

ODEA BANK A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT MARCH 31, 2016 TOGETHER WITH AUDITOR’S LIMITED REVIEW REPORT

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

INTERIM REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor’s report originally issued in Turkish, See Note I.b of Section three)

To the Board of Directors of Odea Bank Anonim Şirketi

Introduction

We have reviewed the unconsolidated statement of financial position of Odeabank A.Ş. (“the Bank”) at 31 March 2016 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders’ equity, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with 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 Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as “BRSA Accounting and Reporting Legislation”) and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by BRSA Legislation. Our responsibility is to express a conclusion on these interim financial statements 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 opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the financial position of Odea Bank A.Ş. at 31 March 2016 and of the results of its operations and its cash flows for the three-month-period then ended in all aspects in accordance with the BRSA Accounting and Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim annual report in Section VII, are not consistent with the unconsolidated financial statements and disclosures in all material respects.

Additional paragraph for English translation:

As explained in detail in Note I.b. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation.,accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying 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.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst&Young Global Limited

Fatma Ebru Yücel
Partner, SMMM
İstanbul, May 10, 2016

**THE UNCONSOLIDATED THREE MONTH FINANCIAL REPORT OF
ODEA BANK A.Ş. AS OF MARCH 31, 2016**

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The unconsolidated financial report for the three month period end designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

The accompanying unconsolidated financial statements for the three month period end and notes to these financial statements which are expressed, (unless otherwise stated) in thousands of Turkish Lira, have been presented based on the accounting books of the Bank prepared 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, and have been reviewed.

Samir HANNA	Hüseyin ÖZKAYA	Naim HAKIM	Hüseyin ARITKAN
Chairman of the Board of Directors	Member of Board of Directors and General Manager	Deputy General Manager and Assistant General Manager in charge of Finance	Financial Reporting Director
Ayşe KORKMAZ		Marwan GHANDOUR	
Member of Board of Directors and Audit Committee Member		Member of Board of Directors and Audit Committee Member	

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

Name-Surname / Title : 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 MARCH 31, 2016

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

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

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.

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 March 31, 2016 and December 31, 2015, 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	2.287.317	96,119%	1.403.787	93,827%
Audi Private Bank sal	90.698	3,811%	90.698	6,062%
Raymond Audi	555	0,023%	555	0,037%
Samir Hanna	555	0,023%	555	0,037%
Freddie Baz	555	0,023%	555	0,037%
	2.379.680	100,00%	1.496.150	100,00%

(*)Pursuant to the approval of BRSA dated 8 December 2015, The Bank, on 1 March 2016, converted into TL the capital contribution which were obtained from its controlling shareholder Bank Audi sal amounting to total USD 300 million, and completed the necessary legal and administrative procedures with the relevant authorities and added the counter value TL 883.530 to the paid in capital on 31 March 2016.

ODEA BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2016

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

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

<u>Title</u>	<u>Name-Surname</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors	Samir HANNA	Chairman	High School
Vice President of the Executive Board	Marwan GHANDOUR	Member of the Board of Directors/ Member of Audit Committee	PHD Degree
Members of the Board of Directors(*)	Freddie BAZ	Member of the Board of Directors	PHD Degree
	Imad ITANI	Member of the Board of Directors	PHD Degree
	Elia SAMAHA	Member of the Board of Directors	Bachelor's Degree
	Hatem Ali SADEK	Member of the Board of Directors	PHD Degree
	Khalil El DEBS	Member of the Board of Directors	Master Degree
	Ayşe KORKMAZ	Member of the Board of Directors/Member of Audit Committee	Bachelor's Degree
	Philippe Elias Farid EL-KHOURY	Member of the Board of Directors	Master Degree
Member of the Board of Directors and General Manager	Hüseyin ÖZKAYA	Member of the Board of Directors and General Manager	Master Degree
Deputy General Manager(**)	Naim HAKİM	Finance	Master Degree
Assistant General Managers(***)	Alpaslan YURDAGÜL	Financial Institutions and Investment Banking	Master Degree
	Aytaç AYDIN	Operations and Support Services	Master Degree
	Cem MURATOĞLU	Retail Banking	Master Degree
	Fevzi Tayfun KÜÇÜK	Business Solutions, Direct Banking, Transactional Banking and Information Technologies	Master Degree
	Gökhan ERKIRALP	Treasury and Capital Markets	Bachelor's Degree
	Yalçın AVCI	Corporate and Commercial Banking	Master Degree
	Gökhan SUN	Small and Medium Sized Enterprises	Master Degree

(*) On the General Assembly dated March 28, 2016, Mr. Raymond AUDI's Board membership has not been extended. As of the same date, Mr. Philippe Elias Farid EL-KHOURY has been appointed as a board member and upon completion of oath process at the local courts on April 27, 2016, which is obligatory as per the related BRSA Regulation, Mr. EL-KHOURY has officially begun his duty.

(**) As of April 1, 2016, Assistant General Manager in charge of Finance, Mr. Naim HAKİM, has been appointed as Deputy General Manager and upon completion of oath process at the local courts on April 21, 2016, which is obligatory as per the related BRSA Regulation, Mr. HAKİM has officially begun his duty.

(**) As of March 31, 2016, Assistant General Manager in charge of Commercial Banking Mr. Erol SAKALLIOĞLU resigned.

(***) As of May 2, 2016, Assistant General Manager in charge of Corporate Banking Mr. Yalçın AVCI has been appointed as Assistant General Manager in charge of Corporate and Commercial Banking.

(***) As of May 2, 2016, Mr. Gökhan Sun joined Odeabank A.Ş. in charge of Small and Medium Enterprises. The regulatory process regarding his appointment is still continues.

ODEA BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(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 March 31, 2016:

Name / Commercial Title	Share Amount	Share Ratios	Paid up Shares	Unpaid Shares
Bank Audi sal	2.287.317	96,119%	2.287.317	-
Audi Private Bank sal	90.698	3,811%	90.698	-

Among the Board of Directors, senior management and auditors, only Samir Hanna and Freddie Baz have shareholding in the bank at the rate of 0,023% separately.

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

The headquarter of the Bank is located in Istanbul and as of March 31, 2016, there are 55 domestic branches with 1.563 employees. The Bank is organized to operate in all operational aspects of corporate, commercial, sme and retail banking under the scope of 4th Article of the Banking Law. The Bank has no subsidiaries in the financial sector (31 December 2015: 55 domestic branches, 1.538 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:

The Bank has no consolidated subsidiaries.

Translated into English from the original Turkish report and financial statements

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet
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ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2016 AND
DECEMBER 31, 2015

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

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

		Reviewed Current Period 31.03.2016			Audited Prior Period 31.12.2015		
	Note Ref (Section Five)	TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	I-1	957.367	2.702.649	3.660.016	529.585	3.544.999	4.074.584
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	I-2	157.133	55.090	212.223	101.001	24.724	125.725
2.1 Financial assets held for trading		157.133	55.090	212.223	101.001	24.724	125.725
2.1.1 Public sector debt securities		3.458	-	3.458	24.812	-	24.812
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		153.675	55.090	208.765	76.189	24.724	100.913
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	I-3	347	26.080	26.427	114	35.872	35.986
IV. MONEY MARKET PLACEMENTS		2.550.736	-	2.550.736	4.061.196	-	4.061.196
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		2.550.736	-	2.550.736	4.061.196	-	4.061.196
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	I-4	472.609	174.884	647.493	471.861	625.317	1.097.178
5.1 Share certificates		-	5.439	5.439	-	5.285	5.285
5.2 Public sector debt securities		472.609	169.445	642.054	471.861	620.032	1.091.893
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	I-5	10.316.193	11.152.617	21.468.810	10.726.013	11.080.858	21.806.871
6.1 Loans and receivables		9.978.068	11.152.617	21.130.685	10.426.520	11.080.858	21.507.378
6.1.1 Loans to risk group of the Bank		45	-	45	64	-	64
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		9.978.023	11.152.617	21.130.640	10.426.456	11.080.858	21.507.314
6.2 Non-performing loans		548.986	-	548.986	487.927	-	487.927
6.3 Specific provisions (-)		210.861	-	210.861	188.434	-	188.434
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	I-6	-	349.864	349.864	-	364.449	364.449
8.1 Public sector debt securities		-	349.864	349.864	-	364.449	364.449
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	I-7	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	I-8	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)	I-9	-	-	-	-	-	-
11.1 Accounted for under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	I-10	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	I-11	-	-	-	-	-	-
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	I-12	135.757	-	135.757	142.902	-	142.902
XV. INTANGIBLE ASSETS (Net)	I-13	94.146	-	94.146	99.028	-	99.028
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		94.146	-	94.146	99.028	-	99.028
XVI. INVESTMENT PROPERTY (Net)	I-14	-	-	-	-	-	-
XVII. TAX ASSET	I-15	36.854	-	36.854	40.881	-	40.881
17.1 Current tax asset		8.821	-	8.821	15	-	15
17.2 Deferred tax asset		28.033	-	28.033	40.866	-	40.866
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	I-16	38.650	-	38.650	29.879	-	29.879
18.1 Held for sale		38.650	-	38.650	29.879	-	29.879
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	I-17	146.388	89.694	236.082	137.978	66.051	204.029
TOTAL ASSETS		14.906.180	14.550.878	29.457.058	16.340.438	15.742.270	32.082.708

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2016 AND
DECEMBER 31, 2015

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

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

		Reviewed Current Period 31.03.2016			Audited Prior Period 31.12.2015			
		Note Ref. (Section Five)	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	II-1	8.101.332	14.947.574	23.048.906	9.568.571	15.764.925	25.333.496
1.1	Deposits from risk group of the Bank		23.589	1.389.902	1.413.491	24.695	1.023.367	1.048.062
1.2	Other		8.077.743	13.557.672	21.635.415	9.543.876	14.741.558	24.285.434
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	II-2	187.591	65.320	252.911	124.230	18.489	142.719
III.	FUNDS BORROWED	II-3	5.026	2.555.973	2.560.999	5.130	3.128.339	3.133.469
IV.	MONEY MARKET BALANCES		302.798	204	303.002	156.858	-	156.858
4.1	Interbank money market takings		-	204	204	-	-	-
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements	II-4	302.798	-	302.798	156.858	-	156.858
V.	MARKETABLE SECURITIES ISSUED (Net)	II-5	95.071	-	95.071	154.995	-	154.995
5.1	Bills		95.071	-	95.071	154.995	-	154.995
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	MISCELLANEOUS PAYABLES		12.142	624	12.766	4.579	191	4.770
VIII.	OTHER LIABILITIES	II-6	169.813	25.155	194.968	180.985	15.037	196.022
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	II-7	-	-	-	-	-	-
10.1	Finance lease payables		-	-	-	-	-	-
10.2	Operating lease payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred finance lease expenses (-)		-	-	-	-	-	-
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	II-8	-	-	-	-	-	-
11.1	Fair value hedge		-	-	-	-	-	-
11.2	Cash flow hedge		-	-	-	-	-	-
11.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	II-9	118.375	91.564	209.939	159.030	96.025	255.055
12.1	General loan loss provisions		102.461	91.564	194.025	100.199	96.025	196.224
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		12.745	-	12.745	10.146	-	10.146
12.4	Insurance technical reserves (Net)		-	-	-	-	-	-
12.5	Other provisions		3.169	-	3.169	48.685	-	48.685
XIII.	TAX LIABILITY	II-10	66.938	-	66.938	47.976	-	47.976
13.1	Current tax liability		66.938	-	66.938	47.976	-	47.976
13.2	Deferred tax liability		-	-	-	-	-	-
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	II-11	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	II-12	-	422.716	422.716	-	1.310.209	1.310.209
XVI.	SHAREHOLDERS' EQUITY	II-13	2.290.342	(1.500)	2.288.842	1.375.266	(28.127)	1.347.139
16.1	Paid-in capital		2.379.680	-	2.379.680	1.496.150	-	1.496.150
16.2	Supplementary capital		(6.037)	(1.500)	(7.537)	(14.944)	(28.127)	(43.071)
16.2.1	Share premium		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Marketable securities value increase fund		(6.037)	(1.500)	(7.537)	(14.944)	(28.127)	(43.071)
16.2.4	Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5	Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.)		-	-	-	-	-	-
16.2.8	Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9	Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	-	-	-
16.3	Profit reserves		-	-	-	-	-	-
16.3.1	Legal reserves		-	-	-	-	-	-
16.3.2	Statutory reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		-	-	-	-	-	-
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		(83.301)	-	(83.301)	(105.940)	-	(105.940)
16.4.1	Prior years' income/ (losses)		(105.940)	-	(105.940)	(156.230)	-	(156.230)
16.4.2	Current year income/ (losses)		22.639	-	22.639	50.290	-	50.290
16.5	Minority shares	II-14	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			11.349.428	18.107.630	29.457.058	11.777.620	20.305.088	32.082.708

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 OF MARCH 31, 2016 AND
DECEMBER 31, 2015

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

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

		Note Ref. (Section Five)	Reviewed Current Period 31.03.2016			Audited Prior Period 31.12.2015		
			TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II-III)		15.267.945	26.612.299	41.880.244	13.418.057	20.464.345	33.882.402
I.	GUARANTEES	III-1	1.002.986	1.119.253	2.122.239	1.073.154	1.223.624	2.296.778
1.1	Letters of guarantee		987.358	657.330	1.644.688	1.065.579	683.151	1.748.730
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		987.358	657.330	1.644.688	1.065.579	683.151	1.748.730
1.2	Bank loans		15.628	67.326	82.954	7.575	60.462	68.037
1.2.1	Import letter of acceptance		15.628	67.326	82.954	7.575	60.462	68.037
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		-	394.597	394.597	-	480.011	480.011
1.3.1	Documentary letters of credit		-	394.597	394.597	-	480.011	480.011
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		-	-	-	-	-	-
1.9	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-1	788.690	491.806	1.280.496	656.703	244.747	901.450
2.1	Irrevocable commitments		788.690	491.806	1.280.496	656.703	244.747	901.450
2.1.1	Forward asset purchase and sales commitments		142.950	321.100	464.050	70.769	146.901	217.670
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		196.196	165.740	361.936	176.464	92.604	269.068
2.1.5	Securities underwriting commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Payment commitment for checks		94.462	-	94.462	95.023	-	95.023
2.1.8	Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9	Commitments for credit card expenditure limits		355.082	-	355.082	314.447	-	314.447
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		-	4.966	4.966	-	5.242	5.242
2.2.	Revocable commitments		-	-	-	-	-	-
2.2.1	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		13.476.269	25.001.240	38.477.509	11.688.200	18.995.974	30.684.174
3.1	Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1	Fair value hedge		-	-	-	-	-	-
3.1.2	Cash flow hedge		-	-	-	-	-	-
3.1.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2	Held for trading transactions		13.476.269	25.001.240	38.477.509	11.688.200	18.995.974	30.684.174
3.2.1	Forward foreign currency buy/sell transactions		1.584.478	2.718.656	4.303.134	1.372.690	2.266.972	3.639.662
3.2.1.1	Forward foreign currency transactions-buy		984.793	1.185.723	2.170.516	796.564	1.032.074	1.828.638
3.2.1.2	Forward foreign currency transactions-sell		599.685	1.532.933	2.132.618	576.126	1.234.898	1.811.024
3.2.2	Swap transactions related to foreign currency, and interest rates		8.020.716	13.917.296	21.938.012	6.957.968	11.412.454	18.370.422
3.2.2.1	Foreign currency swaps-buy		1.851.887	5.597.933	7.449.820	1.136.845	5.295.631	6.432.476
3.2.2.2	Foreign currency swaps-sell		4.381.811	3.187.371	7.569.182	4.570.705	1.966.973	6.537.678
3.2.2.3	Interest rate swaps-buy		893.509	2.565.996	3.459.505	625.209	2.074.925	2.700.134
3.2.2.4	Interest rate swaps-sell		893.509	2.565.996	3.459.505	625.209	2.074.925	2.700.134
3.2.3	Foreign currency, interest rate and securities options		3.871.075	8.365.288	12.236.363	3.357.542	5.316.548	8.674.090
3.2.3.1	Foreign currency options-buy		1.933.079	3.947.754	5.880.833	1.604.114	2.487.852	4.091.966
3.2.3.2	Foreign currency options-sell		1.937.996	3.975.734	5.913.730	1.753.428	2.372.188	4.125.616
3.2.3.3	Interest rate options-buy		-	220.900	220.900	-	228.254	228.254
3.2.3.4	Interest rate options-sell		-	220.900	220.900	-	228.254	228.254
3.2.3.5	Securities options-buy		-	-	-	-	-	-
3.2.3.6	Securities options-sell		-	-	-	-	-	-
3.2.4	Foreign currency futures		-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell		-	-	-	-	-	-
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		45.130.552	20.947.524	66.078.076	41.270.364	20.339.860	61.610.224
IV.	ITEMS HELD IN CUSTODY		653.136	633.900	1.287.036	687.373	658.554	1.345.927
4.1	Assets under management		180.878	-	180.878	184.697	-	184.697
4.2	Investment securities held in custody		10.372	20.405	30.777	10.722	19.233	29.955
4.3	Checks received for collection		4.244	217.145	221.389	7.954	264.894	272.848
4.4	Commercial notes received for collection		457.642	396.350	853.992	484.000	374.427	858.427
4.5	Other assets received for collection		-	-	-	-	-	-
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		-	-	-	-	-	-
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGED ITEMS		44.477.416	20.313.624	64.791.040	40.582.991	19.681.306	60.264.297
5.1	Marketable securities		-	-	-	-	-	-
5.2	Guarantee notes		15.143.703	2.382.531	17.526.234	14.022.866	2.047.436	16.070.302
5.3	Commodities		-	-	-	2.314.283	-	2.314.283
5.4	Warrants		-	-	-	-	-	-
5.5	Properties		19.208.200	10.464.676	29.672.876	17.233.229	9.964.727	27.197.956
5.6	Other pledged items		7.354.035	7.466.417	14.820.452	7.012.613	7.669.143	14.681.756
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			60.398.497	47.559.823	107.958.320	54.688.421	40.804.205	95.492.626

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD
ENDED JANUARY 1-MARCH 31, 2016 AND 2015
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

III. STATEMENT OF INCOME

	Note (Section Five)	Reviewed Current Period 01.01-31.03.2016	Reviewed Prior Period 01.01-31.03.2015
I. INTEREST INCOME	IV-1	657.496	518.604
1.1 Interest on loans		539.051	440.464
1.2 Interest received from reserve deposits		9.663	1.010
1.3 Interest received from banks		21.842	17.399
1.4 Interest received from money market placements		58.902	38.751
1.5 Interest received from marketable securities portfolio		24.345	19.580
1.5.1 Held-for-trading financial assets		738	242
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		20.544	16.146
1.5.4 Investments held-to-maturity		3.063	3.192
1.6 Finance lease income		-	-
1.7 Other interest income		3.693	1.400
II. INTEREST EXPENSE	IV-2	423.477	315.231
2.1 Interest on deposits		391.188	291.020
2.2 Interest on funds borrowed		21.848	14.383
2.3 Interest on money market borrowings		4.060	2.502
2.4 Interest on securities issued		2.968	4.896
2.5 Other interest expense		3.413	2.430
III. NET INTEREST INCOME (I - II)		234.019	203.373
IV. NET FEES AND COMMISSIONS INCOME		34.540	12.989
4.1 Fees and commissions received		43.880	17.999
4.1.1 Non-cash loans		8.539	4.791
4.1.2 Other	IV-12	35.341	13.208
4.2 Fees and commissions paid		9.340	5.010
4.2.1 Non-cash loans		-	-
4.2.2 Other	IV-12	9.340	5.010
V. DIVIDEND INCOME	IV-3	-	-
VI. NET TRADING INCOME	IV-4	(47.262)	(16.806)
6.1 Securities trading gains/ (losses)		2.128	(2.111)
6.2 Gain/(losses) from derivative financial instruments		4.889	(28.545)
6.3 Foreign exchange gains/ (losses)		(54.279)	13.850
VII. OTHER OPERATING INCOME	IV-5	1.879	1.001
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		223.176	200.557
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-6	61.880	63.703
X. OTHER OPERATING EXPENSES (-)	IV-7	132.928	117.522
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		28.368	19.332
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. PROFIT / (LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD		-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	IV-8	28.368	19.332
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-9	(5.729)	(7.575)
16.1 Provision for current income taxes		(1.780)	(5.964)
16.2 Provision for deferred taxes		(3.949)	(1.611)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	IV-10	22.639	11.757
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-
18.3 Income on other discontinued operations		-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Loss from assets held for sale		-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-
19.3 Loss from other discontinued operations		-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
21.1 Provision for current income taxes		-	-
21.2 Provision for deferred taxes		-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	IV-11	22.639	11.757

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED
UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED JANUARY 1-MARCH 31,
2016 AND 2015

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

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER
SHAREHOLDERS' EQUITY

	Reviewed Current Period 01.01-31.03.2016	Reviewed Prior Period 01.01-31.03.2015
I. Additions to marketable securities revaluation differences for available for sale financial assets	44.418	(426)
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign currency translation differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity due to TAS	-	-
IX. Tax of valuation differences	(8.884)	85
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	35.534	(341)
XI. Profit/Loss	22.639	11.757
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	-	-
1.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3 Transfer of hedge of net investments in foreign operations to Income Statement	-	-
1.4 Other	22.639	11.757
XII. Total Profit/Loss accounted for in the period (X±XI)	58.173	11.416

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2016 AND 2015
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	THOUSANDS OF TURKISH LIRA(TL)																		
	Note (Section Five)	Paid-In Capital	Adjustment to Share Capital	Share Premiums	Share Cancellation Profits	Legal Reserves	Status Rserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares from Invest. In Ass., Subs. and J.V.	Hedging Reserves	Val.Chan.In Prop. And Eq. HFS Purp/ Disc. Opr..	Total Equity Before Minority Shares	Minority Shares	Total Shareholders' Equity
CHANGES IN SHAREHOLDERS' EQUITY																			
PRIOR PERIOD 31/03/2015																			
I. Period Opening Balance		1.496.150	-	-	-	-	-	-	-	347	(156.577)	(2.669)	-	-	-	-	1.337.251	-	1.337.251
II. Changes in Accounting Policies according to TAS 8																			
2.1 Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I-II)		1.496.150	-	-	-	-	-	-	-	347	(156.577)	(2.669)	-	-	-	-	1.337.251	-	1.337.251
Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable Securitits Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	(341)	-	-	-	-	(341)	-	(341)
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Property and Equipment Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effects of changes in equity of investments in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Paid-in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current Year Income or(Loss)		-	-	-	-	-	-	-	-	(347)	347	-	-	-	-	-	11.757	-	11.757
XX. Profit Distribution		-	-	-	-	-	-	-	-	11.757	-	-	-	-	-	-	-	-	-
20.1 Dividens Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+XVII+XVIII)		1.496.150	-	-	-	-	-	-	-	11.757	(156.230)	(3.010)	-	-	-	-	1.348.667	-	1.348.667

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2016 AND 2015
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

		THOUSANDS OF TURKISH LIRA(TL)																		
		Note (Section Five)	Paid-In Capital	Adjustment to Share Capital	Share Premiums	Share Cancellation Profits	Legal Reserves	Status Rserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares from Invest. In Ass., Subs. and J.V.	Hedging Reserves	Val.Chan.In Prop. And Eq. HFS Purp/ Disc. Opr..	Total Equity Before Minority Shares	Minority Shares	Total Shareholders' Equity
CHANGES IN SHAREHOLDERS' EQUITY																				
CURRENT PERIOD 31/03/2016																				
I.	Prior Period End Balance		1.496.150	-	-	-	-	-	-	-	50.290	(156.230)	(43.071)	-	-	-	-	1.347.139	-	1.347.139
	Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securitiss Valuation Differences		-	-	-	-	-	-	-	-	-	-	35.534	-	-	-	-	35.534	-	35.534
IV.	Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Property and Equipment Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effects of changes in equity of investments in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	II-12	883.530	-	-	-	-	-	-	-	-	-	-	-	-	-	-	883.530	-	883.530
12.1	Cash Increase		883.530	-	-	-	-	-	-	-	-	-	-	-	-	-	-	883.530	-	883.530
12.2	Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Paid-in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current Year Income or(Loss)		-	-	-	-	-	-	-	-	(50.290)	50.290	-	-	-	-	-	-	-	-
XVIII.	Profit Distribution		-	-	-	-	-	-	-	-	22.639	-	-	-	-	-	-	22.639	-	22.639
18.1	Dividens Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+XVII+XVIII)			2.379.680	-	-	-	-	-	-	-	22.639	(105.940)	(7.537)	-	-	-	-	2.288.842	-	2.288.842

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED JANUARY 1-MARCH 31, 2016 AND 2015
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VI. STATEMENT OF CASH FLOW

	Reviewed Current Period 31.03.2016	Reviewed Prior Period 31.03.2015
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	115.303	(87.552)
1.1.1 Interest received	689.853	395.632
1.1.2 Interest paid	(402.887)	(322.628)
1.1.3 Dividend received	-	-
1.1.4 Fees and commissions received	47.233	18.896
1.1.5 Other income	(44.922)	13.382
1.1.6 Collections from previously written off loans	21.530	14.359
1.1.7 Payments to personnel and service suppliers	(160.796)	(136.154)
1.1.8 Taxes paid	(35.775)	(16.081)
1.1.9 Others	1.067	(54.958)
1.2 Changes in operating assets and liabilities	(1.589.870)	(666.513)
1.2.1 Net (increase) decrease in financial assets held for trading	21.287	1.650
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss	2.340	30.189
1.2.3 Net (increase) decrease in due from banks and other financial institutions	834.727	(499.509)
1.2.4 Net (increase) decrease in loans	321.614	(506.487)
1.2.5 Net (increase) decrease in other assets	(34.714)	(66.295)
1.2.6 Net increase (decrease) in bank deposits	388.899	337.690
1.2.7 Net increase (decrease) in other deposits	(2.687.714)	(272.197)
1.2.8 Net increase (decrease) in funds borrowed	(428.976)	286.376
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	(7.333)	22.070
I. Net cash provided from banking operations	(1.474.567)	(754.065)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	441.312	(203.264)
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	(5.284)	(18.369)
2.4 Fixed assets sales	-	-
2.5 Cash paid for purchase of financial assets available for sale	-	(184.895)
2.6 Cash obtained from sale of financial assets available for sale	446.596	-
2.7 Cash paid for purchase of investment securities	-	-
2.8 Cash obtained from sale of investment securities	-	-
2.9 Others	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from financing activities	(59.925)	86.031
3.1 Cash obtained from funds borrowed and securities issued (*)	95.816	223.514
3.2 Cash used for repayment of funds borrowed and securities issued	(155.741)	(137.483)
3.3 Capital increase	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	-	-
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents and other asset and liabilities	(14.753)	54.958
V. Net increase / (decrease) in cash and cash equivalents	(1.107.933)	(816.340)
VI. Cash and cash equivalents at beginning of the period	4.689.699	3.662.338
VII. Cash and cash equivalents at end of the period	3.581.766	2.845.998

(*) In accordance with the Board of Directors' decision and permits taken from the CMB and BRSA, the Bank has issued a bill with a nominal value of TL 101.420, maturity on July 15, 2016 and with a simple interest rate of 11.68% on January 18, 2016 sold to qualified investors in the domestic market.

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2016

(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 are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 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 put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA"). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements" and "Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks" and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS, effectiveness date is 1 January 2016, have no material impact on the Bank's accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments (2011 Version) will have no impact on the accounting policies, financial condition and performance of the Bank. The Bank assesses the impact of TFRS 9 Financial Instruments standard.

b. 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.

c. Accounting policies and valuation principles applied in the presentation of unconsolidated financial statements:

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS, and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2015. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVII below.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2016

(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 equities 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 risk limits and legal limits determined by the Bank. With an effective asset-liability management strategy, it is aimed to ensure increasing profitability and strengthening equities.

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 only by the Treasury and using 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 March 31, 2016 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 Forward and Option Contracts and Derivative Instruments

The Bank's derivative instruments consist of options, foreign currency and interest swaps and forward foreign currency buy/sell transactions. Derivative instruments are accounted for at their fair values as of the contract date and subsequently valued at fair value. Certain derivative instruments, although economical hedges, are accounted as trading transactions since they are not qualified to be a hedging instrument as per "Financial Instruments: Recognition and Measurement" ("TAS 39").

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. When the host contract and embedded derivative are closely related, embedded derivatives are not separated from the host contract and are accounted according to the standard applied to the host contract.

Contract amounts of derivatives are recorded in off the balance sheet contingencies and commitments.

There are no embedded derivatives separated from the host contract or that are designated as hedging instruments as of the balance sheet date.

IV. Explanations on Interest Income and Expenses

Interest income and expenses are recognized in the statement of income by using the "Effective interest method".

In accordance with the related regulation, interest accruals of the non-performing loans are reversed and interest income related to these loans is recorded as interest income only when collected.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2016

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

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 or fees received for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

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 assets 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 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 deposits, 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

Trading securities are securities which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio with a pattern of short-term profit taking.

Trading securities are initially recognized at cost (which represents the fair value at the time). The positive difference between the cost and fair value of such securities in the accounts is accounted for as interest and income accrual, and the negative difference is accounted for as "Impairment Provision on Marketable Securities" in balance sheet.

Held to Maturity Investments

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability and excluding loans and receivables.

Held to maturity investments are initially recorded at cost including transactions costs which represents the fair value at the time. After initial recognition held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

Interest income related with held-to-maturity securities is recorded in "Interest income" and impairment arising from a decrease in cost or revalued amounts is recorded in "Provision for impairment of loans and other receivables" accounts in balance sheet.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2016

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

VI. Explanations on Financial Assets (continued)

Financial Assets Available for Sale

Available for sale financial assets include all securities other than loans and receivables, securities held to maturity and securities held for trading.

The marketable securities are initially recognized at cost including the transaction costs which represents the fair value at the time.

After the initial recognition, available for sale securities are measured at fair value and the unrealized gains/losses originating from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Value Increase Fund" under the equity. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices.

The Bank classifies its securities as referred to above at the acquisition date of related assets.

Loans and Receivables

Loans are non-derivative financial assets which have fixed or determinable payments and are not traded.

The Bank initially records loans and receivables at fair value including the related transaction costs. In subsequent periods, they are accounted in accordance with TAS.

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.

VII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss. If any such indication exists, the Bank determines the related impairment.

The Bank classifies its loans by considering the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" ("Provisioning Regulation") published in the Official Gazette No. 26333 dated November 1, 2006 as non performing loans in the existence of evidence for loans not be collected and classifies related loans and provides specific provision for related loans. Principals of related loans are collected primarily then interest receivables are collected.

The collections made related to loans for which provision is made in the current period are reversed from the "Provision for Loans and Other Receivables" 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.

"Provision for Loans and Other Receivables" account in the income statement is closed by reversing of provisions for possible losses.

As of March 31, 2016, the Bank has specific provision amount to TL 210.861 for its non-performing loans (December 31, 2015: TL 188.434).

The Bank provides general provision by considering the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" ("Provisioning Regulation") published in the Official Gazette No. 26333 dated November 1, 2006.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2016

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

VIII. Explanations on Offsetting of Financial Assets and Liabilities

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

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

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity 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. These transactions are short-term and consist of domestic public sector debt securities.

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 resell 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.

As of March 31, 2016, the Bank has TL 2.550.736 of reverse repo transactions (December 31, 2015: TL 4.061.196).

As of March 31, 2016, the Bank has TL 302.798 funds provided under repurchase agreements(December 31, 2015: TL 156.858).

As of March 31, 2016, the Bank does not have any marketable securities lending transaction (December 31,2015: None).

X. Explanations on Assets Held for Sale and Discontinued Operations

Banks are obliged to dispose the assets they had to acquire due to receivables within three years following the day of acquisition. Assets subject to amortization to be disposed which are possible to be disposed in one year following the date of acquisition may not be subject to amortization, providing that a sale plan and an active study to carry out the plan has been made by the bank during this period and that the asset has been put up for sale at a price close to its market price. Assets subject to amortization unlikely to be disposed in one year following the date of acquisition or assets which cannot be disposed in one year, though likely to be disposed in such period of time are subject to amortization separately in a way to begin as of the date of acquisition and according to the quality by using the life cycles and amortization ratios defined by the Ministry of Finance pursuant to the Tax Procedure Law dated January 4, 1961 and Nr. 213. Assets subject to amortization which cannot be disposed after the expiration of three-year period are subject to amortization twice the amortization ratio following the expiration of this date and within the procedures and principles set forth in the third paragraph. In the event that assets which are not subject to amortization cannot be disposed following the acquisition date are subject to amortization by setting aside provisions at five percent for each year as of the date of acquisition. Pursuant to the Regulation on Equities of Banks, assets which cannot be disposed in five years following the acquisition date are considered as the value decreased from capital in equity account on net book values. Assets acquired due to receivables may not be valued, under any circumstances.

As of March 31, 2016, the Bank has TL 38.650 assets held for sale (December 31, 2015: TL 29.879).

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 March 31, 2016 and December 31, 2015 the Bank does not have any discontinued operations.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2016

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

XI. Explanations on Goodwill and Other Intangible Assets

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

Other intangible assets are accounted for at cost less accumulated amortization. Other intangible assets are amortized with straight-line method based on their economic lives.

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

XII. Explanations on Tangible Fixed Assets

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

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

	%
Buildings	2
Safety box	2
ATM	10
Furniture, fixtures and others	20
Office equipments	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 fixed assets acquired by financial leases are accounted for in accordance with TAS 17. In accordance with this standard, the leasing transactions, which consist only foreign currency liabilities, are translated to Turkish Lira with the exchange rates prevailing at the transaction dates and they are recorded as an asset or a liability. The foreign currency liabilities are translated to Turkish Lira with the Bank's period end exchange rates. The increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The financing cost resulting from leasing is distributed through the lease period to form a fixed interest rate.

In addition to the interest expense, the Bank records depreciation expense for the depreciable leased assets in each period.

Operating lease payments are recognized as expense in the income statement on a straight line basis over the lease term.

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

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.

As of the balance sheet date, there are no lawsuits filed against the Bank and for which provision has been booked due to their likelihood of being lost.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2016

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

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans:

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 No: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.

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.

As of March 31, 2016, the Bank has corporate income tax provision amounting to TL 44.269, which is netted with prepaid taxes amounting to TL 53.090 and shown as TL 8.821 in the current taxes (December 31, 2015: Tax Asset TL 15).

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 No: 12 "Turkish Accounting Standard on Income Taxes" and the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated December 8, 2004, the Bank calculates deferred tax asset on carry forward tax losses and all deductible temporary differences except for general loan reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. Deferred tax assets and liabilities are reflected in the accompanying financial statements on a net basis.

The current taxes resulting from differences related to items that are debited or credited directly to equity is netted with these accounts.

Furthermore, as per the above circular of BRSA, deferred tax benefit balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

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. The deferred tax income/expense stated under the deferred tax provision amounting to TL 28.033 in the statement of income. (December 31, 2015: TL 40.866).

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

The Bank does not have any issued share certificates.

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

Since the Bank is not listed, disclosure requirements of Turkish Financial Reporting Standards 8 are not applicable for the Bank.

XXII. Explanations on Other Matters

None, other than above explanations.

Explanation for convenience translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements are to be used and IFRS have not been quantified in the accompanying financial statements.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Explanations on Equity

Total capital and capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

As of 31 March 2016 Bank's total capital has been calculated as TL 2.746.434, capital adequacy ratio is 12.53%. As of 31 December 2015, Bank's total capital amounted to TL 2.687.249 capital adequacy ratio was 12.19% calculated pursuant to former regulations. This ratio is well above the minimum ratio required by the legislation.

a. Information about Total Capital:

	Current Year 31 March 2016	Amounts Subject to Pre- Basel III treatment (Before the 1/1/2014)*
COMMON EQUITY TIER 1 CAPITAL		
Paid-up Capital following all debts in terms of claim in liquidation of the Bank(**)	2.379.680	
Share issue premiums	-	
Reserves	-	
Gains recognized in equity as per TAS	-	
Profit	73.276	
Current Period Profit	22.639	
Prior Period Profit	50.637	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	
Common Equity Tier 1 Capital Before Deductions	2.452.956	
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	164.114	
Improvement costs for operating leasing	64.249	
Goodwill (net of related tax liability)	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	54.893	91.489
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Defined-benefit pension fund net assets	-	
Direct and indirect investments of the Bank in its own Common Equity	-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	
Excess amount arising from mortgage servicing rights	-	
Excess amount arising from deferred tax assets based on temporary differences	-	
Other items to be defined by the BRSA	-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	
Total Deductions From Common Equity Tier 1 Capital	283.256	
Total Common Equity Tier 1 Capital	2.169.700	

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I. Explanations on Equity (continued)

	Current Year 31 March 2016	Amounts Subject to Pre- Basel III treatment (Before the 1/1/2014) *
ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	
Debt instruments and premiums approved by BRSA	-	
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	
Additional Tier I Capital before Deductions	-	
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	
Other items to be defined by the BRSA	-	
Transition from the Core Capital to Continue to deduce Components -		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	36.596	
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions From Additional Tier I Capital	-	
Total Additional Tier I Capital	-	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	2.133.104	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA(**)	422.640	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	
Provisions (Article 8 of the Regulation on the Equity of Banks)	194.025	
Tier II Capital Before Deductions	616.665	
Deductions From Tier II Capital		
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 (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	616.665	
Total Capital (The sum of Tier I Capital and Tier II Capital)	2.749.769	
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	
Other items to be defined by the BRSA (-)	3.335	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the %10 of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	2.746.434	

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I. Explanations on Equity (continued)

	Current Year 31 March 2016	Amounts Subject to Pre-Basel III treatment (Before the 1/1/2014) (*)
TOTAL CAPITAL		
Total Capital	2.746.434	
Total risk weighted amounts	21.925.375	
Capital Adequacy Ratios		
Core Capital Adequacy Ratio	9,90	
Tier 1 Capital Adequacy Ratio	9,73	
Capital Adequacy Ratio	12,53	
BUFFERS		
Total buffer requirement	0,636	
Capital conservation buffer requirement	0,625	
Bank specific counter-cyclical buffer requirement	0,011	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	5,40	
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	
Amount arising from deferred tax assets based on temporary differences	-	
Limits related to provisions considered in Tier II calculation	-	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	194.025	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	194.025	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to %0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	

(*) Amounts in this column represents the amounts of items that are subject to transition provisions in accordance with the temporary Articles of "Regulations regarding to changes on Regulation on Equity of Banks" and taken into consideration at the end of transition process.

(**) Pursuant to the approval of BRSA dated December 8, 2015, The Bank, on March 1, 2016, converted into TL the capital contribution which were obtained from its controlling shareholder Bank Audi sal amounting to total USD 300 million, and completed the necessary legal and administrative procedures with the relevant authorities and added the counter value TL 883.530 to the paid in capital on March 31, 2016.

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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I. Explanations on Equity (continued)

Information related to the components of shareholders' equity:

Common Equity	Prior Period December 31, 2015(*)
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.496.150
Share premium	-
Share cancellation profits	-
Reserves	-
Gains recognized in equity as per TAS	-
Profit	50.637
Current Period Profit	50.290
Prior Period Profit	347
Provisions for Possible Risks	-
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-
Common Equity Before Deductions	1.546.787
Deductions from Common Equity	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	199.649
Leasehold improvements (-)	68.834
Goodwill or other intangible assets and deferred tax liability related to these items (-)	18.611
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own Common Equity (-)	-
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 in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Common Equity	287.094
Total Common Equity	1.259.693
ADDITIONAL TIER I CAPITAL	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)(**)	873.420
Additional Tier I Capital before Deductions	873.420
Deductions from Additional Tier I Capital	
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
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 and Tier II Capital 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 (-)	-
Other items defined by BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	873.420
Deductions from Tier I Capital	
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	74.445
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Total Tier I Capital	2.058.668
TIER II CAPITAL	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014) (***)	436.710
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	196.224
Tier II Capital Before Deductions	632.934
Deductions From Tier II Capital	
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common 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 and Tier II Capital 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 (-)	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	632.934
CAPITAL	2.691.602
Loans granted contrary to the 50th and 51th Article of the Law (-)	-
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	-
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-
Portion of the total of net long positions of investments made in Common 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 not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Other items to be defined by the BRSA (-)	4.353
Portion of the total of net long positions of investments made in Common 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 not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital 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 not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made 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, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
TOTAL CAPITAL	2.687.249
Amounts below the Excess Limits as per the Deduction Principles	
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	40.866

(*)	Total capital has been calculated in accordance with the "Regulations regarding to changes on Regulation on Equity of Banks" effective from date 31 March 2016, the information given in the prior period column has been calculated pursuant to former regulation.
(**)	The Bank has classified the subordinated loans obtained from its controlling shareholder Bank Audi sal amounting to USD 100 million and USD 200 million respectively which were previously recognized as Tier II capital in the account of additional Tier I capital. Pursuant to the resolution taken by the Board of Directors of Odea Bank and Article 7 of the Regulation on Equity of Banks, the type of both loans were changed to perpetual and interest-free. As of April 1, 2014 including of the both loans to account of additional Tier I capital was approved by BRSA.
(***)	The Bank was provided a subordinated loan with a value of USD 150 million, maturity of 10 years and with a interest rate of 6,5% on October 31, 2014 from its parent bank, Bank Audi. In accordance with the article of BRSA dated November 27, 2014, this loan has been recognized as a subordinated loan and approved to be taken into account as TIER II capital, as per the conditions that determined by "Regulation on Equity of Banks".

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I. Explanations on Equity (continued)

Details on Subordinated Liabilities:

Lender	Bank Audi sal
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-
Governing law(s) of the instrument	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) (**)	Tier II-Subordinated Loan
Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date) (***)	422.640
Per value of instrument (Thousand USD)	150.000
Accounting classification	Liability-Subordinated Loans
Original date of issuance	31/10/2014
Perpetual or dated	Dated
Original maturity date	-
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	Within the first month after 5th year with the condition of new borrowing which is provided same requirements.
Subsequent call dates, if applicable	Within the first month after 5th year
Coupons / dividends	-
Fixed or floating dividend/coupon	-
Coupon rate and any related index	%6,5
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	Yes
If convertible, conversion trigger (s)	Regulation of banks on equity which is numbered 7-2-i
If convertible, fully or partially	Remaining principal and interest
If convertible, conversion rate	Remaining principal and interest
If convertible, mandatory or optional conversion	Optional
If convertible, specify instrument type convertible into	Equity
If convertible, specify issuer of instrument it converts into	Odea Bank A.Ş
Write-down feature	None
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital
Whether the sub-loan agreement contains all the items stated within the article number 7 and 8 of "Own fund regulation" or not	Contains all the items stated in article 7
Details of above mentioned items within article number 7 and 8 of "Own fund regulation"	Contains all the items stated in article 7

(*) As of most recent reporting date, the bank does not have participation or subsidiary company which is depended to consolidation.

(**) The Bank was provided a subordinated loan with a value of USD 150 million, maturity of 10 years and with a interest rate of 6,5% on October 31, 2014 from its parent bank, Bank Audi. In accordance with the article of BRSA dated November 27, 2014, this loan has been recognized as a subordinated loan and approved to be taken into account as TIER II capital, as per the conditions that determined by "Regulation on Equity of Banks".

(***) There are no accrued interests.

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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 current foreign exchange buying rates of the Bank at March 31, 2016 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	24 March 2016	25 March 2016	28 March 2016	29 March 2016	30 March 2016	31 March 2016
USD	2,8796	2,8751	2,8701	2,8667	2,8370	2,8176
CHF	2,9488	2,9421	2,9482	2,9414	2,9454	2,9399
GBP	4,0691	4,0639	4,0942	4,0905	4,0924	4,0475
100 JPY	0,0256	0,0254	0,0254	0,0253	0,0252	0,0251
EURO	3,2178	3,2119	3,2169	3,2119	3,2136	3,2163

	24 Dec 2015	25 Dec 2015	28 Dec 2015	29 Dec 2015	30 Dec 2015	31 Dec 2015
USD	2,9186	2,9152	2,9105	2,9082	2,9151	2,9114
CHF	2,9567	2,9533	2,9450	2,9328	2,9442	2,9152
GBP	4,3551	4,3501	4,3361	4,3062	4,3243	4,3086
100 JPY	0,0243	0,0242	0,0242	0,0242	0,0242	0,0242
EURO	3,1986	3,1986	3,1969	3,1796	3,1884	3,1691

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before March 31, 2016 are as follows:

	Monthly Average Foreign Exchange Rate
USD	2,8854
CHF	2,9407
GBP	4,1104
100 JPY	0,0256
EURO	3,2126

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II. Explanations on Currency Risk (continued)

March 31, 2016	EUR	USD	OTHER	TOTAL
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	28.086	2.670.034	4.529	2.702.649
Banks	4.561	19.621	1.898	26.080
Financial Assets at Fair Value Through Profit and Loss (***)	-	-	-	-
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	5.439	169.445	-	174.884
Loans (*)	5.462.370	7.059.144	-	12.521.514
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Held-To-Maturity Investments	-	349.864	-	349.864
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	15.002	74.342	350	89.694
Total Assets	5.515.458	10.342.450	6.777	15.864.685
Liabilities				
Bank Deposits	387.782	1.000.570	-	1.388.352
Other Deposits	5.130.161	8.401.062	27.999	13.559.222
Derivative financial liabilities(****)	-	-	-	-
Money Market Balances	-	204	-	204
Funds Provided From Other Financial Institutions	724.154	1.787.720	44.099	2.555.973
Subordinated Loan	-	422.716	-	422.716
Miscellaneous Payables	128	490	6	624
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities (***)	735	24.271	149	25.155
Total Liabilities	6.242.960	11.637.033	72.253	17.952.246
Net Balance Sheet Position	(727.502)	(1.294.583)	(65.476)	(2.087.561)
Net Off-Balance Sheet Position	980.712	990.811	63.849	2.035.372
Financial Derivative Assets	5.318.744	7.757.543	442.019	13.518.306
Financial Derivative Liabilities	4.338.032	6.766.732	378.170	11.482.934
Forward deposit purchase commitments	38.596	176.543	2.022	217.161
Forward deposit sales commitments	49.853	54.086	-	103.939
Non-Cash Loans (**)	278.928	839.596	729	1.119.253
December 31, 2015				
Total Assets	4.917.160	12.170.305	5.255	17.092.720
Total Liabilities	6.809.876	13.330.657	78.168	20.218.701
Net Balance Sheet Position	(1.892.716)	(1.160.355)	(72.913)	(3.125.981)
Net Off-Balance Sheet Position	2.253.564	914.718	73.216	3.241.498
Financial Derivative Assets	4.345.123	6.354.179	419.434	11.118.736
Financial Derivative Liabilities	2.091.559	5.439.461	346.218	7.877.238
Forward deposit purchase commitments	21.391	52.693	1.075	75.159
Forward deposit sales commitments	43.575	27.730	437	71.742
Non-Cash Loans (**)	350.292	872.630	702	1.223.624

(*) Foreign currency indexed loans amounting to TL 1.368.897 are included in the loan portfolio.

(**) There are no effects on the net off-balance sheet position.

(***) GLLP with FC were not included in currency risk calculation.

(****) Prepaid expenses, financial assets at fair value through profit and loss and derivative financial liabilities and equities were not included in currency risk calculation.

Foreign currency sensitivity:

The Bank holds EUR and USD currencies positions mainly. The following table details the Bank's sensitivity to a 10% increase or decrease in the TL against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. Positive/(Negative) number indicates a change in profit or loss and other equity where USD and EUR increase 10% against TL.

	Change in currency rate in %	Effect on profit or loss (*)		Effect on equity	
		March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
USD	10%	(30.377)	(24.564)	(30.377)	(24.564)
USD	(10)%	30.377	24.564	30.377	24.564
EUR	10%	25.321	36.085	25.321	36.085
EUR	(10)%	(25.321)	(36.085)	(25.321)	(36.085)

(*) 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
March 31, 2016							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	3.534.290	-	-	-	-	125.726	3.660.016
Banks	-	-	-	-	-	26.427	26.427
Financial Assets at Fair Value Through Profit and Loss	44.872	24.759	78.055	50.591	13.946	-	212.223
Money Market Placements	2.550.736	-	-	-	-	-	2.550.736
Available-For-Sale Financial Assets	-	40.507	252.044	-	349.503	5.439	647.493
Loans	4.435.639	5.901.487	4.840.646	4.294.067	1.658.846	338.125	21.468.810
Held-To-Maturity Investments	-	-	-	349.864	-	-	349.864
Other Assets	-	-	-	-	-	541.489	541.489
Total Assets	10.565.537	5.966.753	5.170.745	4.694.522	2.022.295	1.037.206	29.457.058
Liabilities							
Bank Deposits	864.742	222.242	305.549	-	-	105	1.392.638
Customer Deposits	14.511.715	5.547.894	780.119	-	-	816.540	21.656.268
Money Market Borrowings	302.798	-	204	-	-	-	303.002
Miscellaneous Payables	-	-	-	-	-	12.766	12.766
Marketable Securities Issued	-	-	95.071	-	-	-	95.071
Subordinated Loans(*)	-	-	-	-	422.716	-	422.716
Funds Provided From Other Financial Institutions	452.611	701.164	792.529	285.946	328.749	-	2.560.999
Other Liabilities (**)	93.841	31.340	74.936	41.346	11.448	2.760.687	3.013.598
Total Liabilities	16.225.707	6.502.640	2.048.408	327.292	762.913	3.590.098	29.457.058
Balance Sheet Long Position	-	-	3.122.337	4.367.230	1.259.382	-	8.748.949
Balance Sheet Short Position	(5.660.170)	(535.887)	-	-	-	(2.552.892)	(8.748.949)
Off-Balance Sheet Long Position	8.214.245	3.200.642	3.939.967	3.008.335	818.385	-	19.181.574
Off-Balance Sheet Short Position	(8.093.574)	(3.227.239)	(3.946.327)	(3.210.291)	(818.504)	-	(19.295.935)
Total Position	(5.539.499)	(562.484)	3.115.977	4.165.274	1.259.263	(2.552.892)	(114.361)

(*) The Bank was provided a subordinated loan with a value of USD 150 million, maturity of 10 years and with a interest rate of 6,5% on October 31, 2014 from its parent bank, Bank Audi. In accordance with the article of BRSA dated November 27, 2014, this loan has been recognized as a subordinated loan and approved to be taken into account as TIER II capital, as per the conditions that determined by "Regulation on Equity of Banks".

(**) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 2.288.842, TL 66.938 tax liabilities, TL 209.939 provisions and TL 194.968 other liabilities.

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III. Explanations on Interest Rate Risk (continued)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
December 31, 2015							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	3.937.140	-	-	-	-	137.444	4.074.584
Banks	-	-	-	-	-	35.986	35.986
Financial Assets at Fair Value Through Profit and Loss	17.064	20.728	41.271	21.325	25.337	-	125.725
Money Market Placements	4.061.196	-	-	-	-	-	4.061.196
Available-For-Sale Financial Assets	41.042	598.091	452.760	-	-	5.285	1.097.178
Loans	3.688.373	5.081.545	6.500.236	4.674.337	1.562.886	299.494	21.806.871
Held-To-Maturity Investments	-	-	-	364.449	-	-	364.449
Other Assets	-	-	-	-	-	516.719	516.719
Total Assets	11.744.815	5.700.364	6.994.267	5.060.111	1.588.223	994.928	32.082.708
Liabilities							
Bank Deposits	496.754	238.524	268.957	-	-	175	1.004.410
Customer Deposits	13.530.074	9.073.643	342.758	4.325	-	1.378.286	24.329.086
Money Market Borrowings	156.858	-	-	-	-	-	156.858
Miscellaneous Payables	-	-	-	-	-	4.770	4.770
Marketable Securities Issued	154.995	-	-	-	-	-	154.995
Subordinated Loans(*)	-	-	-	-	436.789	873.420	1.310.209
Funds Provided From Other Financial Institutions	560.687	1.092.197	862.064	284.872	333.649	-	3.133.469
Other Liabilities (**)	32.478	30.802	61.650	16.265	1.524	1.846.192	1.988.911
Total Liabilities	14.931.846	10.435.166	1.535.429	305.462	771.962	4.102.843	32.082.708
Balance Sheet Long Position	-	-	5.634.688	4.754.649	1.253.051	-	11.642.388
Balance Sheet Short Position	(3.187.031)	(5.347.440)	-	-	-	(3.107.917)	(11.642.388)
Off-Balance Sheet Long Position	5.600.129	3.349.807	3.434.632	2.187.155	818.828	-	15.390.551
Off-Balance Sheet Short Position	(5.635.791)	(3.384.390)	(3.488.817)	(2.183.467)	(818.828)	-	(15.511.293)
Total Position	(3.222.693)	(5.382.023)	5.580.503	4.758.337	1.253.051	(3.107.917)	(120.742)

(*) The Bank has classified the subordinated loans obtained from its controlling shareholder Bank Audi sal amounting to USD 100 million and USD 200 million respectively which were previously recognized as Tier II capital in the account of additional Tier I capital. Pursuant to the resolution taken by the Board of Directors of Odea Bank and Article 7 of the Regulation on Equity of Banks, the type of both loans were changed to perpetual and interest-free. As of April 1, 2014 including of the both loans to account of additional Tier I capital was approved by BRSA. On the other hand the Bank was provided a subordinated loan with a value of USD 150 million, maturity of 10 years and with a interest rate of 6,5% on October 31, 2014 from its parent bank, Bank Audi. In accordance with the article of BRSA dated November 27, 2014, this loan has been recognized as a subordinated loan and approved to be taken into account as TIER II capital, as per the conditions that determined by "Regulation on Equity of Banks".

(**) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 1.347.139, TL 47.976 tax liabilities, TL 255.055 provisions and TL 196.022 other liabilities.

Interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
March 31, 2016				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	0,49	-	3,97
Banks	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	-	-	-	9,58
Money Market Placements	-	-	-	10,50
Available-For-Sale Financial Assets	-	5,19	-	10,26
Loans	5,57	6,38	-	15,16
Held-To-Maturity Investments	-	3,49	-	-
Liabilities				
Bank Deposits	2,12	2,49	-	6,37
Customer Deposits	2,28	2,71	-	12,96
Money Market Balances	-	-	-	7,24
Subordinated Loans	-	6,50	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	11,70
Funds Provided From Other Financial Institutions	2,13	2,22	-	6,66

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III. Explanations on Interest Rate Risk (continued)

	EURO	USD	JPY	TL
	%	%	%	%
December 31, 2015				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	0,28	-	5,45
Banks	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	-	-	-	10,37
Money Market Placements	-	-	-	10,75
Available-For-Sale Financial Assets	-	6,19	-	9,74
Loans	5,61	6,26	-	14,74
Held-To-Maturity Investments	-	3,52	-	-
Liabilities				
Bank Deposits	2,12	2,30	-	6,52
Customer Deposits	2,19	2,36	-	12,36
Money Market Borrowings	-	-	-	7,24
Subordinated Loans	-	6,50	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	10,40
Funds Provided From Other Financial Institutions	2,13	2,08	-	6,70

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.

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 is the risk that the Bank's financial condition is adversely affected as a result of its inability to meet both expected and unexpected current and future cash flow and collateral needs in a timely and cost efficient manner.
- Market liquidity risk is the risk that the Bank cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption ultimately leading to loss.

Management of Bank's liquidity risk is carried out in scope of responsibilities of Board of Directors, Audit 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.

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

Assets and Liabilities Management Committee (ALCO) establishes short, medium and long term liquidity management strategies and evaluates the liquidity risk profile of the Bank and impacts of recently developed trends on the liquidity of the Bank through periodical meetings. ALCO makes a decision regarding the qualification of liquidity buffer of the Bank in line with risk appetite and liquidity strategy of the Bank. Additionally, ALCO evaluates the liquidity risk reports and feedbacks received from Risk Management and informs Audit Committee and Board of Directors about the adverse conditions and other financial results with respect to liquidity.

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, Audit Committee and members of Board of Directors regarding adherence to risk appetite and limit excess. Additionally, risk management as also the responsibility 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 analysed.

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.

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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 21March 2014 and numbered 28948. Liquidity coverage ratios should be at least 50% for foreign currency assets and liabilities and 70% for total assets and liabilities for the year 2016. Both of the aforementioned rates shall be increased by 10% annually until 2019 and foreign currency shall be applied as 80% while total shall be applied as 100%.

Information regarding weekly solo liquidity coverage ratios realized in the first quarter of 2016 is as follows:

Current Period-31.03.2016		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets	7.150.996	4.129.147	5.834.258	2.812.409
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	14.060.130	7.824.505	1.352.213	771.675
3	Stable deposits	1.075.995	215.512	53.800	10.776
4	Less stable deposits	12.984.135	7.608.994	1.298.414	760.899
5	Unsecured Funding other than Retail and Small Business Customer Deposits	9.543.673	6.848.127	4.941.431	3.709.454
6	Operational deposits	24.344	24	6.086	6
7	Non-Operational Deposits	8.541.697	6.131.113	3.957.713	2.992.458
8	Other Unsecured Funding	977.632	716.990	977.632	716.990
9	Secured funding				
10	Other Cash Outflows				
11	Liquidity needs related to derivatives and market	291.889	1.586.082	291.889	1.586.082
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	3.816.868	1.453.893	364.429	153.825
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments			-	-
16	TOTAL CASH OUTFLOWS			6.949.962	6.221.036
CASH INFLOWS				-	-
17	Secured Lending Transactions	2.147.453	-	-	-
18	Unsecured Lending Transactions	2.246.242	763.176	1.773.164	614.843
19	Other contractual cash inflows	203.591	3.340.278	203.591	3.340.278
20	TOTAL CASH INFLOWS	4.597.285	4.103.454	1.976.755	3.955.121
21	TOTAL HQLA			5.834.258	2.812.409
22	TOTAL NET CASH OUTFLOWS			4.973.207	2.275.795
23	Liquidity Coverage Ratio (%)			117,94	133,96

(*) 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 2015 is as follows:

Prior Period-31.12.2015		Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" not implemented Total value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				6.064.442	2.945.037
1	High quality liquid assets	7.349.775	6.064.442	2.945.037	2.945.037
CASH OUTFLOWS					
2	Retail and Small Business Customer Deposits	13.500.995	1.301.172	750.517	750.517
3	Stable deposits	978.555	48.928	10.021	10.021
4	Less stable deposits	12.522.440	1.252.244	740.496	740.496
5	Unsecured Funding other than Retail and Small Business Customer Deposits	9.721.066	4.724.319	3.504.049	3.504.049
6	Operational deposits	27.329	6.832	40	40
7	Non-Operational Deposits	8.836.495	3.860.245	2.939.182	2.939.182
8	Other Unsecured Funding	857.241	857.241	564.828	564.828
9	Secured funding	-	-	-	-
10	Other Cash Outflows	-	-	-	-
11	Liquidity needs related to derivatives and market	162.948	162.948	1.051.338	1.051.338
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	3.882.383	378.835	159.138	159.138
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	-	-	-	-
16	TOTAL CASH OUTFLOWS			6.567.274	5.465.043
CASH INFLOWS					
17	Secured Lending Transactions	2.346.846	-	-	-
18	Unsecured Lending Transactions	2.776.275	1.129.796	2.226.959	911.834
19	Other contractual cash inflows	53.162	2.455.946	53.162	2.455.946
20	TOTAL CASH INFLOWS	5.176.283	3.585.742	2.280.121	3.367.780
		Upper limit applied amounts			
21	TOTAL HQLA			6.064.442	2.945.037
22	TOTAL NET CASH OUTFLOWS			4.287.153	2.117.458
23	Liquidity Coverage Ratio (%)			142,74	144,14

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

Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the Bank to net cash outflow in one month maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at Central Bank of Republic of Turkey, marketable securities that are not subject to repurchase agreements or not given as collateral, corporate deposits and bank deposits, securities under guarantee through reverse repo and placement and derivative transactions to banks. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

Although the derivative transactions create net cash flow of small amount in terms of total liquidity coverage ratio, fluctuations in foreign currency derivative transactions cause the foreign currency liquidity coverage ratio to be affected.

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

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

	Current Year-31/12/2015	
	TL+FC	FC
Lowest	87,78	75,30
Week	25.03.2016	25.03.2016
Highest	154,71	196,96
Week	08.01.2016	12.02.2016
Average	117,94	133,96

Presentation of assets and liabilities according to their remaining maturities:

March 31, 2016	Demand	Up to 1 Month	1-3 Month	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	3.660.016	-	-	-	-	-	-	3.660.016
Banks	26.427	-	-	-	-	-	-	26.427
Financial Assets at Fair Value Through Profit and Loss	-	43.935	24.759	78.055	51.528	13.946	-	212.223
Money Market Placements	-	2.550.736	-	-	-	-	-	2.550.736
Available-For-Sale Financial Assets	-	-	-	40.507	252.044	349.503	5.439	647.493
Loans	-	1.164.112	904.308	4.045.972	8.918.967	6.097.326	338.125	21.468.810
Held-To-Maturity Investments	-	-	-	-	349.864	-	-	349.864
Other Assets	-	-	-	-	-	-	541.489	541.489
Total Assets	3.686.443	3.758.783	929.067	4.164.534	9.572.403	6.460.775	885.053	29.457.058
Liabilities								
Bank Deposits	105	622.474	205.220	21.168	494.313	49.358	-	1.392.638
Customer Deposits	816.540	14.511.715	5.547.894	780.119	-	-	-	21.656.268
Funds Provided From Other Financial Institutions	-	452.611	701.164	792.529	285.946	328.749	-	2.560.999
Money Market Borrowings	-	302.798	-	204	-	-	-	303.002
Marketable Securities Issued	-	-	-	95.071	-	-	-	95.071
Subordinated Loans(**)	-	-	-	-	-	422.716	-	422.716
Miscellaneous Payables	-	-	-	-	-	-	12.766	12.766
Other Liabilities (***)	-	92.968	31.340	74.936	42.219	11.448	2.760.687	3.013.598
Total Liabilities	816.645	15.982.566	6.485.618	1.764.027	822.478	812.271	2.773.453	29.457.058
Liquidity Gap	2.869.798	(12.223.783)	(5.556.551)	2.400.507	8.749.925	5.648.504	(1.888.400)	-
Prior period								
Total Assets	4.110.570	5.376.491	905.642	4.128.239	9.893.018	6.847.250	821.498	32.082.708
Total Liabilities	1.378.461	14.929.513	10.434.953	1.533.686	308.721	772.992	2.724.382	32.082.708
Liquidity Gap	2.732.109	(9.553.022)	(9.529.311)	2.594.553	9.584.297	6.074.258	(1.902.884)	-

(*) The assets which are necessary to provide banking services and can not be liquidated in the short term, such as tangible assets, investments in subsidiaries and associates and non-performing loans are classified under undistributed.

(**) The Bank was provided a subordinated loan with a value of USD 150 million, maturity of 10 years and with a interest rate of 6,5% on October 31, 2014 from its parent bank, Bank Audi. In accordance with the article of BRSA dated November 27, 2014, this loan has been recognized as a subordinated loan and approved to be taken into account as TIER II capital, as per the conditions that determined by "Regulation on Equity of Banks".

(***) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 2.288.842, TL 66.938 tax liabilities, TL 209.939 provisions and TL 194.968 other liabilities.

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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 the ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 5,93% (December 31, 2015: 5,82%). Changes in the Leverage Ratio is mainly due to increase in the amount of balance sheet assets. According to Regulations, minimum leverage ratio is 3%.

Disclosure of Leverage ratio template:

	Current Period 31 March 2016(*)	Prior Period 31 December 2015(*)
Balance sheet transactions		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	31.132.659	31.865.370
2 (Assets deducted from Core capital)	(85.031)	(80.499)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	31.047.628	31.784.871
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	360.480	292.073
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)	360.480	292.073
Financing transactions secured by marketable security or commodity		
Risk amount of financing transactions secured by marketable security or commodity		
7 (excluding Balance sheet)	-	-
8 Risk amount arising from intermediary transactions	-	-
Total risk amount of financing transactions secured by marketable security or commodity		
9 (sum of lines 7 and 8)	-	-
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	3.787.354	3.654.590
11 (Correction amount due to multiplication with credit conversion rates)	-	-
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	3.787.354	3.654.590
Capital and total risk		
13 Core Capital	2.083.926	2.078.091
14 Total risk amount(sum of lines 3, 6, 9 and 12)	35.195.462	35.731.534
Leverage ratio		
15 Leverage ratio	5,93	5,82

(*) 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:

- 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

Overview of RWA

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period 31 March 2016	Prior Period 31 December 2015	Current Period 31 March 2016
1	Credit risk (excluding counterparty credit risk) (CCR)	20.110.334	21.024.610	1.608.827
2	Standardised approach (SA)	20.110.334	21.024.610	1.608.827
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	478.278	4.542	38.262
5	Standardised approach for counterparty credit risk (SA-CCR)	478.278	4.542	38.262
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	309.475	487.375	24.758
17	Standardised approach (SA)	309.475	487.375	24.758
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	1.027.288	525.161	82.183
20	Basic Indicator Approach	1.027.288	525.161	82.183
21	Standart Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	21.925.375	22.041.688	1.754.030

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

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

	March 31, 2016		December 31, 2015	
	TL	FC	TL	FC
Cash in Vault	61.184	64.425	65.252	72.078
Balances with the Central Bank of Turkey	896.183	2.638.224	464.333	3.472.921
Other	-	-	-	-
Total	957.367	2.702.649	529.585	3.544.999

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

	March 31, 2016		December 31, 2015	
	TL	FC	TL	FC
Unrestricted demand deposits	896.183	113	464.333	84
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	2.638.111	-	3.472.837
Total	896.183	2.638.224	464.333	3.472.921

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 5% and 11,5% for TL deposits and other liabilities according to their maturities as of 31 March 2016 (31 December 2015: 5% and 11,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 5% and 25% for deposit and other foreign currency liabilities according to their maturities as of 31 March 2016 (31 December 2015: 5% and 25 % 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:

	March 31, 2016		December 31, 2015	
	TL	FC	TL	FC
Classified as unrestricted	3.458	-	24.812	-
Subject to repurchase agreements	-	-	-	-
Given as collateral/blocked	-	-	-	-
Total	3.458	-	24.812	-

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

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

	March 31, 2016		December 31, 2015	
	TL	FC	TL	FC
Forward Transactions	34.155	10.449	19.104	4.952
Swap Transactions	96.362	29.060	37.022	16.135
Futures Transactions	-	-	-	-
Options	23.158	15.581	20.063	3.637
Other	-	-	-	-
Total	153.675	55.090	76.189	24.724

3. Information on banks:

	March 31, 2016		December 31, 2015	
	TL	FC	TL	FC
Banks				
Domestic	347	-	114	-
Foreign	-	26.080	-	35.872
Branches and head office abroad	-	-	-	-
Total	347	26.080	114	35.872

4. Information on financial assets available-for-sale:

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

	March 31, 2016		December 31, 2015	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	138.377	-	285.673	-
Other	-	-	-	-
Total	138.377	-	285.673	-

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

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

As of March 31, 2016, available-for-sale financial assets subject to repurchase agreements amount to TL 304.403 (31 December 2015: TL 157.575).

b) Information on financial assets available for sale portfolio:

	March 31, 2016	December 31, 2015
Debt securities	642.054	1.091.893
Quoted on a stock exchange	642.054	1.091.893
Not quoted	-	-
Share certificates	5.439	5.285
Quoted on a stock exchange	-	-
Not quoted	5.439	5.285
Value Decrease (-) / Increase (+)	-	-
Total	647.493	1.097.178

5. Information on loans:

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

	March 31, 2016		December 31, 2015	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	6.386	-	7.071	-
Total	6.386	-	7.071	-

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

	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Restructured or Rescheduled	Other	Loans and Other Receivables	Restructured or Rescheduled	Other
Cash Loans						
Non-specialized loans	20.213.559	30.259	-	294.257	592.610	-
Discount notes	-	-	-	-	-	-
Export loans	1.466.340	1.332	-	8.969	20.121	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	108.872	-	-	2.901	-	-
Foreign loans	527.020	-	-	115	-	-
Consumer loans	1.807.218	56	-	86.301	41.849	-
Credit cards	199.384	-	-	12.882	-	-
Precious metals loans	-	-	-	-	-	-
Other	16.104.725	28.872	-	183.089	530.640	-
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	20.213.559	30.259	-	294.257	592.610	-

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

c) Restructured or rescheduled loans according to their maturity structure:

Number of extensions	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	30.259	592.610
Extended by 3,4 or 5 times	-	-
Extended by more than 5 times	-	-
Total	30.259	592.610

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring(*)
0 - 6 Months	979	271.126
6 - 12 Months	4.441	9.811
1 - 2 Years	21.243	55.591
2 - 5 Years	3.596	255.483
5 Years and over	-	599
Total	30.259	592.610

(*) Represents the difference between the first term of the loan and extended term of the loan.

Information on loan types and provisions:

31 March 2016	Corporate	Commercial	Retail	Total
Standard Loans	10.144.025	8.082.157	2.017.636	20.243.818
Close Monitoring Loans	148.495	592.987	145.385	886.867
Loans Under Follow-up	16.726	419.898	112.362	548.986
Specific Provision (-)	(12.793)	(151.116)	(46.952)	(210.861)
Total	10.296.453	8.943.926	2.228.431	21.468.810

31 December 2015	Corporate	Commercial	Retail	Total
Standard Loans	10.132.451	8.545.766	2.046.005	20.724.222
Close Monitoring Loans	49.981	577.762	155.413	783.156
Loans Under Follow-up	16.632	338.172	133.123	487.927
Specific Provision (-)	(12.739)	(115.246)	(60.449)	(188.434)
Total	10.186.325	9.346.454	2.274.092	21.806.871

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

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

	Short Term	Medium and Long Term	Total
Consumer Loans - TL	108.134	1.734.956	1.843.090
Housing Loans	316	657.119	657.435
Car Loans	689	41.791	42.480
General Purpose Loans	107.129	1.036.046	1.143.175
Other	-	-	-
Consumer Loans - Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	-	75.035	75.035
Housing Loans	-	75.035	75.035
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards - TL	203.696	15	203.711
With Installments	58.736	15	58.751
Without Installments	144.960	-	144.960
Individual Credit Cards-FC	30	-	30
With Installments	15	-	15
Without Installments	15	-	15
Personnel Loans - TL	327	4.804	5.131
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	327	4.804	5.131
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans - FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards - TL	1.253	2	1.255
With Installments	484	2	486
Without Installments	769	-	769
Personnel Credit Cards - FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts – TL (Real Persons)	12.168	-	12.168
Overdraft Accounts – FC (Real Persons)	-	-	-
Total	325.608	1.814.812	2.140.420

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

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

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	52.618	1.963.424	2.016.042
Business Loans	-	6.932	6.932
Car Loans	1.171	34.442	35.613
General Purpose Loans	51.447	1.922.050	1.973.497
Other	-	-	-
Commercial loans with installment facility-Indexed to FC	5.778	262.856	268.634
Business Loans	-	-	-
Car Loans	-	8.499	8.499
General Purpose Loans	5.778	254.357	260.135
Other	-	-	-
Commercial loans with installment facility -FC	-	544.229	544.229
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	544.229	544.229
Other	-	-	-
Corporate Credit Cards-TL	7.263	-	7.263
With Installments	-	-	-
Without Installments	7.263	-	7.263
Corporate Credit Cards-FC	7	-	7
With Installments	-	-	-
Without Installments	7	-	7
Overdraft Accounts-TL (Legal Entities)	168.635	-	168.635
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	234.301	2.770.509	3.004.810

f) Distribution of domestic and foreign loans:

	March 31, 2016	December 31, 2015
Domestic loans	20.603.550	21.061.787
Foreign loans	527.135	445.591
Total	21.130.685	21.507.378

g) Loans granted to subsidiaries and associates: None.

h) Specific provisions provided against loans:

	March 31, 2016	December 31, 2015
Specific provisions		
Loans and receivables with limited collectability	19.093	16.516
Loans and receivables with doubtful collectability	83.287	72.275
Uncollectible loans and receivables	108.481	99.643
Total	210.861	188.434

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

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

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

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
December 31, 2015 balance	120.268	217.916	149.743
Additions (+)	125.982	-	-
Transfers from other categories of non-performing loans (+)	-	117.618	65.483
Transfers to other categories of non-performing loans (-)	117.618	65.483	-
Collections (-)	8.171	6.366	6.993
Write-offs (-) (*)	-	-	43.393
Corporate and commercial loans	-	-	-
Retail loans	-	-	34.748
Credit cards	-	-	8.645
Other (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
March 31, 2016 balance	120.461	263.685	164.840
Specific provision (-)	19.093	83.287	108.481
Net Balances on Balance Sheet	101.368	180.398	56.359

(*) In 2016 with the decision of Board of Directors and in accordance with laws of "Regulations of Provisions", retail loans with special provision at the rate of 100%, without any collateral, amounting to TL 43.393 have been removed from the assets, by the bank (December 31, 2015: TL 45.618).

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

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
March 31, 2016 (Net)	101.368	180.398	56.359
Loans to Real Persons and Legal Entities (Gross)	120.461	263.685	164.840
Specific provision (-)	19.093	83.287	108.481
Loans to Real Persons and Legal Entities (Net)	101.368	180.398	56.359
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
December 31, 2015 (Net)			
Loans to Real Persons and Legal Entities (Gross)	103.752	145.641	50.100
Specific provision (-)	120.268	217.916	149.742
Loans to Real Persons and Legal Entities (Net)	16.516	72.275	99.642
Banks (Gross)	103.752	145.641	50.100
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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j) Main principles of liquidation policies of nonperforming 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 March 31, 2016, the net amount after provisions of the non-performing loans and receivables in the fifth group is TL 56.359 (December 31, 2015: TL 50.100).

k) Explanations on write-off policy:

In 2016 with the decisions of Board of Directors and in accordance with laws of "Regulations of Provisions", retail loans and credit cards with special provision at the rate of 100%, without any collateral, amounting to TL 43.393 have been moved to off- balance sheet by means of renounce and removed from the assets, by the bank (December 31, 2015: TL 45.618).

6. Information on held-to-maturity investments:

a) Information on held-to-maturity investments given as collateral or blocked: None.

b) Held-to-maturity investments subject to repurchase agreements: None.

c) The Bank has TL 349.864 held-to-maturity investments as of March 31, 2016 (December 31, 2015: TL 364.449).

d) Movement on held-to-maturity investments:

	March 31, 2016	December 31, 2015
Beginning Balance	364.449	300.091
Foreign Currency Differences on Monetary Assets	-	-
Purchases during year	-	-
Disposals Through Sales and Redemptions	-	-
Impairment Provision	-	-
Change in Amortized Cost (*)	(14.585)	64.358
Total	349.864	364.449

(*)Represents exchange differences and accrual interest.

7. Information on associates (Net):

The Bank has no associates in the current period.

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period.

9. Information on jointly controlled entities:

The Bank has no jointly controlled entities in the current period.

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period.

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11. Information on derivative financial assets for hedging purposes:

The Bank has no financial assets for hedging purposes in the current period.

12. Information on tangible assets (Net):

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

13. Information on intangible assets:

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

14. Investment Property (Net): None.

15. Explanations on deferred tax assets:

- a) As of March 31, 2016, the Bank has deferred tax asset amounting to TL 28.033 arising from deductible temporary differences (December 31, 2015: TL 40.866).
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

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

As of March 31, 2016 the Bank has assets held for sale and discontinued operations amounting to TL 38.650 (December 31, 2015: TL 29.879).

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.

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II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a.1) March 31, 2016

	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	89.200	-	524.121	5.000.954	21.616	4.928	16.445	-	5.657.264
Foreign currency deposits	563.417	-	1.015.790	11.114.153	668.457	109.013	87.336	-	13.558.166
Residents in Turkey	528.454	-	1.014.468	10.983.669	668.259	106.376	41.574	-	13.342.800
Residents abroad	34.963	-	1.322	130.484	198	2.637	45.762	-	215.366
Public sector deposits	32.434	-	-	-	-	-	-	-	32.434
Commercial deposits	129.788	-	227.050	1.661.812	16.265	574	131	-	2.035.620
Other institutions deposits	664	-	12.700	358.378	-	-	5	-	371.747
Precious metals deposits	1.037	-	-	-	-	-	-	-	1.037
Interbank deposits	105	-	92.581	946.988	62.293	290.671	-	-	1.392.638
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	105	-	-	-	-	-	-	-	105
Foreign Banks	-	-	92.581	946.988	62.293	290.671	-	-	1.392.533
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	816.645	-	1.872.242	19.082.285	768.631	405.186	103.917	-	23.048.906

December 31, 2015

	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	93.895	-	440.258	5.549.307	1.257	11.308	21.058	-	6.117.083
Foreign currency deposits	786.076	-	1.769.195	11.736.065	313.341	87.283	72.100	-	14.764.060
Residents in Turkey	760.665	-	1.668.163	11.633.646	313.117	84.331	56.456	-	14.516.378
Residents abroad	25.411	-	101.032	102.419	224	2.952	15.644	-	247.682
Public sector deposits	24.861	-	-	403	-	-	-	-	25.264
Commercial deposits	472.221	-	508.143	2.025.806	4.843	18.475	1.120	-	3.030.608
Other institutions deposits	312	-	3.931	386.907	-	-	-	-	391.150
Precious metals deposits	921	-	-	-	-	-	-	-	921
Interbank deposits	175	-	106.319	572.602	49.578	275.736	-	-	1.004.410
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	175	-	-	-	-	-	-	-	175
Foreign Banks	-	-	106.319	572.602	49.578	275.736	-	-	1.004.235
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	1.378.461	-	2.827.846	20.271.090	369.019	392.802	94.278	-	25.333.496

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

i. Information on saving deposits:

Saving deposits (*)	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Saving deposits	1.374.988	1.263.479	4.282.276	4.853.604
Foreign currency saving deposits	332.646	298.778	7.437.215	7.717.182
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	1.707.634	1.562.257	11.719.491	12.570.786

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

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

ii. Deposit amounts not under the guarantee of saving deposit:

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

	March 31,2016	December 31,2015
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	20.143	20.850
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities:

a) Negative differences table related to derivative financial liabilities held-for-trading:

	March 31, 2016		December 31, 2015	
	TL	FC	TL	FC
Forward Transactions	14.339	4.614	10.350	2.978
Swap Transactions	142.565	44.158	81.239	10.258
Futures Transactions	-	-	-	-
Options	30.687	16.548	32.641	5.253
Other	-	-	-	-
Total	187.591	65.320	124.230	18.489

3. Information on borrowings:

a) Information on banks and other financial institutions:

	March 31, 2016		December 31, 2015	
	TL	FC	TL	FC
From Domestic Banks and Institutions	5.026	9.775	5.130	39.792
From Foreign Banks, Institutions and Funds	-	2.546.198	-	3.088.547
Total	5.026	2.555.973	5.130	3.128.339

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

b) Maturity analysis of borrowings:

	March 31, 2016		December 31, 2015	
	TL	FC	TL	FC
Short-term	4.669	1.284.204	4.666	1.822.297
Medium and long-term	357	1.271.769	464	1.306.042
Total	5.026	2.555.973	5.130	3.128.339

4. Information on funds provided from repurchase agreement transactions:

a) Funds Provided Under Repurchase Agreements:

	March 31, 2016	December 31, 2015
Funds Provided Under Repurchase Agreements	302.798	156.858
Total	302.798	156.858

5. Marketable Securities Issued (Net):

	March 30, 2016	December 31, 2015
Bank Bills	95.071	154.995
Total	95.071	154.995

In accordance with the Board of Directors' decision and permits taken from the CMB and BRSA, the Bank has issued a bill with a nominal value of TL 101.420, maturity on July 15, 2016 and with a simple interest rate of 11.68% on January 18, 2016 sold to qualified investors in the domestic market.

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.

7. Explanations on lease obligations (Net):

- a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the Bank: None.
- b) Explanations regarding operational leases: The Bank enters into operating lease agreements for some branches. In operating leases, the lease prepayments are recorded as expense in equal amounts over the leasing period and recognized under prepaid expenses in the account of other assets. The Bank has no liability arising from operating lease agreement.
- c) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

8. Information on derivative financial liabilities for hedging purposes: None.

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

9. Information on provisions:

a) Information on general provisions

	March 31, 2016	December 31, 2015
General Provisions	194.025	196.224
I. Provisions for First Group Loans and Receivables	156.903	160.744
o/w - Provision for extended loans	4.529	1.786
II. Provisions for Second Group Loans and Receivables	31.527	30.159
o/w - Provision for extended loans	25.048	23.793
Provisions for Non-cash Loans and Derivative Financial Instruments	5.595	5.321
Total	194.025	196.224

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TL 26.505 on the foreign currency indexed loans are netted off from loans on the balance sheet.(March 31, 2015: TL 7.068).

c) Provisions for NPL customers' non-cash loans that are not converted into cash: As of March 31, 2016 provision for NPL customers' non-cash loans that are not converted into cash is TL 1.787 (December 31, 2015: TL 3.501).

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

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

	March 31, 2016	December 31, 2015
Employee termination benefit provision	6.388	4.983
Unused vacation provision	6.357	5.163
Total of provision for employee benefits	12.745	10.146

In accordance with TAS No: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.

e) Information on other provisions:

e.1) Provisions for possible losses: None.

e.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions: Other provisions consist of provision for personnel premium amounting to TL 1.000 for the year of 2016 (December 31, 2015: TL 44.477).

f) Liabilities on pension rights: None.

f.1) Liabilities for pension funds established in accordance with "Social Security Institution": None.

f.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: 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 March 31, 2016, the Bank has corporate income tax provision amounting to TL 44.269, which is netted with prepaid taxes amounting to TL 53.090 and shown as TL 8.821 in the current taxes (December 31, 2015: Tax Asset TL 15).

a.2) Explanations on taxes payable:

	March 31, 2016	December 31, 2015
Payroll Tax	16.827	3.622
Taxation on Securities	24.835	23.767
BITT	19.126	15.637
Property Tax	361	260
Value Added Tax Payable	394	1.163
Stamp Tax	470	106
Corporate Taxes Payable	-	-
Foreign Exchange Transaction Tax	-	-
Other	520	534
Total	62.533	45.089

a.3) Information on premiums:

	March 31, 2016	December 31, 2015
Social Security Premiums-Employer	1.881	1.393
Social Security Premiums-Employee	2.126	1.233
Unemployment Insurance-Employer	265	174
Unemployment Insurance-Employee	133	87
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Other	-	-
Total	4.405	2.887

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

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

12. Information on Subordinated Loans:

	March 31, 2016		December 31, 2015	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From foreign banks	-	422.716	-	1.310.209
Total	-	422.716	-	1.310.209

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

The Bank was provided a subordinated loan with a value of USD 150 million, maturity of 10 years and with a interest rate of 6,5% on October 31, 2014 from its parent bank, Bank Audi. In accordance with the article of BRSA dated November 27, 2014, this loan has been recognized as a subordinated loan and approved to be taken into account as TIER II capital, as per the conditions that determined by "Regulation on Equity of Banks". On the other hand, pursuant to the approval of BRSA dated December 8, 2015, The Bank, on March 1, 2016, converted into TL the capital contribution which were obtained from its controlling shareholder Bank Audi sal amounting to total USD 300 million, and completed the necessary legal and administrative procedures with the relevant authorities and added the counter value TL 883.530 to the paid in capital on March 31, 2016.

13. Information on Shareholders' Equity:

- a) Presentation of Paid-in capital:

As of March 31, 2016 the Bank's paid in capital consists of TL 2.379.680.000 shares which nominal value is TL 1.

TL	March 31, 2016	December 31, 2015
Common stock(*)	2.379.680	1.496.150
Preferred stock	-	-
Total	2.379.680	1.496.150

(*) Nominal Capital

- b) The Bank does not apply registered share capital system.
- c) Information on share capital increases and their sources: Pursuant to the approval of BRSA dated December 8, 2015, The Bank, on March 1, 2016, converted into TL the capital contribution which were obtained from its controlling shareholder Bank Audi sal amounting to total USD 300 million, and completed the necessary legal and administrative procedures with the relevant authorities and added the counter value TL 883.530 to the paid in capital on March 31, 2016.
- d) Information on share capital increases from revaluation funds in the current period: None.
- e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.
- f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:
- The Bank takes timely action to strengthen its equity in accordance with previous indicators of the Bank's income, profitability and liquidity and taking into consideration and evaluations made within the frame of those indicators and changes in accounting policies.
- g) Information on preferred shares: None.
- h) Information on marketable securities value increase fund:

	March 31, 2016	December 31, 2015
Valuation Difference	(7.537)	(43.071)
Foreign Exchange Difference	-	-
Total	(7.537)	(43.071)

- i) Information on legal reserves: None.
- j) Information on extraordinary reserves: None.

14. Information on minority shares:

None.

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

1. Information on off-balance sheet liabilities:

1. a) Nature and amount of irrevocable loan commitments:

	March 31, 2016	December 31, 2015
Forward asset purchase and sales commitments	464.050	217.670
Loan granting commitments	361.936	269.068
Commitments for checks	94.462	95.023
Credit card limit commitments	355.082	314.447
Other irrevocable commitments	4.966	5.242
Total	1.280.496	901.450

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:

	March 31, 2016	December 31, 2015
Other guarantees and collaterals	1.644.688	1.748.730
Letters of credit	394.597	480.011
Bank acceptance loans	82.954	68.037
Total	2.122.239	2.296.778

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

	March 31, 2016	December 31, 2015
Definite letter of guarantees	951.815	1.019.448
Temporary letter of guarantees	22.373	32.949
Other letter of guarantees	670.500	696.333
Total	1.644.688	1.748.730

c) Total amount of non-cash loans:

	March 31, 2016	December 31, 2015
Non-cash loans given to cover cash loans		
With maturity of 1 year or less than 1 year	43.255	40.687
With maturity of more than 1 year	-	-
Other non-cash loans	2.078.984	2.256.091
Total	2.122.239	2.296.778

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IV. Explanations and Disclosures Related to the Statement of Income

1. a) Information on interest on loans:

	March 31, 2016		March 31, 2015	
	TL	FC	TL	FC
Interest on loans (*)				
Short term loans	146.702	11.070	146.170	13.054
Medium and long term loans	218.863	162.416	161.884	119.356
Interest on non-performing loans	-	-	-	-
Total	365.565	173.486	308.054	132.410

(*) Includes fees and commissions obtained from cash loans.

b) Information on interest received from banks:

	March 31, 2016		March 31, 2015	
	TL	FC	TL	FC
The Central Bank of Republic of Turkey (CBRT)	9.663	-	1.010	-
Domestic banks	21.560	218	17.169	215
Foreign banks	-	64	-	15
Branches and head office abroad	-	-	-	-
Total	31.223	282	18.179	230

c) Interest received from marketable securities portfolio:

	March 31, 2016		March 31, 2015	
	TL	FC	TL	FC
Trading securities	738	-	242	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	11.677	8.867	8.499	7.647
Held-to-maturity securities	-	3.063	-	3.192
Total	12.415	11.930	8.741	10.839

d) Information on interest income received from associates and subsidiaries: None.

2. a) Information on interest on funds borrowed:

	March 31, 2016		March 31, 2015	
	TL	FC	TL	FC
Interest on funds borrowed				
Banks	79	21.769	129	14.254
The Central Bank of Turkey	-	1	-	-
Domestic banks	79	44	129	87
Foreign banks	-	21.724	-	14.167
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	79	21.769	129	14.254

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

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

c) Information on interest expense to marketable securities issued: As of March 31, 2016; The bank has interest expense to marketable securities issued amounting to TL 2.968 (March 31, 2015: TL 4.896).

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

March 31, 2016								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TL								
Bank deposits	-	124	-	-	-	-	-	124
Saving deposits	54	16.104	183.706	38	103	465	-	200.470
Public sector deposits	-	-	154	-	-	-	-	154
Commercial deposits	2	9.835	70.550	302	74	9	-	80.772
Other deposits	1	262	13.786	-	-	-	-	14.049
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	57	26.325	268.196	340	177	474	-	295.569
Foreign Currency								
Foreign currency deposits	32	4.803	81.460	2.119	553	687	-	89.654
Bank deposits	-	5.965	-	-	-	-	-	5.965
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	32	10.768	81.460	2.119	553	687	-	95.619
Grand Total	89	37.093	349.656	2.459	730	1.161	-	391.188

3. Information on Dividend Income: None.

4. Information on net trading income:

	March 31, 2016	March 31, 2015
Income	2.388.192	1.311.987
Gains on capital market operations	4.102	456
Gains on derivative financial instruments	460.355	330.823
Foreign exchange gains	1.923.735	980.708
Losses (-)	2.435.454	1.328.793
Losses on capital market operations	1.974	2.567
Losses on derivative financial instruments	455.466	359.368
Foreign exchange losses	1.978.014	966.858
Net Amount	(47.262)	(16.806)

5. Information on other operating income: As of March 31, 2016; other operating income includes the adjustment account for previous years' expenses and other operating income.

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

6. Provision for impairment of loans and other receivables:

	March 31, 2016	March 31, 2015
Specific provisions for loans and other receivables (*)	64.078	47.165
III. Group Loans and Receivables	18.965	11.120
IV. Group Loans and Receivables	27.875	22.404
V. Group Loans and Receivables	17.238	13.641
General loan loss provision expenses / (income)	(2.198)	16.538
Provision expenses for possible losses	-	-
Marketable securities impairment losses	-	-
Financial assets at fair value through profit and loss	-	-
Investment securities available for sale	-	-
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Jointly controlled entities	-	-
Investments held to maturity	-	-
Other	-	-
Total	61.880	63.703

(*) Includes reversal of provisions relating to collections from non-performing loans.

7. Information on other operating expenses:

	March 31, 2016	March 31, 2015
Personnel expenses	59.496	57.128
Employee termination benefit provision	1.405	628
Taxes and duties	-	-
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	10.443	7.768
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	6.911	3.887
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	173	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	54.500	48.111
Rent expenses	14.747	12.926
Maintenance expenses	720	305
Advertisement expenses	3.010	7.601
Other expenses (*)	36.023	27.279
Loss on sales of assets	-	-
Total	132.928	117.522

(*) As of March 31, 2016, other operating expenses include IT expenses amounting to TL 5.164, support services amounting to TL 5.297, communication expenses amounting to TL 2.739, taxes and similar disbursements expenses amounting to TL 3.521, premiums for saving deposit insurance fund amounting to TL 3.237 and other expenses.

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

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

As of March 31, 2016, the Bank's profit before tax from continued operations is TL 28.368.

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

As of March 31, 2016, The Bank has deferred tax expense TL 3.949 (March 31, 2015: TL 1.611 deferred tax expense).

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

As of March 31, 2016, the Bank's net profit from continued operations is TL 22.639 (31 March 2015: TL 11.757).

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

- a) The nature amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the understanding of the Bank's performance for the period: None.
- b) Financial Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None.
- c) 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) March 31, 2016:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	-	16.290	64	480
Balance at end of period	-	-	-	18.696	45	410
Interest and commission income	-	-	-	-	-	-

December 31, 2015:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	-	18.221	53	787
Balance at end of period	-	-	-	16.290	64	480
Interest and commission income	-	-	-	-	-	-

b.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank(*)		Other entities included in the risk group	
	March 31, 2016		March 31, 2016		March 31, 2016	
Deposits						
Balance at beginning of period	-	-	298.961	-	749.101	-
Balance at end of period	-	-	1.393.348	-	20.143	-
Interest on deposits	-	-	7.006	-	307	-

December 31, 2015:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank(*)		Other entities included in the risk group	
	December 31, 2015		December 31, 2015		December 31, 2015	
Deposits						
Balance at beginning of period	-	-	-	-	583.474	-
Balance at end of period	-	-	298.961	-	749.101	-
Interest on deposits	-	-	279	-	3.890	-

(*)Deposits belonging to the real and commercial shareholders that have the authority to manage and control the Bank.

The Bank has obtained Subordinated Loan amounting to TL 422.640 TIER II and short term loans amounting to TL 281.760 from the risk group and realized interest expense amounting to TL 473. In addition, the results of cost-sharing, the Bank obtained revenue amounting to TL 11.521 from the Group as expense subsidies to partially cover advertising, IT and tax expenses.

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

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

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities	Direct and indirect shareholders of the Bank	Other entities included in the risk group
Financial assets at fair value through profit and loss	March 31, 2016	March 31, 2016	March 31, 2016
Balance at beginning of period	-	-	-
Balance at end of period	-	-	-
Total Loss/ Profit	-	-	-

December 31, 2015

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities	Direct and indirect shareholders of the Bank	Other entities included in the risk group
Financial assets at fair value through profit and loss	December 31, 2015	December 31, 2015	December 31, 2015
Balance at beginning of period	-	-	-
Balance at end of period	-	-	-
Total Loss/ Profit	-	50	-

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

Gross payment made to the executive management as of March 31, 2016 is TL 13.381.(March 31, 2015: TL 13.541).

VI. Explanations And Disclosures Related To Subsequent Events

1. Describes the general information about the Bank, as specified the first chapter, III:

- As of April 1, 2016 Assistant General Manager in charge of Finance, Mr. Naim HAKIM, has been appointed as Deputy General Manager and upon completion of oath process at the local courts on April 21, 2016, which is obligatory as per the related BRSA Regulation, Mr. HAKIM has officially begun his duty.
- As of May 2, 2016 Assistant General Manager in charge of Corporate Banking Mr. Yalçın AVCI has been appointed as Assistant General Manager in charge of Corporate and Commercial Banking.
- As of May 2, 2016, Mr. Gökhan Sun joined Odeabank A.Ş. in charge of Small and Medium Enterprises. The regulatory process regarding his appointment is still continues.

2. In accordance with the Board of Directors' decision and permits taken from the CMB and BRSA, the Bank has issued a bill with a nominal value of TL 42.700, maturity on October 24, 2016 and with a simple interest rate of 11.00% on April 27, 2016 sold to qualified investors in the domestic market.

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SECTION SIX

AUDITOR'S REVIEW REPORT

I. Explanations on the Auditor's Review Report

The unconsolidated financial statements for the period ended March 31, 2016 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited). The auditor's review report dated May 10, 2016 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 March 31, 2016 and December 31, 2015, 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	2.287.317	96,119%	1.403.787	93,827%
Audi Private Bank sal	90.698	3,811%	90.698	6,062%
Raymond Audi	555	0,023%	555	0,037%
Samir Hanna	555	0,023%	555	0,037%
Freddie Baz	555	0,023%	555	0,037%
	2.379.680	100,00%	1.496.150	100,00%

(*) Pursuant to the approval of BRSA dated December 8, 2015, The Bank, on March 1, 2016, converted into TL the capital contribution which were obtained from its controlling shareholder Bank Audi sal amounting to total USD 300 million, and completed the necessary legal and administrative procedures with the relevant authorities and added the counter value TL 883.530 to the paid in capital on March 31, 2016.

Changes in the articles of association:

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

<http://www.odeabank.com.tr/tr-TR/Sayfalar/Sozlesmeler.aspx>

Information on number of branches and personnel:

As of 31 March 2016 the Bank has 55 domestic branches and 1.563 personnel.

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Information on Board Members and executive management of the Bank			
<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors	Samir HANNA	Chairman	High School
Vice President of the Executive Board	Marwan GHANDOUR	Member of the Board of Directors/ Member of Audit Committee	PHD Degree
Members of the Board of Directors (*)	Freddie BAZ	Member of the Board of Directors	PHD Degree
	Imad ITANI	Member of the Board of Directors	PHD Degree
	Elia SAMAHA	Member of the Board of Directors	Bachelor's Degree
	Hatem Ali SADEK	Member of the Board of Directors	PHD Degree
	Khalil El DEBS	Member of the Board of Directors	Master Degree
	Ayşe KORKMAZ	Member of the Board of Directors/Member of Audit Committee	Bachelor's Degree
	Philippe Elias Farid EL-KHOURY	Member of the Board of Directors	Master Degree
Member of the Board of Directors and General Manager	Hüseyin ÖZKAYA	Member of the Board of Directors and General Manager	Master Degree
Deputy General Manager (**)	Naim HAKİM	Finance	Master Degree
Assistant General Managers (***)	Alpaslan YURDAGÜL	Financial Institutions and Investment Banking	Master Degree
	Aytaç AYDIN	Operations and Support Services	Master Degree
	Cem MURATOĞLU	Retail Banking	Master Degree
	Fevzi Tayfun KÜÇÜK	Business Solutions, Direct Banking, Transactional Banking and Information Technologies	Master Degree
	Gökhan ERKIRALP	Treasury and Capital Markets	Bachelor's Degree
	Yalçın AVCI	Corporate and Commercial Banking	Master Degree
	Gökhan SUN	Small and Medium Enterprises	Master's Degree

- (*) On the General Assembly dated March 28, 2016, Mr. Raymond AUDI's Board membership has not been extended. As of the same date, Mr. Philippe Elias Farid EL-KHOURY has been appointed as a board member and upon completion of oath process at the local courts on April 27, 2016, which is obligatory as per the related BRSA Regulation, Mr. EL-KHOURY has officially begun his duty. Born in 1969, Lebanon, Mr. Philippe El-Khoury graduated from Cambridge University, School of Economics and holds Master's Degree in International Relations, London School of Economics and Political Science from University of London. Mr. El-Khoury started his professional life in Central Bank of Lebanon in 1993 and worked in international corporations such as Merrill Lynch, Robert Fleming, EFG Hermes, Baalbaki Group. In addition to his current duty at Odeabank, he serves as senior executive in Credit Libanais, Fattal Holding, Sara Holding, KTR Real Estate, Sharqfin sal and Impera Capital
- (**) As of April 1, 2016, Assistant General Manager in charge of Finance, Mr. Naim HAKIM, has been appointed as Deputy General Manager and upon completion of oath process at the local courts on April 21, 2016, which is obligatory as per the related BRSA Regulation, Mr. HAKIM has officially begun his duty.
- (**) As of March 31, 2016, Assistant General Manager in charge of Commercial Banking Mr. Erol SAKALLIOĞLU resigned.
- (***) As of May 2, 2016, Assistant General Manager in charge of Corporate Banking Mr. Yalçın AVCI has been appointed as Assistant General Manager in charge of Corporate and Commercial Banking.
- (***) Born in 1970, Mr. Gökhan Sun graduated from Bilkent University Department of Electrical and Electronics Engineering in 1992 and then completed Business Law Master Degree from Bilgi University. Mr. Sun still continues Master Degree engagements in the area of Interactive Marketing at the same university. He began his professional life as a MT in Yapı Kredi Bank, 1992; assumed various roles in different corporations and then joined Denizbank in 2003. He finally served as the Assistant General Manager responsible for SME and Agriculture Banking. As of May 2, 2016, Mr. Sun joined Odeabank A.Ş. The regulatory process regarding his appointment as Assistant General Manager still continues.

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Message from the Chairmain

Esteemed Stakeholders,

I am proud to address you in our first quarterly report of 2016.

Over the past 13 years, Bank Audi's strategy of providing banking services in diversified segments helped it evolve from a commercial bank operating domestically into a universal Lebanese bank which provides commercial, private, retail and investment banking services. This operating strategy, coupled with a prudent regional expansion plan, allowed Bank Audi to enter new markets effectively. During this period, Bank Audi not only became the largest bank in Lebanon, but it also developed new products to meet the inter-market requirements of these new regions while generating cross-selling opportunities and expanded to its current size. Providing banking services in 12 countries, through 11 banks and three financial services firms, our Group has achieved great success with its strong risk management approach.

As of End-March 2016, Bank Audi Group's total assets of which 48% come from entities outside Lebanon, amounted to USD 41 billion, with shareholders' equity of USD 3,4 billion, deposits of USD 34,2 billion, loans of USD 18,1 billion and profit totaling USD 110 million.

Launched in Turkey in 2012 with a significant investment from Bank Audi Group, Odeabank achieved great national and international success in the first quarter of 2016. We did so by integrating technological advancements of the new information age into our banking operations, incorporating professional, young, dynamic, and success-oriented employees into the Bank's staff and by focusing on customer satisfaction at all times. As one of the young, fast-growing and important players of the sector, Odeabank has been a source of pride for our Group with the success it has achieved in Turkey. We are happily keeping a close watch over the Bank's achievements in Turkey and proudly observing the difference Odeabank makes in the banking industry with the right business model, advanced technology infrastructure and excellent human resource strategies that we have implemented from the very beginning. We have great confidence that these achievements will continue in the future.

At this point, I would like to share our overall view about the economy. Although global economy continues to grow moderately, the outlook still looks weak. While the world trade volume decelerated significantly, political and geopolitical uncertainties have been the main challenges for the global economic recovery. This time, we think that political risks may not increase only in emerging market economies, but also in advanced economies. As Brexit referendum, in which UK residents will vote for the continuity of country's membership of European Union, is on the top of political agenda of Europe, the US presidential election nominees' selection period have raised the political noises on the other side of the Atlantic. Meanwhile, coordinated attempts from policy makers may be seen as a positive factor in order to reach sustainable growth path, by reducing the global uncertainties. However, we still need more time to have the fruitful results from the recent policy making tendencies and efforts. Therefore, we think that the downside risks are still considerable and the cautious stance should be kept despite the recent optimism in global financial markets.

In addition to the weak domestic demand and lower productivity growth, high debt burden and gridlock in credit mechanism, the adverse consequences of 2008 Global Financial Crisis, are still important complications for the recovery in advanced economies. In order to solve these problems and to put the transmission mechanism into operation, monetary policy frameworks have changed considerably in the first quarter of 2016. Besides quantitative easing, negative interest rate policies have been adopted in Europe and Japan, going beyond the near-zero interest rate policies. Although latest data from both Europe and Japan are far from satisfactory, we think more data is needed to make sure that the downside risks have eased in those economies.

With this new monetary policy environments in Europe and Japan, the US Federal Reserve (Fed) is pushed to follow a more gradual interest rate hike path. Monetary policy divergence led to a sharp and broad-based increase in USD, and raised the possibility of an interruption of the recovery in the US economy. Even though the US labor data continues to be solid, other recent early indicators send mixed signals regarding the economic outlook. The risks on growth outlook look balanced in the medium-term and muted inflation is validates the Fed's gradual rate hike path.

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Message from the Chairmain (contiuned)

As a result of this favorable financial condition in advanced economies, we think the downside risks on the emerging market economies are set to ease somewhat in the short-term. As the global financial markets digest the new economic model in China, global commodity prices as well as in crude oil prices recovered. Although the oil prices are still lower than in previous years, asset prices recovered in most of the commodity exporter countries. Yet, we think this short-term recovery in financial assets need more time to be reflected on the macroeconomic fundamentals.

We believe that it will be really important to sustain the recent stabilization in financial markets in the medium-term. Therefore, accommodative monetary policy stances in advanced economies should continue while political and geopolitical risks threaten the global recovery. Meanwhile, complementary fiscal policies in the countries with buffers should aim to support strengthening growth in the medium-term. However, we also think that the structural reforms need to be implemented effectively for an inclusive and sustainable growth in the long-run.

We believe that Turkey had a remarkable experience at this juncture in the last couple of years. Raising global uncertainties and elevated domestic political risks resulted in heavy sell-off Turkish financial assets in the last years. On the contrary, Turkey's 2015 growth performance surprisingly exceeded the expectations considering those uncertainties and risks. A solid banking sector and strong public finances, strengthened financial stability and macroeconomic fundamentals coupled with the well thought macro prudential measures have had crucial roles in this remarkable performance. Despite previous year's strong results and motivation, 2016 is expected to be a challenging year for Turkey due to the global risks. Especially, growth performance might be difficult to maintain if the volatility in financial markets continues in the rest of the year.

While the volatility in Turkish financial markets was high in parallel to the global financial markets, Turkish Government took some measures at the beginning of the year. Firstly, they made some revisions in the Medium-Term Program (MTP), which was released initially in October 2015. Although the new targets were more ambitious than the previous one in terms of GDP growth expectations, the government implemented some fiscal stimulus in order to stimulate the economic activity. We think these measures are really valuable despite their possible adverse impacts in the medium-term. As we stated before, growth-friendly fiscal measures are inevitable in a-low-growth environment globally for sustaining the performance.

On the other hand, the decline in oil prices has led to a decline in Turkey's current account deficit, the soft spot of the country according for many, as well as to a balancing in growth composition. We expect Turkey's 2016 GDP growth to be realized in the tune of 2015 growth. While the current account deficit is likely to stay at manageable levels inflation is still above the desired levels. We expect inflation to stay low single digits permanently in the coming years if the measures taken by the authorities reflect, and financial stability persists.

Besides, well-capitalized and experienced Turkish banking sector grew at a slower pace. that being said the sector managed to maintain the profitability during the first quarter of 2016. We think the sector is getting prepared for a new episode that is in the making by the mutual effects of global and domestic financial conditions. We expect Turkish banking sector to meet the newly implemented Basel III standards easily and smoothly.

Given the country's long-term and solid macroeconomic fundamentals, we think the sustainability of relatively high and balanced growth will contribute to improving investor perception towards Turkey, which has deteriorated markedly in recent years. Therefore, we believe that Turkish financial assets will soon begin to reflect the value indicated by country's strong long-term fundamentals.

Having entered the banking sector at 49th place and climbed up to rank 11th among deposit banks in a short period of time, Odeabank is full of confidence to become the financial services provider of choice for major projects that will keep the Turkish economy move forward at full steam. Improving every year both in terms of profitability and sector rankings, Odeabank plans to keep growing with its customer-oriented service approach and with the faith it has in the Turkish economy, despite challenging economic and financial conditions.

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Message from the Chairmain (contiuned)

Thanks to the strong support of its shareholders as well as effective risk management and strategies, Odeabank will continue to provide significant support to Turkey's economy. With its strong dynamics and 2023 Vision, Turkey can create a more prosperous economy in the next ten years. As the first bank established from scratch after many years in Turkey, Odeabank has achieved numerous accomplishments in a very short time. These accomplishments are also important in terms of showing the opportunities that Turkey presents to other financial institutions that have entered or will enter the sector following Odeabank.

With its high future potential, Turkey, the traditional bridge between the west and the east, is one of the world's most important developing markets. Being a country which has the largest population in the region and has achieved an average annual growth rate of 4.3 percent over the past ten years, penetration potential of financial products in Turkey will result in a host of new opportunities for the Turkish financial services sector.

Having adopted breaking new ground in the Turkish banking industry as one of its core principles, Odeabank will continue to solidify its achievements and continue taking firm steps into the future. With our faith in the Turkish economy, we plan to continue strengthening our capital, ramping up our investments, and thus contributing more to the Turkish economy.

On behalf of our Executive Board, I thank all our employees who have contributed in bringing the success of our bank to fruition and our customers who have placed their trust in us, who have chosen to be with us.

Samir Hanna
Bank Audi Group CEO and
Chairman of the Board of Directors of Odeabank

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Message from the CEO

Esteemed shareholders,

I am pleased to share our Bank's operations with you in this report for First Quarter in 2016.

Before we start to talk about our operations, I would like to discuss economic developments in brief.

Global financial markets which displayed a cautious approach to the first interest rate increase by the US Federal Reserve Bank towards the end of 2015 made a weak start because of the worries about the global growth in 2016. Sharp declines in commodity markets deepened the worries about the global financial system while it also led to a sales pressure on the financial assets of the commodity exporters. For this reason, anxious expectations that the economic outlook around the global would become worse have spiked up.

While weak growth and inflation outlook continued, Bank of Japan (BoJ) and the European Central Bank (ECB) enhanced their monetary support policy. While FED had a break from interest rate increases, its message was that subsequent increases would be slower than the rate expected in December. Thanks to these developments, significant recoveries were seen in global financial markets and commodity prices as of mid-February. Preliminary data from global economy indicated that risks were balanced to a certain extent.

At a time when volatility peaked around the world, sales pressure on Turkish financial assets increased due to the worsened security worries in Turkey. Early this year, Turkish lira was depreciated against both American dollar and Euro whereas bond interests have climbed. While there were sharp sales in equity markets, the new lows in the last two years were seen. Since February, foreign investors' sentimentality towards Turkey improved thanks to the effects of the global developments. This way, losses suffered in January were largely compensated.

In spite of this turbulence in financial markets and the declining preliminary confidence indexes, macroeconomic data made favourable surprises. A majority of the preliminary survey data indicated a gradual deceleration in real economy while industry output turned out to be strong. While foreign demand conditions appeared to be supportive, we think that the extent of the slow-down in domestic demand and financial conditions will affect the rate by which industrial gears rotate.

As for exports; we felt the effects of the recovery trend in the EU markets although they are still fragile. On the import side, the ever-decreasing energy bill continued to support us. This way, the decline in the balance of payments disequilibrium continued. The only element that limits this positive course of things in current deficit is our tourism revenues, which dropped because of security worries and intense level of geopolitical risks.

Inflation outlook became misbalanced because of public price adjustments early this year, high increases in minimum wages and the delayed effects of the rises in currency rates. Both the general and core inflation approached two-digit figures early this year. But when March kicked in, inflation sharply dropped thanks to the effects of unprocessed food prices. On the other hand, the improvement in core inflation rate is still restricted. We think that this positive outlook may last a little bit longer in the short term. But we estimate that improvement in the core inflation rates will become gradual and limited.

Throughout the course of these developments in economic activities and financial markets, it is observed that the growth trend in banking sector started to slow down moderately. According to weekly BRSA data, the annual growth rate which was 20.7% by the end of 2015 turned out to be 14.9%. During the same period, the growth rate in deposits fell down to 13.6% to 18.3%. This way, the ratio by which the deposits were converted to loans dropped to 113.3% from 114.5%. Because of a sharper slow-down in loan increase, the ratio of non-performing loans to total loans will continue to increase, and peaked at 3.35% in the said period compared to 3.14%. We can tell that in spite of the sector's weak performance, its profitability outlook is better. According to monthly BRSA data, net financial period profit of the banking sector in January – February turned out to be 4.6 billion TL with a 31.7% increase compared to the same period of the last year. We assume that when the recovery in financial markets will be felt in real economy, the growth performance of the banking sector may soon recover.

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Message from the CEO (continued)

In present times, while low oil prices help Turkey maintain its current accounts deficit, which appear to be chronic Achilles' heel, the globally low inflationist and low interest rate environment indicate that there is a precious margin for manoeuvre to enhance the potential growth thanks to structural reforms. While volatility in financial markets in

the short term may have alleviated in the short term, it is observed that global uncertainties maintain their high momentum. We are in the opinion that since mid-2013, the main problem in Turkish economy is the failure to achieve a permanent investor sentiment in Turkish economy, and we observe that as a result and because of high levels of FX rating, favourable global development in prices are not sufficiently felt in domestic inflation rate, and incidentally, in interest rates in domestic markets. In this regard, in case structural reforms are launched so that Turkey may have a new story to sell, we estimate that capital inflow to Turkey will get juvenetated on a permanent basis and that prices of financial assets will reach such levels compatible with our economic fundamentals.

In Odeabank, we continued to improve our service quality every passing day under all these conditions and to make sure that our customer-focused service concept permeates to the entire segments.

During the first quarter in 2016, we continued to play a significant role in the completion of many projects in the Corporate and Trade Banking segment, including energy, real estate development, steel and iron sector, communication, retail, construction and contracting industries as well as many other diverse areas thanks to our finance projects to meet our customer's needs, which is also more precious give the fact that these projects were exclusive ones and provided an added value for our country.

Having overachieved all its targets set for 2015, our Corporate Banking business line continued its stable growth in our loan volume in Q1 2016 in line with out targets.

In our Corporate Banking segment, we are trying our best efforts since our foundation that our relations with our customers should be on a long-term basis; that we provide project financing/ acquisition financing in line with out sector-specific know-how and experience; that we meet the financial needs of our customers from all segments that suit their business models. Our business plan and appetite to deepen cross-selling chances to our customers and to rank among top three banks in their portfolio are in full throttle backed by our full concentration. We keep an eye that is closer than ever to see the needs of our customers in line with the market conditions. Our top priorities that we set as our targets for future times not unlike the past will continue to include the following: To exploit potential business opportunities in the best way and to diversify industrial segments.

In Commercial Banking division, we remained at the service of our SME and Commercial customers backed up by one-to-one customer representatives and we continued to bring about fast and flexible solutions spanning different needs of all customers and in line with global economic conjuncture in Q1 2016.

For SMEs that we consider to be life-blood lines of our country and which we set as the prior segment in 2015, we came up with exclusive solutions in line with our "Personal Banking" approach to help them access to resources that they had particular challenges in 2016. This did not only cover the resource supply; we also planned and continued to develop ourselves to make sure that all other services to SMEs will be provided in an uninterrupted way with a direct focus on advantages.

We introduced an effective segment management thanks to exclusive loan propositions we offered to ever-growing retail customer base thanks to our "Nakit Hazır" (Cash Ready), which is our exclusive retail loan brand specific for cash use. We have improved the infrastructure by which our customers may instantly borrow loan through the Call Centre and Internet Banking channels and this way we have already added a new ring to the chain of off-branch channel services.

We continue to grow in Retail Banking Consumer Financing by increasing the sectoral diversity of the firms that we collaborate. We again target to diversify our business segments and to increase the number of merchants for consumer finance. We will be continuing to support our customers by offering them instantly accessible financial solutions.

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Message from the CEO (continued)

While we invested daily savings of our retail customers at high interest rates, we continued to generate a nice return in investments up to 50,000 TL thanks to an interest rate that was 2 points above the market average in the first quarter of this year. This is all owing to Oksijen Account product which continues to offer advantages in daily lives of our consumers. We also continued to distribute free theatre tickets and to provide free banking services to active users every month. Oksijen Account which has enormously enhanced the demand TL deposit volume of Odeabank and which helped us cover a huge distance in the number of customers and the customer loyalty has largely contributed to our Bank and our brand awareness very soon thanks to our marketing activities, in particular, in digital area.

In Odeabank, we do not limit savers in Turkey only by deposit accounts. In addition to saving alternatives, which were already in place and available for our customers under Odeabank Asset Management service pool, we have added more alternatives to this service that better suit the current market conditions to make it more attractive and diversified, including Personal Pension, Funded Deposit linked to Fund Distribution Channel, the Annual Term Breakable Deposit accounts and more.

In this respect, we have started cooperation with the leading portfolio management companies in Turkey so that we have once more become pioneers in investment banking. Now we have the chance to offer many various fund types to our customers thanks to TEFAS and non-TEFAS active marketing and distribution agreements that we have signed with 12 Portfolio Management companies. We organize training courses and seminars at which the contracted Portfolio Management companies meet our branches so as to ensure a more detailed briefing about economic expectations and mutual funds for 2016. We continue to make a difference owing to our competitive Model returns by risk groups and our general investment advises in line with market conditions in Q1 2016. With our daily and weekly informative reports, we constantly update our customers about their investments.

We plan to capture an ever-increasing market share by offering brokerage operations for placement of orders in the Equity markets in collaboration with our solution partner in line with new CMB rules. We will be launching the Equity trading platform with pilot operations for field in Q2 2016 as we completed all related infrastructural works in Q1 2016. Our diversity in connection with investment operations get more diversified than ever, and we will be also offering opportunities for investment product trading, consultancy and risk assessment in addition to a rich and diverse range of products for our customers thanks to mobile application projects that we plan to launch in near future.

In Odeabank, we continued to raise and borrow funds from financial institutions at competitive conditions with different structures and at different terms. Our efforts to finance foreign trade operations thanks to competitive financial resources will continue to grow in near future.

Our Bank has also continued to issue bills and debentures in TL in domestic market in Q1 2016, and successfully completed a 6-month term issue for a value of 101 million TL.

Our Foreign Trade Department continued to give product support in sales and marketing areas to corporate and commercial branches to secure coordination in foreign trade operations for which the Bank acts as an intermediary. Our Foreign Trade Department has also focused on its efforts to gain new customers by building deeper relations with customers in corporate, commercial and SME segments.

As for Direct Banking channels, along with our mobile application that we launched in 2015, we put an emphasis on customer experience so that we started to offer the same user experience, menu structure, faceplates, design and transaction flow to our customers in all Direct banking areas such as Internet Branch, Mobile Branch, ATMs, 444 8 444 Call Center etc. During the first quarter in 2016, 250,000 customers used Direct Banking channels to use our services and executed 1.6 million transactions with a 1.9 billion TL volume. The number of our ATMs reached 65. Our mobile applications were downloaded for more than 135,000 times.

Driven by a bank mission that places critical importance on creating an added value not only in banking area but in all areas of life, we are very pleased to sponsor and support sports activities and art in our country.

Praised as the "Bank of Basketball", we are proud to give support to basketball branches of "Three Giants" and to witness the outstanding performance of Galatasaray Odeabank and Fenerbahce in European leagues first hand.

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Message from the CEO (continued)

On the other hand, we are very happy to support modern art and artists thanks to our exhibitions performed at O'Art, our art platform. We will continue to organize further exhibitions for your interest which we believe will make a tremendous impact on the scene of art.

Hailed to be the young and innovative player in the banking sector, we continued to collect awards in both national and international organizations in Q1 2016 thanks to our personal banking services and technological investments as it was used to be in the past. In Q1 2016, we were rewarded with "Outstanding New Product/ Service" for our Mobile Applications and "Outstanding Innovation Award" for our Direct Banking channels award under Global Business Excellence Awards. We also received a Gold medal for Odeabank mobile applications, a Bronze medal in Finance and Banking category for www.odeabank.com.tr, and a Silver medal in Video/ Broadcast category for Odeabank Oksijen Account at an awarding poll by Horizon Interactive Awards. International Finance Magazine hailed us as the "Most Innovative Bank" while we were also eligible to "the Best Mobile Banking Application", "the Best Internet Banking" and "the Best Bank Call Centre Experience" in Global Banking & Finance Reviews Awards for 2016.

We were showered with 5 awards in total in Banking category in award program organized by Stevie Awards, one of the most respected awarding programs in international business circles: We won a Silver medal in the Year's Best Customer Care Complaint Handling Team, and a Bronze medal in the Year's Best Customer Care Training Team, the Year's Best Use of Technology in Customer Care Field, and the Year's Best Interactive Voice Response Solution and the Year's Best Marketing solution branches. Moreover, we were honoured with a Human Resources line under "2015 Human Respect Awards" organized by Kariyer-net, which is one of the best careers.

When we look at our financial figures, we finished the year as a result of the performance that we have displayed, we notice that our loans amounted to 21.5 billion TL and our deposits reached 23 billion TL and our total assets reached 29.5 billion TL. We closed the first quarter with a net profit of 22.6 million TL. As a bank which started from a scratch, we are proud to create a success story within such a short period of time in spite of high investment expenses. We will continue our studies in order to sustain this story.

In Odeabank, we will focus on improvement of service quality every passing day, and we target to make sure that this customer-focused banking approach is admitted by the general public. These targets that we will launch without compromising our principles, and will bring additional success in future with our performance indicators that will serve as basis for corporate success built on individual success. Our purpose is to play in "a major league" and to bring out more resources to the economy.

Truly yours,

Hüseyin Özkaya
Member of the Board of Directors
and General Manager of Odeabank

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Brief financial information of the Bank

ASSETS:

	Reviewed			Audited		
	Current Period 31.03.2016			Prior Period 31.12.2015		
	TL	FC	Total	TL	FC	Total
CASH AND BALANCES WITH THE CENTRAL BANK	957.367	2.702.649	3.660.016	529.585	3.544.999	4.074.584
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	157.133	55.090	212.223	101.001	24.724	125.725
BANKS	347	26.080	26.427	114	35.872	35.986
MONEY MARKET PLACEMENTS	2.550.736	-	2.550.736	4.061.196	-	4.061.196
FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	472.609	174.884	647.493	471.861	625.317	1.097.178
HELD TO MATURITY INVESTMENTS (Net)	-	349.864	349.864	-	364.449	364.449
LOANS AND RECEIVABLES	10.316.193	11.152.617	21.468.810	10.726.013	11.080.858	21.806.871
TANGIBLE ASSETS (Net)	135.757	-	135.757	142.902	-	142.902
INTANGIBLE ASSETS (Net)	94.146	-	94.146	99.028	-	99.028
TAX ASSET	36.854	-	36.854	40.881	-	40.881
ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	38.650	-	38.650	29.879	-	29.879
OTHER ASSETS	146.388	89.694	236.082	137.978	66.051	204.029
TOTAL ASSETS	14.906.180	14.550.878	29.457.058	16.340.438	15.742.270	32.082.708

LIABILITIES:

	Reviewed			Audited		
	Current Period 31.03.2016			Prior Period 31.12.2015		
	TL	FC	Total	TL	FC	Total
DEPOSITS	8.101.332	14.947.574	23.048.906	9.568.571	15.764.925	25.333.496
DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	187.591	65.320	252.911	124.230	18.489	142.719
FUNDS BORROWED	5.026	2.555.973	2.560.999	5.130	3.128.339	3.133.469
MONEY MARKET BALANCES	302.798	204	303.002	156.858	-	156.858
MARKETABLE SECURITIES ISSUED (Net)	95.071	-	95.071	154.995	-	154.995
MISCELLANEOUS PAYABLES	12.142	624	12.766	4.579	191	4.770
OTHER LIABILITIES	169.813	25.155	194.968	180.985	15.037	196.022
PROVISIONS	118.375	91.564	209.939	159.030	96.025	255.055
TAX LIABILITY	66.938	-	66.938	47.976	-	47.976
SUBORDINATED LOANS	-	422.716	422.716	-	1.310.209	1.310.209
SHAREHOLDERS' EQUITY	2.290.342	(1.500)	2.288.842	1.375.266	(28.127)	1.347.139
TOTAL LIABILITIES AND EQUITY	11.349.428	18.107.630	29.457.058	11.777.620	20.305.088	32.082.708

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Statement of Income:

	Reviewed Current Period 01.01-31.03.2016	Reviewed Prior Period 01.01-31.03.2015
I. INTEREST INCOME	657.496	518.604
II. INTEREST EXPENSE	423.477	315.231
III. NET INTEREST INCOME (I - II)	234.019	203.373
IV. NET FEES AND COMMISSIONS INCOME	34.540	12.989
V. DIVIDEND INCOME	-	-
VI. NET TRADING INCOME	(47.262)	(16.806)
VII. OTHER OPERATING INCOME	1.879	1.001
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)	223.176	200.557
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	61.880	63.703
X. OTHER OPERATING EXPENSES (-)	132.928	117.522
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)	28.368	19.332
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER	-	-
XIII. PROFIT / (LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION	-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	28.368	19.332
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(5.729)	(7.575)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	22.639	11.757
XVIII. INCOME ON DISCONTINUED OPERATIONS	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)	-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	22.639	11.757