11	Receivables from short sale commitments	-	-	-	-	-	-
2.1.12	Payables for short sale commitments	-	-	-	-	-	-
2.1.13	Other irrevocable commitments	-	9.927	9.927	-	9.336	9.336
2.2	Revocable commitments	-	-	-	-	-	-
2.2.1	Revocable loan granting commitments	-	-	-	-	-	-
2.2.2	Other revocable commitments	-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>13.577.996</b>	<b>60.990.984</b>	<b>74.568.980</b>	<b>14.675.426</b>	<b>59.007.502</b>	<b>73.682.928</b>
<b>3.1</b>	<b>Derivative financial instruments for hedging purposes</b>	<b>400.000</b>	<b>-</b>	<b>400.000</b>	<b>800.000</b>	<b>-</b>	<b>800.000</b>
3.1.1	Fair value hedge	-	-	-	-	-	-
3.1.2	Cash flow hedge	400.000	-	400.000	800.000	-	800.000
3.1.3	Hedge of net investment in foreign operations	-	-	-	-	-	-
<b>3.2</b>	<b>Held for trading transactions</b>	<b>13.177.996</b>	<b>60.990.984</b>	<b>74.168.980</b>	<b>13.875.426</b>	<b>59.007.502</b>	<b>72.882.928</b>
3.2.1	Forward foreign currency buy/sell transactions	1.910.358	2.637.876	4.548.234	1.983.668	2.513.650	4.497.318
3.2.1.1	Forward foreign currency transactions-buy	1.323.987	955.811	2.279.798	1.516.808	786.294	2.303.102
3.2.1.2	Forward foreign currency transactions-sell	586.371	1.682.065	2.268.436	466.860	1.727.356	2.194.216
3.2.2	Swap transactions related to foreign currency, and interest rates	7.258.749	52.333.542	59.592.291	7.249.820	49.321.679	56.571.499
3.2.2.1	Foreign currency swaps-buy	1.011.883	9.774.702	10.786.585	1.287.179	9.179.708	10.466.887
3.2.2.2	Foreign currency swaps-sell	1.933.066	8.832.428	10.765.494	3.164.239	7.302.811	10.467.050
3.2.2.3	Interest rate swaps-buy	2.156.900	16.863.206	19.020.106	1.399.201	16.419.580	17.818.781
3.2.2.4	Interest rate swaps-sell	2.156.900	16.863.206	19.020.106	1.399.201	16.419.580	17.818.781
3.2.3	Foreign currency, interest rate and securities options	4.008.889	6.019.566	10.028.455	4.641.938	7.172.173	11.814.111
3.2.3.1	Foreign currency options-buy	2.069.596	2.628.590	4.698.186	2.321.435	3.155.683	5.477.118
3.2.3.2	Foreign currency options-sell	1.939.293	2.868.932	4.808.225	2.320.503	3.260.630	5.581.133
3.2.3.3	Interest rate options-buy	-	261.022	261.022	-	377.930	377.930
3.2.3.4	Interest rate options-sell	-	261.022	261.022	-	377.930	377.930
3.2.3.5	Securities options-buy	-	-	-	-	-	-
3.2.3.6	Securities options-sell	-	-	-	-	-	-
3.2.4	Foreign currency futures	-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy	-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell	-	-	-	-	-	-
3.2.5	Interest rate futures	-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy	-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell	-	-	-	-	-	-
3.2.6	Other	-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>	<b>72.922.792</b>	<b>45.941.025</b>	<b>118.863.817</b>	<b>66.328.631</b>	<b>44.036.050</b>	<b>110.364.681</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>	<b>1.131.890</b>	<b>288.374</b>	<b>1.420.264</b>	<b>427.543</b>	<b>334.423</b>	<b>761.966</b>
4.1	Assets under management	380.141	-	380.141	72.163	-	72.163
4.2	Investment securities held in custody	590.845	33.226	624.071	206.929	32.605	239.534
4.3	Checks received for collection	28.962	183.258	212.220	2.843	233.584	236.427
4.4	Commercial notes received for collection	131.942	71.890	203.832	145.608	68.234	213.842
4.5	Other assets received for collection	-	-	-	-	-	-
4.6	Assets received for public offering	-	-	-	-	-	-
4.7	Other items under custody	-	-	-	-	-	-
4.8	Custodians	-	-	-	-	-	-
<b>V.</b>	<b>PLEDGED ITEMS</b>	<b>71.790.902</b>	<b>45.652.651</b>	<b>117.443.553</b>	<b>65.901.088</b>	<b>43.701.627</b>	<b>109.602.715</b>
5.1	Marketable securities	-	-	-	-	-	-
5.2	Guarantee notes	25.392.481	5.850.010	31.242.491	25.360.317	5.538.591	30.898.908
5.3	Commodities	10.153.636	-	10.153.636	4.015.884	-	4.015.884
5.4	Warrants	-	-	-	-	-	-
5.5	Properties	25.239.935	23.599.111	48.839.046	26.108.685	22.429.525	48.538.210
5.6	Other pledged items	11.004.850	16.203.530	27.208.380	10.416.202	15.733.511	26.149.713
5.7	Pledged items-depository	-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ITEMS (A+B)</b>		<b>88.791.533</b>	<b>112.974.393</b>	<b>201.765.926</b>	<b>82.906.346</b>	<b>113.292.391</b>	<b>196.198.737</b>

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE INTERIM PERIOD ENDED 31 MARCH 2019**

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

**III. STATEMENT OF PROFIT OR LOSS**

	Note (Section Five)	Reviewed Current Period 1 January- 31 March 2019	Reviewed Prior Period 1 January- 31 March 2018
<b>I. INTEREST INCOME</b>	<b>IV-1</b>	<b>808.328</b>	<b>754.935</b>
1.1 Interest on loans		626.337	637.681
1.2 Interest received from reserve deposits		12.127	12.583
1.3 Interest received from banks		67.424	38.552
1.4 Interest received from money market transactions		17.794	15.059
1.5 Interest received from marketable securities portfolio		68.852	41.191
1.5.1 Financial assets at fair value through profit or loss		156	75
1.5.2 Financial assets at fair value through other comprehensive income		20.735	12.381
1.5.3 Financial assets measured at amortized cost		47.961	28.735
1.6 Finance lease income		-	-
1.7 Other interest income		15.794	9.869
<b>II. INTEREST EXPENSE</b>	<b>IV-2</b>	<b>578.905</b>	<b>468.760</b>
2.1 Interest on deposits		495.943	422.002
2.2 Interest on funds borrowed		23.808	24.430
2.3 Interest on money market transactions		1.119	20
2.4 Interest on securities issued		48.084	22.284
2.5 Finance lease interest expenses		9.714	-
2.6 Other interest expenses		237	24
<b>III. NET INTEREST INCOME (I - II)</b>		<b>229.423</b>	<b>286.175</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>29.604</b>	<b>32.835</b>
4.1 Fees and commissions received		37.527	41.886
4.1.1 Non-cash loans		12.848	8.026
4.1.2 Other		24.679	33.860
4.2 Fees and commissions paid (-)		7.923	9.051
4.2.1 Non-cash loans		-	-
4.2.2 Other		7.923	9.051
<b>V. DIVIDEND INCOME</b>	<b>IV-3</b>	<b>6</b>	<b>3</b>
<b>VI. TRADING PROFIT/LOSS (Net)</b>	<b>IV-4</b>	<b>88.134</b>	<b>(19.088)</b>
6.1 Profit/losses from capital market transactions		(3.934)	(633)
6.2 Profit/losses from derivative financial transactions		84.534	(6.386)
6.3 Foreign exchange profit/losses		7.534	(12.069)
<b>VII. OTHER OPERATING INCOME</b>	<b>IV-5</b>	<b>12.535</b>	<b>9.080</b>
<b>VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)</b>		<b>359.702</b>	<b>309.005</b>
<b>IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)</b>	<b>IV-6</b>	<b>115.368</b>	<b>66.912</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>IV-6</b>	<b>91.443</b>	<b>-</b>
<b>XI. PERSONNEL EXPENSES (-)</b>		<b>51.957</b>	<b>48.024</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>IV-7</b>	<b>95.720</b>	<b>96.928</b>
<b>XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>5.214</b>	<b>97.141</b>
<b>XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		<b>-</b>	<b>-</b>
<b>XVI. NET MONETARY POSITION GAIN/LOSS</b>		<b>-</b>	<b>-</b>
<b>XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	<b>IV-8</b>	<b>5.214</b>	<b>97.141</b>
<b>XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>IV-9</b>	<b>(1.189)</b>	<b>(21.699)</b>
18.1 Current tax provision		-	(14.920)
18.2 Expense effect of deferred tax (+)		(1.189)	(6.779)
18.3 Income effect of deferred tax (-)		-	-
<b>XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	<b>IV-10</b>	<b>4.025</b>	<b>75.442</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)</b>		<b>-</b>	<b>-</b>
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>
23.1 Current tax provision		-	-
23.2 Expense effect of deferred tax (+)		-	-
23.3 Income effect of deferred tax (-)		-	-
<b>XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>
<b>XXV. NET PROFIT/LOSSES (XIX+XXIV)</b>	<b>IV-11</b>	<b>4.025</b>	<b>75.442</b>
Profit / Loss per Share		0,001	0,023

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 31 MARCH 2019**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		Reviewed Current Period 1 January- 31 March 2019	Reviewed Prior Period 1 January- 31 March 2018
<b>I.</b>	<b>PROFIT (LOSS)</b>	<b>4.025</b>	<b>75.442</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>18.999</b>	<b>(1.210)</b>
<b>2.1</b>	<b>Other comprehensive income that will not be reclassified to profit or loss</b>	<b>805</b>	<b>131</b>
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	1.032	168
2.1.5	Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	(227)	(37)
<b>2.2</b>	<b>Other comprehensive income that will be reclassified to profit or loss</b>	<b>18.194</b>	<b>(1.341)</b>
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	(4.606)	(1.719)
2.2.3	Income (loss) related with cash flow hedges	27.933	-
2.2.4	Income (loss) related with hedges of net investments in foreign operations	-	-
2.2.5	Other components of other comprehensive income that will be reclassified to other profit or loss	-	-
2.2.6	Taxes relating to components of other comprehensive income that will be reclassified to profit or loss	(5.133)	378
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)</b>	<b>23.024</b>	<b>74.232</b>

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE INTERIM PERIOD ENDED 31 MARCH 2019**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Note (Section Three)	Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	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			Profit Reserves (*)	Prior Years' Income and Losses	Current Year Income and Losses (**)	Total Shareholders' Equity	
						Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be 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)					
<b>Current Period 31/03/2019</b>																
<b>I.</b>		<b>3.288.842</b>	-	-	<b>(2.198)</b>	-	<b>(551)</b>	<b>4.745</b>	-	<b>(20.043)</b>	<b>(68.858)</b>	<b>735</b>	-	<b>17.150</b>	<b>3.219.822</b>	
<b>II.</b>		-	-	-	-	-	-	-	-	-	-	<b>(61.462)</b>	-	-	<b>(61.462)</b>	
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2		-	-	-	-	-	-	-	-	-	-	<b>(61.462)</b>	-	-	<b>(61.462)</b>	
<b>III.</b>		<b>3.288.842</b>	-	-	<b>(2.198)</b>	-	<b>(551)</b>	<b>4.745</b>	-	<b>(20.043)</b>	<b>(68.858)</b>	<b>(60.727)</b>	-	<b>17.150</b>	<b>3.158.360</b>	
<b>IV.</b>		-	-	-	-	-	-	<b>805</b>	-	<b>(3.594)</b>	<b>21.788</b>	-	-	<b>4.025</b>	<b>23.024</b>	
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XI.</b>		-	-	-	-	-	-	-	-	-	-	<b>17.150</b>	-	<b>(17.150)</b>	-	
11.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2		-	-	-	-	-	-	-	-	-	-	<b>17.150</b>	-	<b>(17.150)</b>	-	
11.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		<b>3.288.842</b>	-	-	<b>(2.198)</b>	-	<b>(551)</b>	<b>5.550</b>	-	<b>(23.637)</b>	<b>(47.070)</b>	<b>(43.577)</b>	-	<b>4.025</b>	<b>3.181.384</b>	

(\*) In accordance with the option provided by the transition provisions of TFRS 16 "Leases", the Bank did not restate the prior period financial statements but the transition effect of the standard amounting to TL 61.462 has been recognized in the "Extraordinary Reserves" in equity as of 1 January 2019. Transition impacts regarding TFRS 16 has been presented in Section Three – note XXIII in detail.

(\*\*) The Bank, in accordance with Article 519 of the Turkish Commercial Code No.6102, decided in the Extraordinary General Assembly on March 29, 2019 to book legal reserves of TL 17.150, which is 5% of the distributable net statutory profit of TL 858 and the remaining amount of TL 16.292 has been decided to be reserved as extraordinary reserves.

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE INTERIM PERIOD ENDED 31 MARCH 2019**

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

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

		Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit and Loss					Other Accumulated Comprehensive Income That Will Be Reclassified In Profit and Loss								
		Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)	Exchange Differences on Translation	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)	Profit Reserves (*)	Prior Years' Income and Losses	Current Year Income and Losses (**)	Total Shareholders' Equity
Note Section Five)															
	<b>Prior Period 31/03/2018</b>														
I.	Balance at the beginning of the period	3.288.842	-	-	(2.198)	-	-	3.251	-	(34.883)	-	182.001	-	320.572	3.758.130
II.	Adjustment in accordance with TAS 8	-	-	-	-	-	-	745	-	34.883	-	(501.838)	-	-	(466.755)
2.1	Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes made in accounting policies	-	-	-	-	-	-	745	-	34.883	-	(501.838)	-	-	(466.755)
III.	<b>New Balance (I+II)</b>	<b>3.288.842</b>	<b>-</b>	<b>-</b>	<b>(2.198)</b>	<b>-</b>	<b>-</b>	<b>3.996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>319.837</b>	<b>-</b>	<b>320.572</b>	<b>3.291.375</b>
IV.	Total comprehensive income (loss)	-	-	-	-	-	-	131	-	(1.341)	-	-	-	75.442	74.232
V.	Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution	-	-	-	-	-	-	-	-	-	-	320.572	-	(320.572)	-
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	320.572	-	-	(320.572)	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>End Balance (III+IV+.....+X+XI)</b>	<b>3.288.842</b>	<b>-</b>	<b>-</b>	<b>(2.198)</b>	<b>-</b>	<b>-</b>	<b>4.127</b>	<b>-</b>	<b>(1.341)</b>	<b>-</b>	<b>735</b>	<b>-</b>	<b>75.442</b>	<b>3.365.607</b>

(\*) In accordance with the option provided by the transition provisions of TFRS 9 "Financial Instruments", the Bank did not restate the prior period financial statements but the transition effect of the standard amounting to TL 501.838 has been recognized in the "Extraordinary Reserves" in equity as of 1 January 2018 and negative difference amounting to TL 35.083 for the securities the difference is removed from shareholders' equity from " Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income " against the fair value of the financial asset.

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

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



**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE INTERIM PERIOD ENDED 31 MARCH 2019**

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

**VI. STATEMENT OF CASH FLOWS**

	Note (Section Five)	Reviewed Current Period 1 January- 31 March 2019	Reviewed Prior Period 1 January- 31 March 2018
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>(197.794)</b>	<b>(21.303)</b>
1.1.1 Interest received		787.013	710.391
1.1.2 Interest paid		(633.357)	(483.764)
1.1.3 Dividend received		6	3
1.1.4 Fees and commissions received		36.890	36.960
1.1.5 Other income/(expense)		(46.768)	(87.669)
1.1.6 Collections from previously written off loans		39.556	20.922
1.1.7 Payments to personnel and service suppliers		(128.238)	(136.034)
1.1.8 Taxes paid		(47.060)	(56.891)
1.1.9 Others		(205.836)	(25.221)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(517.316)</b>	<b>(1.029.815)</b>
1.2.1 Net (increase) decrease in financial assets held for trading		(8.721)	2.486
1.2.2 Net (increase) decrease in due from banks and other financial institutions		13.409	(617.914)
1.2.3 Net (increase) decrease in loans		595.731	535.513
1.2.4 Net (increase) decrease in other assets		114.086	42.725
1.2.5 Net increase (decrease) in bank deposits		(1.011.350)	4.508
1.2.6 Net increase (decrease) in other deposits		(37.130)	(1.571.313)
1.2.7 Net (increase) decrease in financial assets at fair value through profit or loss		(162.096)	69.527
1.2.8 Net increase (decrease) in funds borrowed		(476.237)	456.955
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		454.992	47.698
<b>I. Net cash provided from banking operations</b>		<b>(715.110)</b>	<b>(1.051.118)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>(295.083)</b>	<b>(168.179)</b>
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		(186.580)	(2.395)
2.4 Fixed assets sales (*)		19.225	14.819
2.5 Cash paid for purchase of financial assets available for sale		(461.562)	(180.603)
2.6 Cash obtained from sale of financial assets available for sale		193.693	-
2.7 Cash paid for purchase of investment securities		(314.922)	-
2.8 Cash obtained from sale of investment securities		455.063	-
2.9 Others		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from financing activities</b>		<b>478.930</b>	<b>-</b>
3.1 Cash obtained from funds borrowed and securities issued		694.900	-
3.2 Cash used for repayment of funds borrowed and securities issued		(215.970)	-
3.3 Issued equity instrument		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents and other asset and liabilities</b>		<b>205.836</b>	<b>(188.458)</b>
<b>V. Net increase / (decrease) in cash and cash equivalents</b>		<b>(325.427)</b>	<b>(1.407.755)</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>		<b>5.287.542</b>	<b>4.597.836</b>
<b>VII. Cash and cash equivalents at end of the period</b>		<b>4.962.115</b>	<b>3.190.081</b>

(\*) The Bank generated cash inflow of TL 19.225 from the sale of properties previously classified under assets held for sale.

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

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD ENDED 31 MARCH 2019**

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

**SECTION THREE**  
**ACCOUNTING PRINCIPLES**

**I. Basis of Presentation**

**a. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures numbered 5411 Regarding Banks’ Accounting Application and Keeping Documents:**

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

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.

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 assumptions and estimates are reviewed regularly and necessary corrections are made and the effects of these corrections are reflected to the income statement. The assumptions and estimates used are explained in the related notes

The Bank has started to apply TFRS 16 Leases standard as of 1 January 2019, which was published in the Official Gazette dated 16 April 2018 and numbered 29826 and became effective as of 1 January 2019. Implementation and impacts related to the transition of TFRS 16 are explained in Note XXIII of Section Three.

In addition, as of 1 January 2019, some other standard amendments have entered into force. However, these amendments do not have a significant impact on the financial statements of the Bank.

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

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

In accordance with the Communiqué on the Amendment to the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks that published in the Official Gazette dated 1 February 2019 and numbered 30673, the financial statements of the previous year have been aligned with the new financial statements.

**Explanation for convenience translation into English:**

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

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD ENDED 31 MARCH 2019**

(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 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 Bank's main funding source is the deposits accepted for various time periods and apart from deposits, the most important funding sources are equity, securities issued and generally medium and long term borrowings obtained from foreign financial institutions. In order to use these sources in high-yield and high-quality financial assets, the Bank follows an asset-liability management strategy while managing interest rate risk, liquidity risk, exchange rate risk and credit risk within the framework of internal and legal limits. With an effective asset-liability management strategy, it is aimed to ensure increasing profitability and strengthening shareholders' equity.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of the risk management strategy of the Bank, the management of risk bearing short positions of currency, interest or price movements is performed by the Treasury within the limits defined by the Board of Directors.

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". As of 31 March 2019 foreign exchange gains and losses arising from transactions that are completed, are translated to TL by using historical foreign currency exchange rates. Balance of the foreign currency denominated monetary assets and liabilities are converted into TL by using foreign currency exchange rates of the Bank for the year end and the resulting exchange differences are recorded as foreign exchange gains and losses.

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

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

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to "IFRS – 9 Financial Instruments" in case (i) the related embedded derivative's economic features and risks are not closely related to the host contract, (ii) another instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and (iii) 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 IFRS 13 Fair Value Measurement standard; (i) 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); (ii) when the transaction or quoted price does not represent fair value; and / or (iii) when a price for a similar asset requires significant adjustment to make it comparable to the asset being measured, or (iv) 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. As of 31 March 2019, fair value measurement adjustments are made in TL yield curves used in valuation of derivative transactions.

***Derivative financial instruments held for hedging purpose***

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

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

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD ENDED 31 MARCH 2019**

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

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

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

The Bank hedges its cash flow risk arising from Turkish Lira floating interest rate liabilities by using interest rate swaps.

Within the scope of cash flow hedge accounting the fair values being positive or negative and effective portions in the equity under “Other Comprehensive Income Items to be recycled to profit and loss” and ineffective portions in the income statement under “profit / loss from derivative financial transaction”. In the periods in which the cash flows (interest expenses) of the hedged item affects the income statement, the profit/ loss of the hedging instrument is recycled to the income statement from equity.

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

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

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

**IV. Explanations on Interest Income and Expenses**

Interest income and expenses are recognized in the statement of income by using the “Effective interest method”. Starting from January 1, 2018, Bank has started accruing interest income on non-performing loans. Net book value of the non-performing loans (Gross Book Value – Expected Credit Loss) are accrued through effective interest rate. Effective interest rate is also used during the calculation of loss given default rate in expected credit loss models and accordingly, the calculation of expected credit losses includes an interest amount. Therefore, a reclassification is made between the accounts of “expected credit losses” expense and “interest income from loans” for such calculated interest amount.

**V. Explanations on Fees and Commission Income and Expenses**

Fees and commission income/expenses are primarily recognized on an accrual basis or “Effective interest method” according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees paid on received for services such as the purchase and sale of assets from a third party and to be reflected to customers are recognized as income or expense at the time of occurrence.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD ENDED 31 MARCH 2019**

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

**VI. Explanations on Financial Assets**

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

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

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

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

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

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

*Cash, Banks, and Other Financial Institutions*

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

*Financial Assets at Fair Value Through Profit and Loss*

"Financial assets at fair value through profit/loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making.

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.

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**VI. Explanations on Financial Assets (continued)**

*Financial Assets at Fair Value Through Other Comprehensive Income*

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

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

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

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

*Financial Assets Measured at Amortized Cost*

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

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

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

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**VI. Explanations on Financial Assets (continued)**

*Loans and Receivables*

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

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

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

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

*Derecognition of a financial asset*

Before evaluating whether, and to what extent, derecognition is appropriate, the Bank determines whether those criteria should be applied to a part of a financial asset (or a part of a group of similar financial assets) or a financial asset (or a group of similar financial assets) in its entirety. Criteria is applied to a part of financial asset (or a part of a group of similar financial assets) if, and only if, the part being considered for derecognition meets one of the following three conditions.

- (i) The part comprises only specifically identified cash flows from a financial asset (or a group of similar financial assets).
- (ii) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a group of similar financial assets).
- (iii) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

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

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

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

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

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**VII. Explanations on Expected Credit Losses**

The Bank allocates impairment for expected loss on financial assets measured at amortized cost and measured at fair value through other comprehensive income.

As of January 1, 2018, the Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside published in the Official Gazette dated 22 June 2016 numbered 29750.

In this framework, as of 1 January 2018, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9 starting from the transition date. The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses.

Stage 2:

In the event of a significant increase in credit risk since initial recognition or if the financial asset is overdue between 30 days and 90 days or restructured, the loans are transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses.

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized and interest revenue is calculated on the net carrying amount.

The collections made related to loans for which provision is made in the current period are reversed from the "Expected Credit Losses" account in the income statement. The collections made related to loans written-off and monitoring of off balance sheet or provisioned in prior years are recorded to "Collections Related to the Prior Period Expenses" under "Other Operating Income" account and related interest income is credited to the "Interest Received from Non-performing Loans" account.

**VIII. Explanations on Offsetting of Financial Assets and Liabilities**

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



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

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

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

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

**X. Explanations on Assets Held for Sale and Discontinued Operations**

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

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

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

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

**XI. Explanations on Goodwill and Other Intangible Assets**

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

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

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

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**XII. Explanations on Tangible Fixed Assets**

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

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

	%
Buildings	2
Safety box	2
ATM	10
Furniture, fixtures and others	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.

**XIII. Explanations on Leasing Transactions**

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

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

With the “TFRS 16 Leases” standard which became effective as of 01 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognised under “Tangible Fixed Assets” as an asset (tenure) and under “Liabilities from Leasing” as a liability. Impact and application of TFRS 16 concerning the transition were explained in Section Three, footnote XXIII.

**XIV. Explanations on Provisions and Contingent Liabilities**

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

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**XV. Explanations on Liabilities Regarding Employee Benefits**

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

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

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

*Defined Contribution Plans:*

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

*Short-term Employee Benefits:*

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

**XVI. Explanations on Taxation**

*Corporate Tax:*

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

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

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

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

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

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

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

*Deferred Tax Liability / Asset:*

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

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**XVI. Explanations on Taxation (continued)**

In accordance with TAS 12 “Turkish Accounting Standard on Income Taxes” the Bank calculates deferred tax asset on carry forward tax losses and all deductible temporary differences, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences.

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

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

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

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

In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. The Law regarding amendments on Certain Tax Laws was approved in The Grand National Assembly of Turkey on 28 November 2017 and the Law was published in the Official Gazette on 5 December 2017. Accordingly, the corporate income tax rate will be increased from 20% to 22% for the years 2018, 2019 and 2020. According to the Law that have been enacted, deferred tax asset and liabilities shall be measured at the tax rate 22% that are expected to apply to these periods when the assets is realised or the liability is settled. For the periods 2021 and after deferred tax assets and liabilities were measured by 20% tax rate. Furthermore, the Council of Ministers has been authorized to reduce the rate of 22% down to 20%.

**XVII. Additional Explanations on Borrowings**

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

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

The Bank has not issued convertible bonds.

**XVIII. Explanations on Issued Share Certificates**

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

**XIX. Explanations on Avalized Drafts and Acceptances**

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

**XX. Explanations on Government Grants**

There are no government grants utilized by the Bank.

**XXI. Explanations on Segment Reporting**

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

**XXII. Explanations on Reclassifications**

According to the the Communiqué on the Amendment to the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks that published in the Official Gazette dated 1 February 2019 and numbered 30673, being effective as of 1 January 2019, some reclassifications have been made on the “Statement of Financial Position” and “Profit or Loss Statement” as at 31 December 2018 and 31 March 2018, in order to comply with the presentation of 31 March 2019 financial statements.

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**XXIII. Explanations on Other Cases**

**a. Disclosures of TFRS 16**

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

**Bank- lessee:**

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

**Right of use assets:**

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

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

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

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

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

**The Lease Obligations:**

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

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

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

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

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

“TFRS 16 Leasing” Standard was promulgated in Official Gazette No. 29826, dated 16 April 2018 to be applied in the accounting period starting on 31 December 2018. The Bank applied TFRS 16 “Leasing” standard, which replaced TAS 17 “Leasing”, as of 01 January 2019, the date of first implementation. The impact of the said transition on the equities were classified under “Extraordinary Reserves” in expense equities amounting TL 76.829 Within this scope, deferred tax asset amounting TL 15.367 was reflected in the financial figures of 31 March 2019 and classified under “Extraordinary Reserves” in equities. Reclassifications and remeasurements during the first time application of TFRS 16 Leases Standard dated 1 January 2019 are presented in the below table.

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**XXIII. Explanations on Other Cases (continued)**

	<b>31 December 2018</b>	<b>TFRS 16 Reclassification Effect</b>	<b>TFRS 16 Measurement Effect</b>	<b>1 January 2019</b>
Tangible assets (Net)	86.823	38.788	124.453	250.064
Other assets (Net)	1.235.592	(38.788)	-	1.196.804
Deferred tax asset	272.167	-	15.367	287.534
Extraordinary Reserves	(24.556)	-	61.462	36.906
Lease Payables (Net)	-	-	(201.282)	(201.282)

**a. Disclosures of TFRS 16 (continued)**

Lease agreements for vehicles lease agreements with a duration of 12 months or less and ATMs which are determined as low value by the Bank have been evaluated within the scope of the exemption granted by the standard. Within this scope, TL 4.692 has been paid in the relevant period.

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

	<b>1 January 2019</b>
Operational leasing commitments	321.933
- Contracts that are excluded from the scope of TFRS 16 (-)	3.875
Total leasing liability	318.058
Discount obligations (1 January 2019)	201.282

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

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**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK**

**I. Explanations on Equity**

As of 31 March 2019, Bank's total capital has been calculated as TL 5.454.933 and capital adequacy ratio is 20,23%. As of 31 December 2018, Bank's total capital amounted to TL 5.535.732 and capital adequacy ratio was 21,40%. These ratios are above the minimum ratio required by the legislation.

**a. Information about Total Capital:**

	<b>Current Period 31 March 2019</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	
Paid-up Capital following all debts in terms of claim in liquidation of the Bank	3.288.842
Share issue premiums	-
Reserves (*)	(43.577)
Gains recognized in equity as per TAS	5.913
Profit	4.025
Current Period Profit	4.025
Prior Period Profit	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>3.255.203</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	<b>-</b>
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 (**)	73.820
Improvement costs for operating leasing	41.704
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	71.572
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>187.096</b>
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	418.194
<b>Total Common Equity Tier 1 Capital</b>	<b>3.486.301</b>

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**I. Explanations on Equity (continued)**

	<b>Current Period 31 March 2019</b>
<b>ADDITIONAL TIER I CAPITAL</b>	
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)	-
<b>Additional Tier I Capital before Deductions</b>	-
<b>Deductions from Additional Tier I Capital</b>	-
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	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	
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 (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>3.486.301</b>
<b>TIER II CAPITAL</b>	
Debt instruments and share issue premiums deemed suitable by the BRSA (***)	1.689.916
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	(3.774)
Provisions (Article 8 of the Regulation on the Equity of Banks)	282.490
<b>Tier II Capital Before Deductions</b>	<b>1.968.632</b>
<b>Deductions From Tier II Capital</b>	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-
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 (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>1.968.632</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>5.454.933</b>
<b>Deductions from Total Capital</b>	-
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 (-)	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	
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 (-)	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)</b>	-



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**I. Explanations on Equity (continued)**

	<b>Current Period 31 March 2019</b>
<b>TOTAL CAPITAL</b>	
Total Capital (TIER I Capital and TIER II Capital)	5.454.933
Total risk weighted amounts	26.960.780
<b>Capital Adequacy Ratios</b>	
Core Capital Adequacy Ratio	12,93
Tier I Capital Adequacy Ratio	12,93
Capital Adequacy Ratio	20,23
<b>BUFFERS</b>	
Total buffer requirement	2,553
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,053
Systemic important bank buffer ratio	0,000
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	8,431
<b>Amounts Lower Than Excesses as per Deduction Rules</b>	
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	-
<b>Limits related to provisions considered in Tier II calculation</b>	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.013.904
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	282.490
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	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

(\*) The Bank, in accordance with Article 519 of the Turkish Commercial Code No.6102, decided in the Extraordinary General Assembly on March 29, 2019 to book legal reserves of TL 17.150, which is 5% of the distributable net statutory profit of TL 858 and the remaining amount of TL 16.292 has been decided to be reserved as extraordinary reserves. The effect of TFRS 16 on equity is reflected in the reserve funds line.

(\*\*) As per Turkish Account Standard 32, stamp tax and competition board fees amounting to TL 2.198 resulting from the capital increase are deducted from equity.

(\*\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 670 thousands of Tier II sub-loan on 05 December 2018, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion.

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**I. Explanations on Equity (continued)**

**Information related to the components of shareholders' equity:**

	<b>Prior Period 31 December 2018</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	
Paid-up Capital following all debts in terms of claim in liquidation of the Bank	3.288.842
Share issue premiums	-
Reserves(**)	735
Gains recognized in equity as per TAS	1.494
Profit	17.150
Current Period Profit	17.150
Prior Period Profit	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>3.308.221</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (***)	88.400
Improvement costs for operating leasing	41.929
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	62.942
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>193.271</b>
<b>The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9</b>	<b>557.592</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>3.672.542</b>

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**I. Explanations on Equity (continued)**

	<b>Prior Period</b> <b>31 December 2018</b>
<b>ADDITIONAL TIER I CAPITAL</b>	
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)	-
<b>Additional Tier I Capital before Deductions</b>	-
<b>Deductions from Additional Tier I Capital</b>	
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	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	-
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 (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>3.672.542</b>
<b>TIER II CAPITAL</b>	
Debt instruments and share issue premiums deemed suitable by the BRSA(****)	1.585.782
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	277.408
<b>Tier II Capital Before Deductions</b>	<b>1.863.190</b>
<b>Deductions From Tier II Capital</b>	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-
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 (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>1.863.190</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>5.535.732</b>
<b>Deductions from Total Capital</b>	
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 (-)	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	-
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 (-)	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)</b>	<b>5.535.732</b>

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**I. Explanations on Equity (continued)**

	<b>Prior Period</b>
	<b>31 December 2018</b>
<b>TOTAL CAPITAL</b>	
Total Capital (TIER I Capital and TIER II Capital)	5.535.732
Total risk weighted amounts	25.873.673
<b>Capital Adequacy Ratios</b>	
Core Capital Adequacy Ratio	14,19
Tier I Capital Adequacy Ratio	14,19
Capital Adequacy Ratio	21,40
<b>BUFFERS</b>	
Total buffer requirement	1,934
Capital conservation buffer requirement	1,875
Bank specific counter-cyclical buffer requirement	0,059
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	9,69
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	
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	-
<b>Limits related to provisions considered in Tier II calculation</b>	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.008.822
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	277.408
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to %0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-
(*) The Bank, in accordance with Article 519 of the Turkish Commercial Code No.6102, decided in the Extraordinary General Assembly on March 29, 2018 to book legal reserves of TL 16.028, which is 5% of the distributable net statutory profit of TL 320.572 and the remaining amount of TL 304.544 has been decided to be reserved as extraordinary reserves. The effect of TFRS 9 on equity is reflected in the reserve funds line	
(**) As per Turkish Account Standard 32, stamp tax and competition board fees amounting to TL 2.198 resulting from the capital increase are deducted from equity.	
(***) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 670 thousands of Tier II sub-loan on 05 December 2018, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion.	

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**I. Explanations on Equity (continued)**

**Details on Subordinated Liabilities:**

Lender	Odea Bank A.Ş
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1655085485/ US67576MAA27
Governing law(s) of the instrument	It is subject to English law additionally certain articles are subject to Turkish law. It has been issued under the “Communiqué on Borrowing Instruments” of the CMB and the “Regulation on Equities of Banks” of the BRSA.
Regulatory treatment	Tier II Capital
Whether the sub-loan is subject to 10% decrease starting from 1/1/2015	No
Eligible at stand-alone / consolidated (*)	Stand Alone
Instrument type (types to be specified by each jurisdiction) (**)	Subordinated Loan
Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date) (***)	1.686.142
Per value of instrument ( Thousand USD )	299.330
Accounting classification	Liability-Subordinated Loans
Original date of issuance	01/08/2017
Perpetual or dated	10 Years Dated
Original maturity date	-
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	On 1 August 2022, there is an early repayment option. Amount to pay back: TL 1.686.142 thousand
Subsequent call dates, if applicable	-
Coupons / dividends	-
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	7,625%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	None
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, specify instrument type convertible into	None
If convertible, specify issuer of instrument it converts into	None
Write-down feature	Yes
If write-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) 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 (iii) 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 which is depended to consolidation.

(\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 670 thousand of Tier II sub-loan on 05 December 2018, and the relevant amount has been discounted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management’s discretion.

(\*\*\*) Does not include accrued interests.

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**I. Explanations on Equity (continued)**

**Basic information in the TFRS 9 transition process:** As of 31 December 2018, the Bank implements Provisional Article 5 of the “Regulation on Equity of Banks” published in the Official Gazette dated September 5, 2015 and numbered 29756. Therefore, in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside, eighty percent for the first year, sixty percent for the second year, forty percent for the third year, and twenty percent for the fourth year of the positive difference between the total expected loan loss provision calculated as of the date when the expected loan loss provisions are started to be recognized under TFRS 9 and the total provision amount calculated before starting the application of TFRS 9, can be added to the core capital amount after the tax deduction.

	2018	2019	2020	2021	2022
<b>EQUITY COMPONENTS</b>					
Core Capital	3.672.542	3.486.301	3.346.903	3.207.505	3.068.107
Transition Process Unapplied Core Capital	3.114.950	3.068.107	3.068.107	3.068.107	3.068.107
Tier I Capital	3.672.542	3.486.301	3.346.903	3.207.505	3.068.107
Transition Process Unapplied Main Capital	3.114.950	3.068.107	3.068.107	3.068.107	3.068.107
Equity	5.535.732	5.454.933	5.315.535	5.176.138	5.036.740
Transition Process Unapplied Equity	4.978.141	5.036.740	5.036.740	5.036.740	5.036.740
<b>TOTAL RISK WEIGHTED AMOUNTS</b>					
Total Risk Weighted Amounts	25.873.673	26.960.780	26.960.780	26.960.780	26.960.780
<b>CAPITAL ADEQUACY RATIO</b>					
Core Capital Adequacy Ratio (%)	14,19	12,93	12,41	11,90	11,38
Transition Process Unapplied Core Capital Adequacy Ratio (%)	12,04	11,38	11,38	11,38	11,38
Main Capital Adequacy Ratio (%)	14,19	12,93	12,41	11,90	11,38
Transition Period Unapplied Main Capital Adequacy Ratio (%)	12,04	11,38	11,38	11,38	11,38
Capital Adequacy Ratio (%)	21,40	20,23	19,72	19,20	18,68
Transition Process Unapplied Capital Adequacy Ratio (%)	19,24	18,68	18,68	18,68	18,68
<b>LEVERAGE RATIO</b>					
Total Leverage Ratio Risk Exposure	44.358.365	40.256.165	40.256.165	40.256.165	40.256.165
Leverage Ratio	8,53	7,23	7,23	7,23	7,23
Transition Process Unapplied Leverage Ratio	7,76	6,36	6,36	6,36	6,36

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**II. Explanations on Currency Risk**

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

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

The announced foreign exchange buying rates of the Bank at 31 March 2019 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	25 March 2019	26 March 2019	27 March 2019	28 March 2019	29 March 2019
<b>USD</b>	5,6161	5,5380	5,3933	5,5588	5,6331
<b>CHF</b>	5,6560	5,5654	5,4234	5,5737	5,6609
<b>GBP</b>	7,4255	7,3219	7,1304	7,2694	7,3641
<b>100 JPY</b>	5,1060	5,0035	4,8849	5,0166	5,0833
<b>EURO</b>	6,3544	6,2488	6,0711	6,2338	6,3267

  

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

The simple arithmetic averages of foreign exchange buying rates of the Bank for major currencies the thirty days before 31 March 2019 are as follows:

	Monthly Average Foreign Exchange Rate
<b>USD</b>	5,4829
<b>CHF</b>	5,4806
<b>GBP</b>	7,2193
<b>100 JPY</b>	4,9335
<b>EURO</b>	6,1944

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**II. Explanations on Currency Risk (continued)**

<b>March 31, 2019</b>	<b>EUR</b>	<b>USD</b>	<b>OTHER</b>	<b>TOTAL</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.200.678	1.695.981	267.781	3.164.440
Banks	58.172	2.621.823	5.089	2.685.084
Financial Assets at Fair Value through Profit and Loss	1.861	6.560	-	8.421
Money Market Placements	-	-	-	-
Financial assets at fair value through other comprehensive income	24.970	90.988	-	115.958
Loans (*)	5.354.434	5.097.817	2.952	10.455.203
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Financial assets measured at amortized cost	475.423	1.646.924	2.513	2.124.860
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	202.611	462.956	3	665.570
<b>Total Assets (**)</b>	<b>7.318.149</b>	<b>11.623.049</b>	<b>278.338</b>	<b>19.219.536</b>
<b>Liabilities</b>				
Bank Deposits	131.110	8.747	-	139.857
Other Deposits	5.278.255	8.522.097	193.242	13.993.594
Money Market Balances	-	169.485	-	169.485
Funds Provided From Other Financial Institutions (***)	1.044.491	3.015.876	2.951	4.063.318
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	164.507	474.342	1.809	640.658
<b>Total Liabilities(**)</b>	<b>6.618.363</b>	<b>12.190.547</b>	<b>198.002</b>	<b>19.006.912</b>
<b>Net Balance Sheet Position</b>	<b>699.786</b>	<b>(567.498)</b>	<b>80.336</b>	<b>212.624</b>
<b>Net Off-Balance Sheet Position</b>	<b>(1.268.027)</b>	<b>1.023.291</b>	<b>220.414</b>	<b>(24.322)</b>
Derivative Financial Assets	3.923.222	8.423.304	1.012.577	13.359.103
Derivative Financial Liabilities	5.191.249	7.400.013	792.163	13.383.425
Non-Cash Loans (****)	1.686.847	1.515.401	6.388	3.208.636
<b>31 December 2018</b>				
Total Assets	7.266.836	9.631.363	386.623	17.284.822
Total Liabilities	4.639.976	13.073.700	161.405	17.875.081
<b>Net Balance Sheet Position</b>	<b>2.626.860</b>	<b>(3.442.337)</b>	<b>225.218</b>	<b>(590.259)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(2.280.410)</b>	<b>3.527.822</b>	<b>(235.158)</b>	<b>1.012.254</b>
Financial Derivative Assets	4.459.011	11.710.936	710.130	16.880.077
Financial Derivative Liabilities	6.739.421	8.183.114	945.288	15.867.823
Forward deposit purchase commitments	1.903.428	1.837.344	17.621	3.758.393
Forward deposit sales commitments	1.737.411	1.815.771	23.843	3.577.025
Non-Cash Loans (****)	1.411.721	1.426.717	4.846	2.843.284

(\*) Foreign currency indexed loans amounting to TL 479.185 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 1.11.2006 and numbered 26333 (FCNGP Regulation) and does not include all items in the financial statements.

(\*\*\*) Subordinated loans are included.

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



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**II. Explanations on Currency Risk (continued)**

**Foreign currency sensitivity:**

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

As of 31 March 2019, the Bank's net foreign exchange exposure as per internal calculation is presented below:

<b>31 March 2019</b>	<b>EURO</b>	<b>USD</b>	<b>OTHER FC</b>	<b>TOTAL</b>
Net currency position including on-balance sheet and off-balance sheet	4.585	270.642	793	276.020
<b>31 December 2018</b>	<b>EURO</b>	<b>USD</b>	<b>OTHER FC</b>	<b>TOTAL</b>
Net currency position including on-balance sheet and off-balance sheet	3.885	51.180	221	55.286

The maximum and minimum positions presented in Other FC column of internal foreign exchange exposure calculation are TL 1.096 and TL (2.153), respectively (31 December 2018: TL 317 TL and TL (433)).

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

	<b>Change in currency rate in %</b>	<b>Effect on profit or loss (*)</b>		<b>Effect on equity(*)</b>	
		<b>31 March 2019</b>	<b>31 December 2018</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
USD	10%	27.064	5.118	27.064	5.118
USD	(10)%	(27.064)	(5.118)	(27.064)	(5.118)
EUR	10%	459	389	459	389
EUR	(10)%	(459)	(389)	(459)	(389)

(\*) Represents before tax amounts.

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**III. Explanations on Interest Rate Risk**

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

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

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

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

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

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
<b>31 March 2019</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.532.286	-	-	-	-	1.830.643	3.362.929
Banks	1.946.451	-	469.395	-	-	610.199	3.026.045
Financial Assets at Fair Value Through Profit and Loss	-	580	2.180	2.087	6.846	-	11.693
Money Market Placements	-	1.237	-	-	-	-	1.237
Financial assets at fair value through other comprehensive income	-	-	-	225.860	367.187	10.908	603.955
Loans	7.150.912	3.854.200	3.346.726	2.788.169	817.189	1.947.115	19.904.311
Financial assets measured at amortized cost	107.112	44.176	687.634	1.243.621	595.330	-	2.677.873
Other Assets (*)	157.605	228.999	494.413	87.745	284.924	218.153	1.471.839
<b>Total Assets</b>	<b>10.894.366</b>	<b>4.129.192</b>	<b>5.000.348</b>	<b>4.347.482</b>	<b>2.071.476</b>	<b>4.617.018</b>	<b>31.059.882</b>
<b>Liabilities</b>							
Bank Deposits	99.306	14.039	26.512	-	-	2.265	142.122
Customer Deposits	16.074.532	2.296.014	496.507	628	-	1.480.196	20.347.877
Money Market Borrowings	170.171	-	-	-	-	-	170.171
Marketable Securities Issued	157.687	516.380	-	-	-	-	674.067
Subordinated Loans(**)	-	-	-	-	1.707.660	-	1.707.660
Funds Provided From Other Financial Institutions	-	-	409.551	547.166	1.400.986	-	2.357.703
Other Liabilities (***)	90.475	133.741	101.657	589.417	283.587	4.461.405	5.660.282
<b>Total Liabilities</b>	<b>16.592.171</b>	<b>2.960.174</b>	<b>1.034.227</b>	<b>1.137.211</b>	<b>3.392.233</b>	<b>5.943.866</b>	<b>31.059.882</b>
Balance Sheet Long Position	-	1.169.018	3.966.121	3.210.271	-	-	8.345.410
Balance Sheet Short Position	(5.697.805)	-	-	-	(1.320.757)	(1.326.848)	(8.345.410)
Off-Balance Sheet Long Position	11.549.531	12.917.098	3.352.360	3.460.450	5.966.258	-	37.245.697
Off-Balance Sheet Short Position	(11.115.908)	(6.786.939)	(9.443.365)	(4.132.576)	(5.844.495)	-	(37.323.283)
<b>Total Position</b>	<b>(5.264.182)</b>	<b>7.299.177</b>	<b>(2.124.884)</b>	<b>2.538.145</b>	<b>(1.198.994)</b>	<b>(1.326.848)</b>	<b>(77.586)</b>

(\*) Expected credit losses for performing loans are shown in the non-interest bearing column. Derivative financial assets are classified under other assets and expected credit losses of other assets are netted in other assets.

(\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 670 thousand of Tier II sub-loan on 05 December 2018, and the relevant amount has been discounted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion.

(\*\*\*) Other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 3.181.384, tax liabilities amounting to TL 59.153, provisions amounting to TL 209.594, lease payables to TL 200.608 and other liabilities amounting to TL 810.577. In addition, other liabilities include derivative financial liabilities amounting to TL 1.198.966.

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**III. Explanations on Interest Rate Risk (continued)**

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

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

(\*) The net amount of the non-performing loans and its third stage expected credit losses and the first and second stage expected credit losses for performing loans are shown in the non-interest bearing column.

(\*\*) Derivative financial assets are classified under other assets and expected credit losses of other assets are netted in other assets.

(\*\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed 7,625% coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 670 thousand of Tier II sub-loan on 05 December 2018, and the relevant amount has been discounted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion.

(\*\*\*\*) Other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 3.219.822, tax liabilities amounting to TL 48.582, provisions amounting to TL 131.324 and other liabilities amounting to TL 396.818. In addition, other liabilities include derivative financial liabilities amounting to TL 1.192.620.

**Interest rates applied to monetary financial instruments:**

	EURO %	USD %	JPY %	TL %
<b>31 March 2019</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	2,00	-	13,00
Banks	-	4,14	-	25,18
Financial Assets at Fair Value Through Profit and Loss	5,21	6,56	-	18,02
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	5,59	7,40	-	19,08
Loans	5,99	8,49	-	23,30
Financial Assets Measured at Amortized Cost	1,99	6,29	-	15,23
<b>Liabilities</b>				
Bank Deposits	1,47	3,51	-	-
Customer Deposits	1,56	3,80	-	20,49
Money Market Borrowings	-	3,22	-	17,50
Subordinated Loans	-	7,63	-	-
Marketable Securities Issued	-	-	-	22,22
Funds Provided From Other Financial Institutions	1,66	4,95	-	10,98

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**III. Explanations on Interest Rate Risk (continued)**

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

**Nature of interest rate risk resulted from banking book:**

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

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

Unit of Currency	Applicable Shock (+ / -) base point)*	Profit/ Loss	Profit / Equity Capital – Loss / Equity Capital
TL	500	(143.619)	% (2,63)
	(400)	128.729	% 2,36
EUR	200	(20.263)	% (0,37)
	(200)	(5.193)	% (0,10)
USD	200	(46.890)	% (0,86)
	(200)	61.732	% 1,13
<b>Total (For Positive Shock)</b>		<b>(210.772)</b>	<b>% (3,86)</b>
<b>Total (For Negative Shock)</b>		<b>185.268</b>	<b>% 3,40</b>

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

The interest rate risk arising from banking book is calculated and reported according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no. 28034 on 23 August 2011. In the regulation, EUR shocks result a negative figure in both shocks since a floor applies to EUR shocks. The effects of positive and negative shocks result in an opposite direction in internal calculations where aforementioned effects are not included.

**IV. Explanations on Share Certificates Position Risk**

The Bank has no outstanding share certificate position.

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**V. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio**

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

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

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

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

Assets and Liabilities Management Committee (ALCO) establishes short, medium and long term liquidity management strategies and evaluates the liquidity risk profile of the Bank and impacts of recently developed trends on the liquidity of the Bank through periodical meetings. ALCO makes a decision regarding the qualification of liquidity buffer of the Bank in line with risk appetite and liquidity strategy of the Bank.

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

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

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

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

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

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

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

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

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

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

Current Period-31 March 2019		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				<b>4.965.222</b>	<b>3.564.834</b>
1	High quality liquid assets	5.741.479	4.340.987	4.965.222	3.564.834
<b>CASH OUTFLOWS</b>					
2	<b>Retail and Small Business Customer Deposits</b>	<b>15.817.872</b>	<b>9.221.856</b>	<b>1.495.945</b>	<b>922.186</b>
3	Stable deposits	1.716.855	-	85.843	-
4	Less stable deposits	14.101.017	9.221.856	1.410.102	922.186
5	<b>Unsecured Funding other than Retail and Small Business Customer Deposits</b>	<b>4.717.902</b>	<b>3.501.335</b>	<b>2.458.786</b>	<b>1.764.879</b>
6	Operational deposits	1.610	27	402	7
7	Non-Operational Deposits	4.026.023	3.152.813	1.768.115	1.416.377
8	Other Unsecured Funding	690.269	348.495	690.269	348.495
9	Secured funding	-	-	-	-
10	<b>Other Cash Outflows</b>	<b>5.264.579</b>	<b>4.759.327</b>	<b>921.330</b>	<b>2.090.498</b>
11	Liquidity needs related to derivatives and market	436.436	1.746.185	436.436	1.746.185
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	4.828.143	3.013.142	484.894	344.313
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	-	-	-	-
16	<b>TOTAL CASH OUTFLOWS</b>			<b>4.876.061</b>	<b>4.777.563</b>
<b>CASH INFLOWS</b>					
17	Secured Lending Transactions	269.694	-	-	-
18	Unsecured Lending Transactions	3.425.434	1.898.727	2.857.882	1.740.047
19	Other contractual cash inflows	396.930	2.150.408	396.930	2.150.408
20	<b>TOTAL CASH INFLOWS</b>	<b>4.092.058</b>	<b>4.049.135</b>	<b>3.254.812</b>	<b>3.890.455</b>
				<b>Upper Limit Applied Amounts</b>	
21	<b>TOTAL HQLA</b>			<b>4.965.222</b>	<b>3.564.834</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>1.666.497</b>	<b>1.241.759</b>
23	<b>Liquidity Coverage Ratio (%)</b>			<b>307,95</b>	<b>293,56</b>

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

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

Information regarding weekly solo liquidity coverage ratios realized in the fourth quarter of 2018 is as follows:

Prior Period-31.12.2018		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				<b>6.208.238</b>	<b>3.623.138</b>
1	High quality liquid assets	6.864.013	4.278.798	6.208.238	3.623.138
<b>CASH OUTFLOWS</b>					
2	<b>Retail and Small Business Customer Deposits</b>	<b>15.806.394</b>	<b>7.956.685</b>	<b>1.490.758</b>	<b>795.669</b>
3	Stable deposits	1.797.627	-	89.881	-
4	Less stable deposits	14.008.767	7.956.685	1.400.877	795.669
5	<b>Unsecured Funding other than Retail and Small Business Customer Deposits</b>	<b>6.189.246</b>	<b>4.429.787</b>	<b>3.480.782</b>	<b>2.591.903</b>
6	Operational deposits	580	28	145	7
7	Non-Operational Deposits	5.326.154	3.845.889	2.618.126	2.008.026
8	Other Unsecured Funding	862.512	583.870	862.511	583.870
9	Secured funding	-	-	-	-
10	<b>Other Cash Outflows</b>	<b>5.623.925</b>	<b>4.684.430</b>	<b>1.446.835</b>	<b>2.172.052</b>
11	Liquidity needs related to derivatives and market	997.877	1.859.520	997.877	1.859.520
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	4.626.048	2.824.910	448.958	312.532
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	-	-	-	-
16	<b>TOTAL CASH OUTFLOWS</b>			<b>6.418.375</b>	<b>5.559.624</b>
<b>CASH INFLOWS</b>					
17	Secured Lending Transactions	920.967	-	-	-
18	Unsecured Lending Transactions	3.571.735	1.737.497	2.874.332	1.514.067
19	Other contractual cash inflows	581.366	1.415.681	581.366	1.415.681
20	<b>TOTAL CASH INFLOWS</b>	<b>5.074.068</b>	<b>3.153.178</b>	<b>3.455.698</b>	<b>2.929.748</b>
				<b>Upper Limit Applied Amounts</b>	
21	<b>TOTAL HQLA</b>			<b>6.208.238</b>	<b>3.623.138</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>2.962.677</b>	<b>2.629.875</b>
23	<b>Liquidity Coverage Ratio (%)</b>			<b>219,26</b>	<b>141,93</b>

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

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

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

	Current Year-31 March 2019		Prior Year-31 December 2018	
	TL+FC	FC	TL+FC	FC
Lowest Week	213,16	175,83	144,62	96,83
	04.01.2019	04.01.2019	12.10.2018	26.10.2018
Highest Week	431,60	419,28	311,33	199,41
	29.03.2019	18.01.2019	16.11.2018	23.11.2018
Average	307,95	293,56	219,26	141,93

**Presentation of assets and liabilities according to their remaining maturities:**

31 March 2019	Demand	Up to 1 Month	1-3 Month	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	431.480	2.931.449	-	-	-	-	-	3.362.929
Banks	610.199	1.946.451	-	469.395	-	-	-	3.026.045
Financial Assets at Fair Value Through Profit and Loss	-	-	580	2.180	2.087	6.846	-	11.693
Money Market Placements	-	-	1.237	-	-	-	-	1.237
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	-	225.860	367.187	10.908	603.955
Loans	-	2.071.481	1.103.676	2.399.494	6.877.279	5.505.265	1.947.116	19.904.311
Financial Assets Measured at Amortized Cost	-	107.112	44.176	687.634	1.243.621	595.330	-	2.677.873
Other Assets (**)	-	129.770	117.797	68.155	653.098	284.924	218.095	1.471.839
<b>Total Assets</b>	<b>1.041.679</b>	<b>7.186.263</b>	<b>1.267.466</b>	<b>3.626.858</b>	<b>9.001.945</b>	<b>6.759.552</b>	<b>2.176.119</b>	<b>31.059.882</b>
<b>Liabilities</b>								
Bank Deposits	2.265	99.306	14.039	26.512	-	-	-	142.122
Customer Deposits	1.480.196	16.074.532	2.296.014	496.507	628	-	-	20.347.877
Funds Provided From Other Financial Institutions	-	104.993	392.453	308.725	748.358	803.174	-	2.357.703
Money Market Borrowings	-	170.171	-	-	-	-	-	170.171
Marketable Securities Issued	-	157.687	516.380	-	-	-	-	674.067
Subordinated Loans (***)	-	-	-	-	-	1.707.660	-	1.707.660
Other Liabilities (****)	-	90.564	133.741	101.657	589.417	283.588	4.461.315	5.660.282
<b>Total Liabilities</b>	<b>1.482.461</b>	<b>16.697.253</b>	<b>3.352.627</b>	<b>933.401</b>	<b>1.338.403</b>	<b>2.794.422</b>	<b>4.461.315</b>	<b>31.059.882</b>
<b>Liquidity Gap</b>	<b>(440.782)</b>	<b>(9.510.990)</b>	<b>(2.085.161)</b>	<b>2.693.457</b>	<b>7.663.542</b>	<b>3.965.130</b>	<b>(2.285.196)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>14.228</b>	<b>(90.478)</b>	<b>9.359</b>	<b>(10.695)</b>	<b>-</b>	<b>-</b>	<b>(77.586)</b>
Financial Derivative Assets	-	9.629.708	4.809.896	3.350.597	7.644.743	11.810.753	-	37.245.697
Financial Derivative Liabilities	-	9.615.480	4.900.374	3.341.238	7.655.438	11.810.753	-	37.323.283
<b>Non-Cash Loans</b>	<b>1.120.988</b>	<b>367.858</b>	<b>732.926</b>	<b>1.838.042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.059.814</b>
<b>Prior period</b>								
Total Assets	2.079.608	6.934.965	1.424.687	3.176.091	9.361.125	6.588.819	1.835.323	31.400.618
Total Liabilities	1.287.220	15.338.309	5.495.743	1.565.744	1.213.540	2.703.515	3.796.547	31.400.618
<b>Liquidity Gap</b>	<b>792.388</b>	<b>(8.403.344)</b>	<b>(4.071.056)</b>	<b>1.610.347</b>	<b>8.147.585</b>	<b>3.885.304</b>	<b>(1.961.224)</b>	<b>-</b>

(\*) The assets which are necessary to provide banking services and can not be liquidated in the short term, such as tangible assets, other assets, current tax assets, equity instruments, and non-performing loans are classified under undistributed.

(\*\*) Derivative financial assets are classified under other assets and expected credit losses of other assets are netted in other assets.

(\*\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, semi-annual fixed %7.625 coupon paying bond of USD 300 million to foreign domicile investors. The bond, with the permission of BRSA dated July 17, 2017 was classified as Tier II sub-loan. The bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 670 thousand of Tier II sub-loan on 05 December 2018, and the relevant amount has been discounted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion.

(\*\*\*\*) Other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 3.181.384, tax liabilities amounting to TL 59.153, provisions amounting to TL 209.594, lease payables to TL 200.608 and other liabilities amounting to TL 810.577. In addition, other liabilities include derivative financial liabilities amounting to TL 1.198.966.



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**VI. Explanations on Leverage Ratio**

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

"Regulation on the Measurement and Evaluation of Banks Leverage Levels" regulates the procedures and principles regarding to ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 7,23% (31 December 2018: 8,53%). According to Regulations, minimum leverage ratio is 3%.

**Disclosure of Leverage ratio template:**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2019 (*)</b>	<b>2018 (*)</b>
<b>Balance sheet transactions</b>		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	30.568.112	32.488.062
2 (Assets deducted from Core capital)	(114.797)	(105.419)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	30.453.315	32.382.643
<b>Derivative financial assets and credit derivatives</b>		
4 Cost of replenishment for derivative financial assets and credit derivatives	855.038	800.395
5 Potential credit risk amount of derivative financial assets and credit derivatives	-	-
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	855.038	800.395
<b>Financing transactions secured by marketable security or commodity</b>		
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)	-	-
<b>Off-balance sheet transactions</b>		
10 Gross notional amount of off-balance sheet transactions	20.617.620	13.563.413
11 (Correction amount due to multiplication with credit conversion rates)	(2.806.008)	(2.632.575)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	17.811.612	10.930.838
<b>Capital and total risk</b>		
13 Core Capital	3.485.720	3.764.166
14 Total risk amount(sum of lines 3, 6, 9 and 12)	49.119.965	44.113.876
<b>Leverage ratio</b>		
15 Leverage ratio	7,23	8,53

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

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**VII. Explanations on Risk Management**

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

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

**a) Overview of RWA**

	Risk Weighted Amount		Minimum Capital Requirement
	Current Period 31 March 2019	Prior Period 31 December 2018	Current Period 31 March 2019
1 Credit risk (excluding counterparty credit risk) (CCR)	22.585.996	21.831.729	1.806.879
2 Standardised approach (SA)	22.585.996	21.831.729	1.806.879
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	606.746	804.718	48.540
5 Standardised approach for counterparty credit risk (SA-CCR)	606.746	804.718	48.540
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	1.062.025	815.213	84.962
17 Standardised approach (SA)	1.062.025	815.213	84.962
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	2.706.013	2.422.013	216.481
20 Basic Indicator Approach	2.706.013	2.422.013	216.481
21 Standard Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>26.960.780</b>	<b>25.873.673</b>	<b>2.156.862</b>

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**VIII. Explanations on Business Segments**

Organized to operate in all operational aspects of banking under the scope of 4th Article of the Banking Law, the Bank is providing diversified financial solutions focused on capital financing, foreign trade, project finance, non-cash products, cash management and internet banking services to commercial (segregated as Corporate, Commercial and SME prior to unification under Commercial Banking in 2018) customers. Retail Banking, formed under three major divisions, namely, Retail Loans, 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.

<b>Current Period (1 January-31 March 2019)</b>	<b>Corporate, Commercial,SME</b>	<b>Retail Banking</b>	<b>Treasury</b>	<b>Other and Unallocated (*)</b>	<b>Bank's Total Activities</b>
Net Interest Income	109.181	62.624	17.534	40.084	229.423
Net Fee and Commission Income	20.041	13.772	(543)	(3.666)	29.604
Dividend Income	-	-	-	6	6
Other Operating Income and Net Profit/Loss	2.727	9.028	13.652	75.262	100.669
<b>Operating Income</b>	<b>131.949</b>	<b>85.424</b>	<b>30.643</b>	<b>111.686</b>	<b>359.702</b>
Other Operating Expenses	-	-	-	(147.677)	(147.677)
Credit and Other Provisions	(95.507)	(19.770)	-	(91.534)	(206.811)
<b>Profit Before Tax</b>	-	-	-	<b>5.214</b>	<b>5.214</b>
<b>Tax Provision</b>	-	-	-	<b>(1.189)</b>	<b>(1.189)</b>
<b>Net Profit</b>	-	-	-	<b>4.025</b>	<b>4.025</b>
<b>Total Asset</b>	<b>17.853.561</b>	<b>1.416.920</b>	<b>5.437.023</b>	<b>6.352.378</b>	<b>31.059.882</b>
Segment Assets	17.853.561	1.416.920	5.437.023	6.352.378	31.059.882
<b>Total Liability</b>	<b>4.986.514</b>	<b>15.389.969</b>	<b>4.207.268</b>	<b>6.476.131</b>	<b>31.059.882</b>
Segment Liability	4.986.514	15.389.969	4.207.268	1.587.087	26.170.838
Subordinated Loan	-	-	-	1.707.660	1.707.660
Equity	-	-	-	3.181.384	3.181.384

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

<b>Prior Period (1 January-31 March 2018)</b>	<b>Corporate, Commercial,SME</b>	<b>Retail Banking</b>	<b>Treasury</b>	<b>Other and Unallocated (*)</b>	<b>Bank's Total Activities</b>
Net Interest Income	143.414	48.111	6.613	88.037	286.175
Net Fee and Commission Income	20.607	13.018	(612)	(178)	32.835
Dividend Income	-	-	-	3	3
Other Operating Income and Net Profit/Loss	5.609	4.583	(3.128)	(17.072)	(10.008)
<b>Operating Income</b>	<b>169.630</b>	<b>65.712</b>	<b>2.873</b>	<b>70.790</b>	<b>309.005</b>
Other Operating Expenses (**)	-	-	-	(144.952)	(144.952)
Credit and Other Provisions	(68.745)	(28.491)	-	30.324	(66.912)
<b>Profit Before Tax</b>	-	-	-	<b>97.141</b>	<b>97.141</b>
<b>Tax Provision</b>	-	-	-	<b>(21.699)</b>	<b>(21.699)</b>
<b>Net profit</b>	-	-	-	<b>75.442</b>	<b>75.442</b>
<b>Total Asset</b>	<b>18.246.462</b>	<b>1.637.463</b>	<b>4.638.411</b>	<b>6.878.282</b>	<b>31.400.618</b>
Segment Assets	18.246.462	1.637.463	4.638.411	6.878.282	31.400.618
<b>Total Liability</b>	<b>5.170.473</b>	<b>15.552.063</b>	<b>4.921.387</b>	<b>5.756.695</b>	<b>31.400.618</b>
Segment Liability	5.170.473	15.552.063	4.921.387	900.861	26.544.784
Subordinated Loan	-	-	-	1.636.012	1.636.012
Equity	-	-	-	3.219.822	3.219.822

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

(\*\*) Includes personnel expenses.

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**SECTION FIVE**

**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. Explanations and Disclosures Related to the Assets**

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

	31 March 2019		31 December 2018	
	TL	FC	TL	FC
Cash in Vault	46.149	132.185	35.273	139.924
Balances with the Central Bank of Turkey	152.340	3.032.255	987.509	2.836.234
Other	-	-	-	-
<b>Total</b>	<b>198.489</b>	<b>3.164.440</b>	<b>1.022.782</b>	<b>2.976.158</b>

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

	31 March 2019		31 December 2018	
	TL	FC	TL	FC
Demand unrestricted amount	140.155	1.631.725	276.490	1.449.846
Time unrestricted amount	12.185	-	711.019	-
Time restricted amount	-	1.400.530	-	1.386.388
<b>Total</b>	<b>152.340</b>	<b>3.032.255</b>	<b>987.509</b>	<b>2.836.234</b>

**c) Explanations related to reserve deposits:**

In accordance with the “Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold. CBRT started paying interest on reserve balances held in USD starting from May 2015 and held in TL starting from November 2014.

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

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

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

- a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (31 December 2018: None).
- a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2018: None).
- b) Positive differences related to derivative financial assets held-for-trading:

	31 March 2019		31 December 2018	
	TL	FC	TL	FC
Forward Transactions	53.347	1.843	105.821	2.492
Swap Transactions	720.930	360.852	611.872	208.332
Futures Transactions	-	-	-	-
Options	113.710	3.062	144.883	11.901
Other	-	-	-	-
<b>Total</b>	<b>887.987</b>	<b>365.757</b>	<b>862.576</b>	<b>222.725</b>

**3. Information on banks and bank accounts abroad:**

	31 March 2019		31 December 2018	
	TL	FC	TL	FC
Banks				
Domestic	340.961	67	1.058.065	1
Foreign	-	2.685.017	-	944.808
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>340.961</b>	<b>2.685.084</b>	<b>1.058.065</b>	<b>944.809</b>

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

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

	31 March 2019		31 December 2018	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	151.234	98.596	103.131	-
Other	-	-	-	-
<b>Total</b>	<b>151.234</b>	<b>98.596</b>	<b>103.131</b>	<b>-</b>

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

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

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

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

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

	31 March 2019	31 December 2018
Debt securities	565.148	275.717
Quoted on a stock exchange	565.148	275.717
Not quoted	-	-
Share certificates	13.208	11.192
Quoted on a stock exchange	-	-
Not quoted	13.208	11.192
Value Decrease (-) / Increase (+)	(25.599)	(18.549)
<b>Total</b>	<b>603.955</b>	<b>305.458</b>

**5. Information on loans:**

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

	31 March 2019		31 December 2018	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	2.722	-	2.587	-
Corporate shareholders	2.722	-	2.587	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	84.137	-	57.898
Loans granted to employees	4.226	-	4.972	-
<b>Total</b>	<b>6.948</b>	<b>84.137</b>	<b>7.559</b>	<b>57.898</b>

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

**5. Information on loans (continued)**

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

**31 March 2019**

	Standard loans	Not under the scope of restructuring	Stage 2 (*)	
			Modifications on agreement conditions	Loans under restructuring Refinancing
<b>Cash Loans</b>				
Non-specialized loans	12.137.719	4.321.539	-	1.497.937
Loans given to enterprises	-	-	-	-
Export loans	623.197	16.812	-	2.396
Foreign loans	520.348	238	-	51.295
Loans given to financial sector	9.915	-	-	-
Consumer loans	734.120	95.554	-	72.993
Credit cards	256.903	11.285	-	43.931
Other	9.993.236	4.197.650	-	1.327.322
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>12.137.719</b>	<b>4.321.539</b>	<b>-</b>	<b>1.497.937</b>

(\*) 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 2.362.049.

**31 December 2018**

	Standard loans	Not under the scope of restructuring	Stage 2 (*)	
			Modifications on agreement conditions	Loans under restructuring Refinancing
<b>Cash Loans</b>				
Non-specialized loans	12.702.468	4.929.231	-	1.104.990
Loans given to enterprises	-	-	-	-
Export loans	642.481	41.053	-	3.193
Foreign loans	514.379	-	-	49.029
Loans given to financial sector	12.353	-	-	-
Consumer loans	896.440	136.708	-	45.059
Credit cards	326.805	19.281	-	39.731
Other	10.310.010	4.732.189	-	967.978
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>12.702.468</b>	<b>4.929.231</b>	<b>-</b>	<b>1.104.990</b>

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

First and Second Stage Expected Loss Provisions	31 March 2019		31 December 2018	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month provisions for possible losses	108.576	-	107.550	-
Significant increase in credit risk	-	851.473	-	851.197
<b>Total</b>	<b>108.576</b>	<b>851.473</b>	<b>107.550</b>	<b>851.197</b>

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

**5. Information on loans (continued)**

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

<b>31 March 2019</b>	<b>Corporate and Commercial</b>	<b>SME</b>	<b>Consumer Loans</b>	<b>Total</b>
Standard Loans	9.900.093	1.251.679	985.947	<b>12.137.719</b>
Watchlist	2.399.280	835.255	222.891	<b>3.457.426</b>
Significant Increase in Credit Risk	2.155.219	206.830	-	<b>2.362.049</b>
Non-performing Loans	707.713	1.163.446	75.957	<b>1.947.116</b>
Specific Provision (-)	(499.744)	(507.195)	(34.549)	<b>(1.041.488)</b>
<b>Total</b>	<b>14.662.561</b>	<b>2.950.016</b>	<b>1.250.246</b>	<b>18.862.823</b>
<b>31 December 2018</b>	<b>Corporate and Commercial</b>	<b>SME</b>	<b>Consumer Loans</b>	<b>Total</b>
Standard Loans	10.089.468	1.425.324	1.187.676	<b>12.702.468</b>
Watchlist	2.931.443	945.010	268.881	<b>4.145.334</b>
Significant Increase in Credit Risk	1.615.438	273.449	-	<b>1.888.887</b>
Non-performing Loans	722.579	1.002.982	36.095	<b>1.761.656</b>
Specific Provision (-)	(486.868)	(428.782)	(14.302)	<b>(929.952)</b>
<b>Total</b>	<b>14.872.060</b>	<b>3.217.983</b>	<b>1.478.350</b>	<b>19.568.393</b>

(\*) According to the internal segmentation of the bank



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

**5. Information on loans (continued)**

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

31 March 2019	Short Term	Medium and Long Term	Total
<b>Consumer Loans – TL</b>	<b>2.921</b>	<b>869.809</b>	<b>872.730</b>
Housing Loans	-	396.531	396.531
Car Loans	-	5.703	5.703
General Purpose Loans	2.921	467.575	470.496
Other	-	-	-
<b>Consumer Loans - Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards - TL</b>	<b>282.803</b>	<b>21.754</b>	<b>304.557</b>
With Installments	56.033	21.754	77.787
Without Installments	226.770	-	226.770
<b>Individual Credit Cards-FC</b>	<b>183</b>	<b>-</b>	<b>183</b>
With Installments	-	-	-
Without Installments	183	-	183
<b>Personnel Loans - TL</b>	<b>46</b>	<b>2.749</b>	<b>2.795</b>
Housing Loans	-	-	-
Car Loans	-	138	138
General Purpose Loans	46	2.611	2.657
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards - TL</b>	<b>1.426</b>	<b>5</b>	<b>1.431</b>
With Installments	241	5	246
Without Installments	1.185	-	1.185
<b>Personnel Credit Cards - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installments	-	-	-
Without Installments	-	-	-
<b>Overdraft Accounts – TL (Real Persons)</b>	<b>27.142</b>	<b>-</b>	<b>27.142</b>
<b>Overdraft Accounts – FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>314.521</b>	<b>894.317</b>	<b>1.208.838</b>

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

**5. Information on loans (continued)**

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

31 December 2018	Short Term	Medium and Long Term	Total
<b>Consumer Loans – TL</b>	<b>8.175</b>	<b>1.037.557</b>	<b>1.045.732</b>
Housing Loans	-	427.651	427.651
Car Loans	-	7.654	7.654
General Purpose Loans	8.175	602.252	610.427
Other	-	-	-
<b>Consumer Loans - Indexed to FC</b>	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans - FC</b>	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards - TL</b>	<b>356.706</b>	<b>19.936</b>	<b>376.642</b>
With Installments	80.742	19.936	100.678
Without Installments	275.964	-	275.964
<b>Individual Credit Cards-FC</b>	<b>167</b>	-	<b>167</b>
With Installments	-	-	-
Without Installments	167	-	167
<b>Personnel Loans - TL</b>	<b>93</b>	<b>3.337</b>	<b>3.430</b>
Housing Loans	-	-	-
Car Loans	-	50	50
General Purpose Loans	93	3.287	3.380
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans - FC</b>	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards - TL</b>	<b>1.540</b>	<b>2</b>	<b>1.542</b>
With Installments	386	2	388
Without Installments	1.154	-	1.154
<b>Personnel Credit Cards - FC</b>	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
<b>Overdraft Accounts – TL (Real Persons)</b>	<b>29.045</b>	-	<b>29.045</b>
<b>Overdraft Accounts – FC (Real Persons)</b>	-	-	-
<b>Total</b>	<b>395.726</b>	<b>1.060.832</b>	<b>1.456.558</b>

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

**5. Information on loans (continued)**

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

<b>31 March 2019</b>	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Commercial loans with installment facility-TL</b>	<b>317.866</b>	<b>3.315.369</b>	<b>3.633.235</b>
Business Loans	-	5.338	5.338
Car Loans	-	6.859	6.859
General Purpose Loans	317.866	3.303.172	3.621.038
Other	-	-	-
<b>Commercial loans with installment facility-Indexed to FC</b>	<b>626</b>	<b>360.441</b>	<b>361.067</b>
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	626	360.441	361.067
Other	-	-	-
<b>Commercial loans with installment facility -FC</b>	<b>3.508</b>	<b>9.108.347</b>	<b>9.111.855</b>
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	3.508	9.108.347	9.111.855
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>5.942</b>	-	<b>5.942</b>
With Installments	306	-	306
Without Installments	5.636	-	5.636
<b>Corporate Credit Cards-FC</b>	<b>6</b>	-	<b>6</b>
With Installments	-	-	-
Without Installments	6	-	6
<b>Overdraft Accounts-TL (Legal Entities)</b>	<b>20.268</b>	-	<b>20.268</b>
<b>Overdraft Accounts-FC (Legal Entities)</b>	-	-	-
<b>Total</b>	<b>348.216</b>	<b>12.784.157</b>	<b>13.132.373</b>

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

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

**5. Information on loans (continued)**

f) Distribution of domestic and foreign loans:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Domestic loans	17.385.314	18.173.281
Foreign loans	571.881	563.408
<b>Total</b>	<b>17.957.195</b>	<b>18.736.689</b>

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

h) Expected credit losses provided against loans:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Expected credit losses		
Loans with limited collectability	123.328	144.485
Loans with doubtful collectability	374.892	501.665
Uncollectible loans	543.268	283.802
<b>Total</b>	<b>1.041.488</b>	<b>929.952</b>

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

**5. Information on loans (continued)**

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

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectible loans</b>
<b>31 December 2018 balance</b>	<b>288.130</b>	<b>894.700</b>	<b>578.826</b>
Additions (+)	363.421	-	-
Transfers from other categories of non-performing loans (+)	-	274.563	428.112
Transfers to other categories of non-performing loans (-)	274.563	428.112	-
Collections (-)	125.332	28.361	24.268
Write-offs (-)	-	-	-
Sold (*)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other (-)	-	-	-
<b>31 March 2019 balance</b>	<b>251.656</b>	<b>712.790</b>	<b>982.670</b>
Specific provision (-)	123.328	374.892	543.268
<b>Net Balances on Balance Sheet</b>	<b>128.328</b>	<b>337.898</b>	<b>439.402</b>

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>31 March 2019 (Net)</b>	<b>128.328</b>	<b>337.898</b>	<b>439.402</b>
Loans to Real Persons and Legal Entities (Gross)	251.656	712.790	982.670
Specific provision (-)	123.328	374.892	543.268
Loans to Real Persons and Legal Entities (Net)	128.328	337.898	439.402
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>31 December 2018 (Net)</b>	<b>143.645</b>	<b>393.035</b>	<b>295.024</b>
Loans to Real Persons and Legal Entities (Gross)	288.130	894.700	578.826
Specific provision (-)	144.485	501.665	283.802
Loans to Real Persons and Legal Entities (Net)	143.645	393.035	295.024
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectible loans</b>
<b>Current Period (Net)</b>	-	-	-
Interest Accruals, Rediscounts and Valuation Differences	5.781	49.873	35.682
Special Provision Amount (-)	5.781	49.873	35.682
<b>Prior Period (Net)</b>	-	-	-
Interest Accruals, Rediscounts and Valuation Differences	4.414	31.110	17.415
Special Provision Amount (-)	4.414	31.110	17.415

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

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 31 March 2019, the net amount after provisions of the non-performing loans and receivables in the fifth group (in Stage 3) is TL 439.402 (31 December 2018: TL 295.024).

k) Explanations on write-off policy:

Loans and receivables considered as non-collectable are written-off pursuant to approval of Board of Directors (BoD) and treated accordingly as per the requirements of tax legislation.

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

**6. Information on financial assets measured at amortized cost:**

a) Information on financial assets given as collateral or blocked: As of 31 March 2019, financial assets measured at amortized cost given as collateral is amounting to TL 1.299.728.  
As of 31 December 2018, amortized cost investments given as collateral is amounting to TL 1.590.108.

b) Investments and legal liabilities subject to repurchase agreements: As of 31 March 2018, financial assets measured at amortized cost subject to repurchase agreements is amounting to TL 223.132 (31 December 2018: TL 103).

c) The Bank has TL 2.677.873 financial assets measured at amortized cost as of 31 March 2019.  
The Bank has TL 2.702.342 amortized cost investments as of 31 December 2018.

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

	<b>31 March 2019</b>	<b>31 December 2018</b>
Beginning Balance	2.702.342	447.133
Foreign Currency Differences on Monetary Assets (*)	115.672	970.579
Purchases During Year	314.922	1.409.714
Transfers (**)	-	1.254.532
Disposals Through Sales and Redemptions	455.063	(1.379.616)
Impairment Provision (-)	-	-
<b>Total</b>	<b>2.677.873</b>	<b>2.702.342</b>

(\*) Represents exchange differences and accrual interest.

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

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

**7. Information on associates (Net):**

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

**8. Information on subsidiaries (Net):**

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

**9. Information on jointly controlled entities:**

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

**10. Information on lease receivables (Net):**

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

**11. Information on derivative financial assets for hedging purposes:**

As of 31 March 2019, The Bank applies cash flow hedge accounting using interest swap transactions to hedge its TL customer deposits partially amounting to 200 Million TL with short term cyclical basis (31 December 2018: TL 800 Million).

Within the scope of hedge accounting, 1.201 TL is reflected in "Derivative financial assets at fair value through other comprehensive income" account in the balance sheet, the effective part of fair value changes that amount to 47.070 TL after tax is accounted under equity "Other accumulated comprehensive income that will be reclassified in profit or loss" account, and the ineffective part is accounted under profit / loss from derivative financial transactions in the income statement (31 December 2018: None).

**12. Information on tangible assets (Net):**

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

**14. Investment Property (Net):**

None (31 December 2018: None).

**15. Explanations on deferred tax assets:**

- a) As of 31 March 2019, the Bank has deferred tax asset amounting to TL 282.187 arising from deductible temporary differences (31 December 2018: TL 272.167).
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None (31 December 2018: None).
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None (31 December 2018: None).

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

As of 31 March 2019 the Bank has assets held for sale and discontinued operations amounting to TL 466.043 (31 December 2018: TL 238.525).

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

The Bank, in some portion of the foreclosed assets, provides repurchase right to the debtor. As of 31 March 2019, the right of repurchase value of assets of the Bank is TL 207.112 (31 December 2018: TL 109.922).

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

**17. Information on other assets**

- a) Other assets do not exceed 10% of the balance sheet total (excluding off balance sheet commitments).  
b) Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None (31 December 2018: None).

**II. Explanations and Disclosures Related to the Liabilities**

**1. Information on maturity structure of deposits:**

**a.1) 31 March 2019**

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	217.288	-	1.961.762	2.601.918	240.097	193.945	225.465	-	5.440.475
Foreign currency deposits	955.417	-	2.233.718	10.002.604	564.816	80.035	33.285	-	13.869.875
Residents in Turkey	844.280	-	2.205.354	9.608.622	556.448	71.013	29.500	-	13.315.217
Residents abroad	111.137	-	28.364	393.982	8.368	9.022	3.785	-	554.658
Public sector deposits	12.770	-	-	-	3.075	-	-	-	15.845
Commercial deposits	170.350	-	258.047	361.359	7.493	6.080	25.348	-	828.677
Other institutions deposits	678	-	3.761	59.916	742	3.252	963	-	69.312
Precious metals deposits	123.693	-	-	-	-	-	-	-	123.693
Interbank deposits	2.265	-	-	105.451	7.894	26.512	-	-	142.122
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	2.265	-	-	105.451	7.894	26.512	-	-	142.122
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.482.461</b>	<b>-</b>	<b>4.457.288</b>	<b>13.131.248</b>	<b>824.117</b>	<b>309.824</b>	<b>285.061</b>	<b>-</b>	<b>20.489.999</b>

**31 December 2018**

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



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

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

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

Saving deposits (*)	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Saving deposits	1.987.558	2.276.735	3.452.917	4.877.077
Foreign currency saving deposits	888.977	661.989	9.915.146	8.492.055
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
<b>Total</b>	<b>2.876.535</b>	<b>2.938.724</b>	<b>13.368.063</b>	<b>13.369.132</b>

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

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

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

	31 March 2019	31 December 2018
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman, members of the Board of Directors and assistant general managers and their close families	6.297	5.939
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

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

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

	31 March 2019		31 December 2018	
	TL	FC	TL	FC
Forward Transactions	71.629	4.653	53.932	4.127
Swap Transactions	652.074	321.960	611.320	210.786
Futures Transactions	-	-	-	-
Options	147.642	1.008	190.009	6.405
Other	-	-	-	-
<b>Total</b>	<b>871.345</b>	<b>327.621</b>	<b>855.261</b>	<b>221.318</b>

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

**3. Information on borrowings:**

a) Information on banks and other financial institutions:

	31 March 2019		31 December 2018	
	TL	FC	TL	FC
From Domestic Banks and Institutions	2.045	9.754	2.549	12.812
From Foreign Banks, Institutions and Funds	-	2.345.904	-	2.991.821
<b>Total</b>	<b>2.045</b>	<b>2.355.658</b>	<b>2.549</b>	<b>3.004.633</b>

b) Maturity analysis of borrowings:

	31 March 2019		31 December 2018	
	TL	FC	TL	FC
Short-term	2.045	407.505	2.549	923.360
Medium and long-term	-	1.948.153	-	2.081.273
<b>Total</b>	<b>2.045</b>	<b>2.355.658</b>	<b>2.549</b>	<b>3.004.633</b>

**4. Information on funds provided from repurchase agreement transactions:**

a) Funds Provided Under Repurchase Agreements:

	31 March 2019	31 December 2018
Funds Provided Under Repurchase Agreements	170.171	100
<b>Total</b>	<b>170.171</b>	<b>100</b>

**5. Marketable Securities Issued (Net):**

	31 March 2019	31 December 2018
Bond	674.067	207.110
<b>Total</b>	<b>674.067</b>	<b>207.110</b>

**6. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:**

None. (31 December 2018: None)

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

**7. Explanations on lease obligations (Net):**

	31 March 2019	
	Gross	Net
Less Than 1 Year	35.034	36.054
Between 1-4 Years	226.691	145.472
More Than 4 Years	51.613	19.082
<b>Total</b>	<b>313.338</b>	<b>200.608</b>

31 December 2018: None.

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

	31 March 2019		31 December 2018	
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	-	-	116.041	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>116.041</b>	<b>-</b>

As of 31 March 2019, The Bank applies cash flow hedge accounting using interest swap transactions to hedge its TL customer deposits partially amounting to 200 Million TL with short term cyclical basis (31 December 2018: 400 Million TL).

In the periods in which the cash flows (interest expenses) of the hedged item affects the income statement, the profit/loss of the hedging instrument is recognized in the income statement from equity. In this context, after tax loss of TL 26.811 was transferred from equity to income statement in 2019 (31 December 2018: 20.299 TL).

**9. Information on provisions:**

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

	31 March 2019	31 December 2018
Employee termination benefit provision	7.284	6.644
Unused vacation provision	7.000	5.203
<b>Total of provision for employee benefits</b>	<b>14.284</b>	<b>11.847</b>

In accordance with TAS 19 “Turkish Accounting Standard on Employee Benefits”; total benefit is calculated for each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct and reflected to the financial statements in accordance with TAS. The Bank has calculated retirement pay liability for personnels who deserve retirement pay in accordance with legal compliance.

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

**9. Information on provisions (continued):**

Movements in the employee termination benefit provision during the year:

	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Balance at the beginning of period</b>	<b>6.644</b>	<b>5.745</b>
Service Cost	1.269	1.689
Interest expense	-	632
Actuarial gain/loss transferred to equity	-	706
The amount of provision	(629)	(2.128)
<b>Balance at the end of period</b>	<b>7.284</b>	<b>6.644</b>

c) Information on other provisions:

c.1) Provisions for possible losses: TL 107.828 (31 December 2018: TL 16.385).

c.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions: Other provisions consist of provision for employee benefits amounting to TL 7.500 (31 December 2018: TL 25.000), litigation provision amounting to TL 20.000 (31 December 2018: TL 20.000), other provisions amounting to TL 8.468 (31 December 2018: TL 9.250) and promotions for credit cards and banking services amounting to TL 419 for the year of 2018 (31 December 2018: TL 539).

c.3) Expected loss provisions for non-cash loans: TL 51.095 (31 December 2018: TL 48.303 provision).

d) Liabilities on pension rights: None.

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

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

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

**10. Explanations on taxes payable:**

a) Information on current tax liability:

a.1) Information on corporate tax:

As of 31 March 2019, the Bank has no provision of corporate income tax. The Bank's corporate tax liability is netted with prepaid taxes and prepaid taxes amounting to TL 81.192 is shown in the assets (31 December 2018: TL 78.747 current tax assets).

a.2) Explanations on taxes payable:

	31 March 2019	31 December 2018
Withholding tax on deposits	25.382	23.343
BITT	13.559	15.780
Payroll Tax	10.190	3.073
Property Tax	385	494
Value Added Tax Payable	345	1.692
Stamp Tax	325	94
Corporate Taxes Payable	-	-
Foreign Exchange Tax	-	-
Other	577	1.010
<b>Total</b>	<b>50.763</b>	<b>45.486</b>

a.3) Information on premiums:

	31 March 2019	31 December 2018
Social Security Premiums-Employee	3.596	1.325
Social Security Premiums-Employer	4.035	1.491
Unemployment Insurance-Employer	506	187
Unemployment Insurance-Employee	253	93
Bank Social Aid Pension Fund Premium-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Other	-	-
<b>Total</b>	<b>8.390</b>	<b>3.096</b>

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

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

**11. Information on liabilities regarding assets held for sale and discounted operations:** None.

**12. Information on subordinated loans:**

	31 March 2019		31 December 2018	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks	-	-	-	-
From other foreign institutions	-	1.707.660	-	1.636.012
<b>Total</b>	-	<b>1.707.660</b>	-	<b>1.636.012</b>

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 has been classified as contribution capital. Based on the approval of the BRSA on 26 September 2018, the Bank has taken a subordinated bond amounting to USD 670 thousand on December 5, 2018 and its contribution to the calculation of the related amount has been reduced. Equality. The shares are not canceled by the bank and the circulation is at the discretion of the bank.

**13. Information on Shareholders' Equity:**

a) Presentation of Paid-in capital:

As of 31 March 2019 the Bank's paid in capital consists of TL 3.288.842.000 shares which nominal value is TL 1 (full TL).

TL	31 March 2019	31 December 2018
Common stock (*)	3.288.842	3.288.842
Preferred stock	-	-
<b>Total</b>	<b>3.288.842</b>	<b>3.288.842</b>

(\*) Nominal Capital

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

b) Information on marketable securities value increase fund:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Valuation Difference	(23.637)	(20.043)
Foreign Exchange Difference	-	-
<b>Total</b>	<b>(23.637)</b>	<b>(20.043)</b>

c) Information on legal reserves:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Primary Legal Reserves	26.149	25.291
Secondary Legal Reserve	-	-
Other Legal Reserves Per Special Legislation	-	-
<b>Total</b>	<b>26.149</b>	<b>25.291</b>

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

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 31 March 2019, the net amount after provisions of the non-performing loans and receivables in the fifth group (in Stage 3) is TL 439.402 (31 December 2018: TL 295.024).

**14. Information on minority shares:** None (31 December 2018: None).

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

**1. Information on off-balance sheet liabilities:**

a) Nature and amount of irrevocable loan commitments:

	31 March 2019	31 December 2018
Forward asset purchase and sales commitments	3.538.808	7.631.324
Loan granting commitments	162.549	231.914
Commitments for checks	66.991	58.384
Credit card limit commitments	495.040	534.388
Other irrevocable commitments	9.927	9.336
<b>Total</b>	<b>4.273.315</b>	<b>8.465.346</b>

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

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

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

	31 March 2019	31 December 2018
Letters of guarantee	1.886.023	1.795.569
Letters of credit	803.607	669.337
Bank acceptance loans	548.924	651.057
Other guarantees	821.260	569.819
<b>Total</b>	<b>4.059.814</b>	<b>3.685.782</b>

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

	31 March 2019	31 December 2018
Definite letter of guarantees	964.733	927.740
Temporary letter of guarantees	81.548	55.550
Other letter of guarantees	839.742	812.279
<b>Total</b>	<b>1.886.023</b>	<b>1.795.569</b>

c) Total amount of non-cash loans:

	31 March 2019	31 December 2018
Non-cash loans given to cover cash loans	697.767	624.151
With maturity of 1 year or less than 1 year	697.767	624.151
With maturity of more than 1 year	-	-
Other non-cash loans	3.362.047	3.061.631
<b>Total</b>	<b>4.059.814</b>	<b>3.685.782</b>



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

**2. Information related to credit derivatives and risk exposures:**

None.

**3. Explanations on contingent liabilities and assets:**

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

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

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

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

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

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

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

**1. a) Information on interest on loans:**

Interest on loans	31 March 2019		31 March 2018	
	TL	FC	TL	FC
Short term loans	187.664	15.369	123.681	7.041
Medium and long term loans	253.288	168.617	347.502	158.110
Interest collected from non-performing loans	1.399	-	2.867	-
<b>Total</b>	<b>442.351</b>	<b>183.986</b>	<b>474.050</b>	<b>165.151</b>

**b) Information on interest received from banks:**

	31 March 2019		31 March 2018	
	TL	FC	TL	FC
From The Central Bank of Republic of Turkey	1.926	-	-	-
From domestic banks	42.598	249	36.648	965
From foreign banks	-	22.651	14	925
From branches and offices abroad	-	-	-	-
<b>Total</b>	<b>44.524</b>	<b>22.900</b>	<b>36.662</b>	<b>1.890</b>

**c) Interest received from marketable securities portfolio:**

	31 March 2019		31 March 2018	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss (Net)	145	11	75	-
Financial assets at fair value through other comprehensive income	19.229	1.506	3.187	12.381
Financial Assets Measured at Amortized Cost	16.951	31.010	11.710	13.838
<b>Total</b>	<b>36.325</b>	<b>32.527</b>	<b>14.972</b>	<b>26.219</b>

**2. a) Information on interest on funds borrowed:**

Interest on funds borrowed	31 March 2019		31 March 2018	
	TL	FC	TL	FC
Banks	46	23.762	32	24.398
The Central Bank of Turkey	-	-	-	-
Domestic banks	46	96	32	83
Foreign banks	-	23.666	-	24.315
Branches and offices abroad	-	-	-	-
Other institutions	-	-	-	-
<b>Total</b>	<b>46</b>	<b>23.762</b>	<b>32</b>	<b>24.398</b>

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

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

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

**c) Information on interest expense to marketable securities issued:** As of 31 March 2019, the Bank has interest expense to Tier II sub-loan issued amounting to TL 48.084 (31 December 2018: TL 22.284).

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

31 March 2019								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
<b>TL</b>								
Bank deposits	-	159	-	-	-	-	-	159
Saving deposits	-	107.416	162.982	40.140	10.857	12.921	-	334.316
Public sector deposits	-	-	-	164	-	-	-	164
Commercial deposits	-	14.353	27.038	1.002	767	1.348	-	44.508
Other deposits	-	213	3.094	51	242	53	-	3.653
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>122.141</b>	<b>193.114</b>	<b>41.357</b>	<b>11.866</b>	<b>14.322</b>	<b>-</b>	<b>382.800</b>
<b>Foreign Currency</b>								
Foreign currency deposits	57	15.588	89.296	4.793	1.487	391	-	111.612
Bank deposits	-	1.531	-	-	-	-	-	1.531
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>57</b>	<b>17.119</b>	<b>89.296</b>	<b>4.793</b>	<b>1.487</b>	<b>391</b>	<b>-</b>	<b>113.143</b>
<b>Grand Total</b>	<b>57</b>	<b>139.260</b>	<b>282.410</b>	<b>46.150</b>	<b>13.353</b>	<b>14.713</b>	<b>-</b>	<b>495.943</b>
31 March 2018								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
<b>TL</b>								
Bank deposits	-	36	-	-	-	-	-	36
Saving deposits	69	69.864	179.510	80	322	521	-	250.366
Public sector deposits	-	31	26	389	-	-	-	446
Commercial deposits	5	5.526	49.913	-	42	2	-	55.488
Other deposits	-	95	1.915	-	-	-	-	2.010
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>74</b>	<b>75.552</b>	<b>231.364</b>	<b>469</b>	<b>364</b>	<b>523</b>	<b>-</b>	<b>308.346</b>
<b>Foreign Currency</b>								
Foreign currency deposits	45	11.298	97.143	451	1.766	236	-	110.939
Bank deposits	-	2.717	-	-	-	-	-	2.717
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>45</b>	<b>14.015</b>	<b>97.143</b>	<b>451</b>	<b>1.766</b>	<b>236</b>	<b>-</b>	<b>113.656</b>
<b>Grand Total</b>	<b>119</b>	<b>89.567</b>	<b>328.507</b>	<b>920</b>	<b>2.130</b>	<b>759</b>	<b>-</b>	<b>422.002</b>

**3. Information on Dividend Income:** At the end of September, the Bank has TL 6 dividend income collected from share certificates (31 March 2018: TL 3).

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

**4. Information on net trading income:**

	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Income</b>	<b>11.817.321</b>	<b>6.150.197</b>
Gains on capital market operations	1.197	2
Gains on derivative financial instruments	841.489	625.593
Foreign exchange gains	10.974.635	5.524.602
<b>Losses (-)</b>	<b>11.729.187</b>	<b>6.169.285</b>
Losses on capital market operations	5.131	635
Losses on derivative financial instruments	756.955	631.979
Foreign exchange losses	10.967.101	5.536.671
<b>Net Amount</b>	<b>88.134</b>	<b>(19.088)</b>

**5. Information on other operating income:** As of 31 March 2019, other operating income includes the adjustment account for previous years' expenses and other operating income.

**6. Provision for impairment of loans and other receivables:**

a) Expected credit loss provisions:

	<b>31 March 2019</b>	<b>31 March 2018(*)</b>
Expected Credit Loss Provisions	115.368	66.912
12-Month Expected Credit Losses (Stage 1)	-	-
Significant Increase In Credit Risk (Stage 2)	-	-
Credit-Impaired (Stage 3)	115.368	66.912
Impairment Provisions For Financial Assets	-	-
Financial Assets At Fair Value Through Profit Or Loss	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-
Impairment Provisions Related To Investments In Associates, Subsidiaries And Jointly Controlled Partnerships (Joint Ventures)	-	-
Investments in associates	-	-
Subsidiaries	-	-
Jointly controlled partnerships (joint ventures)	-	-
Other	-	-
<b>Total</b>	<b>115.368</b>	<b>66.912</b>

(\*) Includes reversal is amounting to TL 29.760 which do not meet the required accounting criteria under IAS 37.

b) Other Provisions:

As of 31 March 2019, provision for possible risks amounting to TL 91.443 is included (31 March 2018: None).

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

**7. Information on other operating expenses:**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Amortization expenses of intangible assets	7.796	8.527
Depreciation expenses of fixed assets	12.697	6.269
Employee termination benefit provision	640	183
Depreciation expenses of assets to be disposed	-	-
Taxes and duties	5.519	5.329
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	69.068	76.620
Leasing expenses related to TFRS 16 exemptions (*)	4.692	20.347
Advertisement expenses	5.811	6.642
Maintenance expenses	2.204	1.059
Other expenses (**)	56.361	48.572
Loss on sales of assets	-	-
<b>Total</b>	<b>95.720</b>	<b>96.928</b>

(\*) 31 March 2018 amounts are all finance lease expenses.

(\*\*) As of 31 March 2019, other operating expenses include IT expenses amounting to TL 15.580, premiums for saving deposit insurance fund amounting to TL 5.784, auditing and consultancy services amounting to TL 4.218, credit card related expenses amounting to TL 3.133, support services amounting to TL 2.922, communication expenses amounting to TL 1.991 and other expenses amounting to TL 22.733 (As of 31 March 2018, other operating expenses include IT expenses amounting to TL 14.981, premiums for saving deposit insurance fund amounting to TL 4.690, support services amounting to TL 2.778, taxes and similar disbursements expenses amounting to TL 3.992, communication expenses amounting to TL 2.637 and other expenses amounting to TL 19.494).

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

As of 31 March 2019, the Bank's profit before tax from continued operations is TL 5.214. (31 March 2018: TL 97.141)

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

As of 31 March 2019, The Bank has deferred tax expense amounting to TL 1.189 (31 March 2018: TL 6.779 deferred tax expense and TL 14.920 current tax expense).

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

As of 31 March 2019, the Bank's net profit from continued operations is TL 4.025 (31 December 2018: TL 75.442).

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

- Net income includes a provision for possible risks provided by the Bank Management for possible results of the circumstances which may arise from possible changes in the economy and market conditions amounting to TL 91.443.
- Financial effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None.
- Profit or loss attributable to minority shares: None.

**12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:**

None.

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**V. Explanations on the Risk Group of the Bank**

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

**a) 31 March 2019:**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other entities and real persons included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	2.587	57.898	-	125
Balance at end of period	-	-	2.722	84.137	-	125
Interest and commission income	-	-	131	-	-	-

**31 December 2018:**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other entities and real persons included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	304	21.257	-	147
Balance at end of period	-	-	2.587	57.898	-	125
Interest and commission income (*)	-	-	61	-	-	-

(\*) As of 31 March 2018.

**b.1) Information on related party deposits balances:**

**31 March 2019:**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other entities and real persons included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
<b>Deposits</b>						
Balance at beginning of period	-	-	-	452.934	-	1.326
Balance at end of period	-	-	-	144.052	-	928
<b>Interest on deposits</b>	-	-	-	1.926	-	5

**31 December 2018:**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other entities and real persons included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
<b>Deposits</b>						
Balance at beginning of period	-	-	-	584.775	-	-
Balance at end of period	-	-	-	452.934	-	1.326
Interest on deposits (*)	-	-	-	2.500	-	2

(\*) As of 31 March 2018.

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**V. Explanations on the Risk Group of the Bank (continued)**

b.2) Information on forward and option agreements and other similar agreements made with related parties:

**31 March 2019:**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>	<b>Direct and indirect shareholders of the Bank</b>	<b>Other entities and real persons included in the risk group</b>
<b>Financial assets at fair value through profit and loss</b>			
Balance at beginning of period	-	10.673.688	-
Balance at end of period	-	11.345.678	-
Total loss/ profit (*)	-	276.994	-

(\*) Represents derivative financial assets due to outstanding IRS transactions with the Bank's parent company, Bank Audi sal and does not have any material impact on the Bank's performance as such transactions are backed-to-back with third parties almost with similar terms.

**31 December 2018**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>	<b>Direct and indirect shareholders of the Bank</b>	<b>Other entities and real persons included in the risk group</b>
<b>Financial assets at fair value through profit and loss</b>			
Balance at beginning of period	-	64.525	-
Balance at end of period	-	10.673.688	-
Total loss/ profit (*)	-	(1.216)	-

(\*) As of 31 March 2018.

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

Gross payment made to the executive management as of 31 March 2019 is TL 6.130 (31 March 2018: TL 5.149).

**VI. Explanations and Disclosures Related to Subsequent Event**

As per the Board of Directors' decision dated 7 May 2019, Mr. Elia Samaha has resigned from his position as Board Member.

**ODEA BANK ANONİM ŞİRKETİ**  
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**SECTION SIX**

**EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT**

**I. Explanations on Review Report**

The unconsolidated financial statements for the period ended 31 March 2019 have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member of KPMG International Cooperative). The auditor's review report dated May 9, 2019 is presented preceding the unconsolidated financial statements.

**II. Explanations and Notes Prepared By Independent Auditor**

None.

**SECTION SEVEN**

**INTERIM ACTIVITY REPORT**

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

**Brief Information on Odea Bank A.Ş.:**

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

**Capital and shareholders' structure:**

As of 31 March 2019 and 31 December 2018, 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%
	<b>3.288.842</b>	<b>100,00%</b>	<b>3.288.842</b>	<b>100,00%</b>

**Changes in the articles of association:**

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

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

**Information on number of branches and personnel:**

As of 31 March 2019 the Bank has 45 domestic branches and 1.076 personnel.



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**Information on Board Members and executive management of the Bank**

<b><u>Title</u></b>	<b><u>Name-Surname</u></b>	<b><u>Responsibility</u></b>	<b><u>Education</u></b>
<b>Chairman of the Board of Directors</b>	Samir HANNA	Chairman	High School
<b>Members of the Board of Directors</b>	Freddie BAZ	Member of the Board of Directors	Ph.D. Degree
	Imad ITANI	Member of the Board of Directors and Chairman of Audit Committee	Ph.D. Degree
	Marwan GHANDOUR	Member of the Board of Directors	Ph.D. Degree
	Elia SAMAHA	Member of the Board of Directors	Bachelor's Degree
	Khalil El DEBS	Member of the Board of Directors	Master's Degree
	Philippe Elias Farid EL-KHOURY	Member of the Board of Directors	Master's Degree
	Aristeidis VOURAKIS	Member of the Board of Directors	Master's Degree
	Bülent ADANIR	Member of the Board of Directors and Member of Audit Committee	Master's Degree
	Dragica Pilipovic-CHAFFEY	Member of the Board of Directors	Master's Degree
<b>Member of the Board of Directors and General Manager</b>	Mert ÖNCÜ	Member of the Board of Directors and General Manager	Ph.D. Degree
<b>Deputy General Manager</b>	Alpaslan YURDAGÜL	Credits Allocation	Master's Degree
<b>Assistant General Managers</b>	Cem MURATOĞLU	Retail Banking	Master's Degree
	Gökhan ERKIRALP	Treasury and Capital Markets	Bachelor's Degree
	Yalçın AVCI	Commercial Banking	Master's Degree
	Mehmet Gökmen UÇAR	Finance, Financial Control and Strategy	Bachelor's Degree
	Sinan Erdem ÖZER	Technology and Operations	Master's Degree

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

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**Message from the Chairman**

Dear Stakeholders,

In the first quarter of 2019, Turkey's banking sector continued to display strong resilience despite challenging economic conditions following the recent volatility in exchange rates. Banking aggregates continued to report growth in this period.

Within this context, Odea Bank managed to strengthen its activities focusing on serving its core relationships while reinforcing the already strong liquidity and capital buffers. Our earnings generation also improved, but, once again we decided to allocate all profits before provisions and taxes to provisions in order to further enhance our risk profile setting the stage for renewed growth as soon as economic conditions improve.

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

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

Respectfully yours,

**Samir N. Hanna**  
Bank Audi Group CEO  
Odea Bank's Chairman of the Board of Directors

**ODEA BANK ANONİM ŞİRKETİ**  
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**CEO's Message**

Dear Stakeholders,

While geopolitical uncertainties, trade wars and slowdown in economic activity have been the key issues in global economy at the beginning of 2019, re-balancing in Turkish economy has continued. In this environment, there was a considerable adjustment in external imbalance, and inflation improved to some extent. With the diminishing global uncertainties, as Turkish economy may begin to recover going forward, fragilities are expected to diminish continuously.

While re-balancing in Turkish banking sector has continued in tandem with the overall economic conditions, our country could cope with the global headwinds thanks to the healthy banking sector fundamentals.

In light of these dynamics, Odeabank has successfully leveraged its customer-oriented business strategy with an increased focus on efficiency and risk management, prioritizing national goals within its operations.

In our aspiration for positioning Odeabank in the sector in the best way possible, the faiths and supports of our valuable customer base, qualified human resources, our shareholders and the management team at Bank Audi have been the major drivers for reaching our future goals.

When reviewing our 2019 first quarter financial results, we greeted that our efforts for a healthy and sustainable performance have begun to obtain initial yields in line with our long-term targets. Accordingly, we continued to expand funding base and to diversify funding sources. As of end of 2019 first quarter, whilst our loans totaled TRY 19.9 billion, our deposits reached up to TRY 20.5 billion. Achieving a loan-deposit ratio of 97,1 percent, Odeabank has maintained its self-funding, strong balance sheet structure. Our pre-provision net revenue was TRY 212.0 million. Moreover, as of the end of 2019 first quarter, our capital adequacy ratio was at 20,2%, well above sector average.

As recent data show that the banking sector maintains its re-balancing process, they indicate that current trends may continue going forward. Thanks to its strong capital structure, Odeabank welcomes the upcoming period with confidence, ready for all environment.

Odeabank, which aims to improve its customer-oriented banking model in more value-added approach, introduces sustainable, innovative solutions and digitalization in all fields of its operation, as a reflection of technological developments.

Within this scope, fully confident in Turkey's future and its great potential, we, at Odeabank, will continue our efforts to create value.

I would like to thank our loyal customers for their support in achieving our goals, to our shareholders and Bank Audi management for taking our progress a step forward, and to our employees for their contributions in our all success.

Sincerely,

**Mert Öncü**  
CEO and Board Member

**ODEA BANK ANONİM ŞİRKETİ**  
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**Brief financial information of the Bank**

**ASSETS:**

	Reviewed Current Period 31 March 2019			Audited Prior Period 31 December 2018		
	TL	FC	Total	TL	FC	Total
CASH AND CASH EQUIVALENTS	540.649	5.844.895	6.385.544	2.820.844	3.920.663	6.741.507
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	3.272	8.421	11.693	3.269	-	3.269
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	487.997	115.958	603.955	300.657	4.801	305.458
DERIVATIVE FINANCIAL ASSETS	887.987	365.757	1.253.744	862.576	222.725	1.085.301
FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	8.910.069	11.648.361	20.558.430	9.291.634	11.998.653	21.290.287
NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM INVESTMENT IN ASSOCIATES SUBSIDIARIES AND JOINT VENTURES"	466.043	-	466.043	238.525	-	238.525
TANGIBLE ASSETS (NET)	246.568	-	246.568	86.823	-	86.823
INTANGIBLE ASSETS AND GOODWILL (NET)	71.572	-	71.572	62.942	-	62.942
INVESTMENT PROPERTIES (NET)	-	-	-	-	-	-
CURRENT TAX ASSETS	81.192	-	81.192	78.747	-	78.747
DEFERRED TAX ASSETS	282.187	-	282.187	272.167	-	272.167
OTHER ASSETS	433.384	665.570	1.098.954	627.587	608.005	1.235.592
<b>Total</b>	<b>12.410.920</b>	<b>18.648.962</b>	<b>31.059.882</b>	<b>14.645.771</b>	<b>16.754.847</b>	<b>31.400.618</b>

**LIABILITIES:**

	Reviewed Current Period 31 March 2019			Audited Prior Period 31 December 2018		
	TL	FC	Total	TL	FC	Total
DEPOSITS	6.356.548	14.133.451	20.489.999	8.495.839	13.065.209	21.561.048
LOANS RECEIVED	2.045	2.355.658	2.357.703	2.549	3.004.633	3.007.182
MONEY MARKET FUNDS	686	169.485	170.171	100	-	100
MARKETABLE SECURITIES (Net)	674.067	-	674.067	207.110	-	207.110
FUNDS	-	-	-	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	-	-	-
DERIVATIVE FINANCIAL LIABILITIES	871.345	327.621	1.198.966	971.302	221.318	1.192.620
FACTORING PAYABLES	-	-	-	-	-	-
LEASE PAYABLES	200.608	-	200.608	-	-	-
PROVISIONS	188.669	20.925	209.594	109.730	21.594	131.324
CURRENT TAX LIABILITIES	59.153	-	59.153	48.582	-	48.582
DEFERRED TAX LIABILITIES	-	-	-	-	-	-
LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	-	-	-	-	-	-
SUBORDINATED DEBT	-	1.707.660	1.707.660	-	1.636.012	1.636.012
OTHER LIABILITIES	169.919	640.658	810.577	227.591	169.227	396.818
SHAREHOLDERS' EQUITY	3.175.470	5.914	3.181.384	3.218.328	1.494	3.219.822
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11.698.510</b>	<b>19.361.372</b>	<b>31.059.882</b>	<b>13.281.131</b>	<b>18.119.487</b>	<b>31.400.618</b>

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD ENDED 31 MARCH 2019**

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

**STATEMENT OF PROFIT OR LOSS:**

	<b>Reviewed Current Period 1 January- 31 March 2019</b>	<b>Reviewed Prior Period 1 January- 31 March 2018</b>
INTEREST INCOME	808.328	754.935
INTEREST EXPENSE	578.905	468.760
NET INTEREST INCOME (I - II)	229.423	286.175
NET FEES AND COMMISSIONS INCOME	29.604	32.835
DIVIDEND INCOME	6	3
NET TRADING PROFIT/LOSS (Net)	88.134	(19.088)
OTHER OPERATING INCOME	12.535	9.080
GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII+VIII)	359.702	309.005
ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	115.368	66.912
OTHER PROVISION EXPENSES	91.443	-
PERSONNEL EXPENSES (-)	51.957	48.024
OTHER OPERATING EXPENSES (-)	95.720	96.928
NET OPERATING PROFIT/(LOSS) (VIII-IX-X)	5.214	97.141
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)	5.214	97.141
PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(1.189)	(21.699)
NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)	4.025	75.442
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)	-	-
<b>NET PROFIT/LOSSES (XVIII+XXIII)</b>	<b>4.025</b>	<b>75.442</b>
Profit / Loss per Share	0,001	0,023