

ODEA BANK A.Ş.

**UNCONSOLIDATED FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AT DECEMBER 31, 2014
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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

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

To the Board of Directors of Odea Bank Anonim Şirketi:

We have audited the unconsolidated balance sheet of OdeaBank A.Ş. ("the Bank") at 31 December 2014 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the year then ended and the summary of significant accounting policies and other explanatory notes.

Disclosure for the responsibility of the Bank's Board of Directors:

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error and selecting and applying appropriate accounting policies.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on unconsolidated financial statements based on our audit. Our audit has been performed in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

Independent Auditors' Opinion:

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Odea Bank A.Ş. at 31 December 2014 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Article 37 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

Report on other responsibilities arising from regulatory requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 – December 31, 2014 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Additional paragraph for convenience translation to English:

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 article 37 of the Banking Act No. 5411, 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

March 13, 2015
Istanbul, Turkey

Translated into English from the original Turkish report and financial statements

**THE UNCONSOLIDATED YEAR END FINANCIAL REPORT OF
ODEA BANK A.Ş. AS OF DECEMBER 31, 2014**

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The unconsolidated financial report for the year 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 THE ACCOUNTING POLICIES APPLIED IN THE RELEVANT PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND FOOTNOTES
- INDEPENDENT AUDITORS' REPORT

The accompanying unconsolidated financial statements for the year 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 audited.

Samir HANNA

Hüseyin ÖZKAYA

Naim HAKİM

Hüseyin ARITKAN

Chairman of the Board
of Directors

Member of Board of
Directors and General
Manager

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: Hüseyin ARITKAN / Financial Reporting Director

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

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ODEA BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014

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

SECTION ONE

GENERAL INFORMATION

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

Odea Bank A.Ş. was established as a deposit bank with USD 300 Million capital with the permission of BRSA numbered 4432 dated October 27, 2011, which was published in the Official Gazette on October 28, 2011, numbered 28098. Odea Bank A.Ş. started its operations in the "foreign 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 December 31, 2014 and December 31, 2013, 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	1.403.787	93,827%	1.403.787	93,827%
Audi Saradar Private Bank	90.698	6,062%	90.698	6,062%
Raymond Audi	555	0,037%	555	0,037%
Samir Hanna	555	0,037%	555	0,037%
Freddie Baz	555	0,037%	555	0,037%
	1.496.150	100,00%	1.496.150	100,00%

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ODEA BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014

(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 and 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	Raymond AUDI	Member Of The Board Of Directors	High school
	Imad ITANI	Member Of The Board Of Directors	PHD Degree
	Elia SAMAHA	Member Of The Board Of Directors	Bachelor's Degree
	Freddie BAZ	Member Of The Board Of Directors	PHD 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
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	Erol SAKALLIOĞLU	Commercial Banking	Bachelor's 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
	Naim HAKİM	Finance	Master Degree
	Serkan ÖZCAN	Economic Research and Strategic Planning	Master Degree
	Yalçın AVCI	Corporate Banking	Master Degree

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ODEA BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014

(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 December 31, 2014:

Name / Commercial Title	Share Amount	Share Ratios(*)	Paid up Shares(*)	Unpaid Shares
Bank Audi sal	1.403.787	93,827%	1.403.787	-
Audi Saradar Private Bank	90.698	6,062%	90.698	-

Among the Board of Directors, senior management and auditors, only Raymond Audi, Samir Hanna and Freddie Baz have shareholding in the bank at the rate of 0,037% separately.

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

The headquarter of the Bank is located in Istanbul and as of December 31, 2014, there are 48 domestic branches with 1.388 employees. The Bank is organized to operate in all operational aspects of corporate, commercial and retail banking under the scope of 4th Article of the Banking Law. The Bank has no subsidiaries in the financial sector.

Translated into English from the original Turkish report and financial statements

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

	Note Ref (Section Five)	Audited Current Period 31.12.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	I-1	358.908	2.471.754	2.830.662	112.666	1.664.512	1.777.178
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	I-2	10.007	37.107	47.114	4.600	96.583	101.183
2.1 Financial assets held for trading		10.007	37.107	47.114	4.600	96.583	101.183
2.1.1 Public sector debt securities		1.778	1.379	3.157	2.610	-	2.610
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		8.229	35.728	43.957	1.990	96.583	98.573
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	866.973	145.590	1.012.563	515.607	634.237	1.149.844
IV. MONEY MARKET PLACEMENTS		2.235.688	-	2.235.688	460.098	-	460.098
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		2.235.688	-	2.235.688	460.098	-	460.098
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	I-4	485.884	377.170	863.054	942.532	-	942.532
5.1 Share certificates		-	-	-	-	-	-
5.2 Public sector debt securities		485.884	377.170	863.054	942.532	-	942.532
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	I-5	9.991.194	8.020.266	18.011.460	6.968.909	4.375.561	11.344.470
6.1 Loans and receivables		9.834.606	8.020.266	17.854.872	6.931.480	4.375.561	11.307.041
6.1.1 Loans to risk group of the Bank		-	-	-	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		9.834.606	8.020.266	17.854.872	6.931.480	4.375.561	11.307.041
6.2 Non-performing loans		264.175	-	264.175	46.186	-	46.186
6.3 Specific provisions (-)		107.587	-	107.587	8.757	-	8.757
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	I-6	-	300.091	300.091	-	-	-
8.1 Public sector debt securities		-	300.091	300.091	-	-	-
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	116.962	-	116.962	104.438	-	104.438
XV. INTANGIBLE ASSETS (Net)	I-13	57.442	-	57.442	48.246	-	48.246
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		57.442	-	57.442	48.246	-	48.246
XVI. INVESTMENT PROPERTY (Net)	I-14	-	-	-	-	-	-
XVII. TAX ASSET	I-15	18.398	-	18.398	30.154	-	30.154
17.1 Current tax asset		-	-	-	11.834	-	11.834
17.2 Deferred tax asset		18.398	-	18.398	18.320	-	18.320
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	I-16	6.132	-	6.132	-	-	-
18.1 Held for sale		6.132	-	6.132	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	I-17	85.440	37.131	122.571	48.410	103.243	151.653
TOTAL ASSETS		14.233.028	11.389.109	25.622.137	9.235.660	6.874.136	16.109.796

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

	Note Ref. (Section Five)	Audited Current Period 31.12.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	9.605.029	11.456.011	21.061.040	5.881.732	6.490.226	12.371.958
1.1 Deposits from risk group of the Bank		17.137	566.336	583.473	59.552	284.413	343.965
1.2 Other		9.587.892	10.889.675	20.477.567	5.822.180	6.205.813	12.027.993
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	II-2	19.841	30.822	50.663	42.650	60.705	103.355
III. FUNDS BORROWED	II-3	8.760	1.402.363	1.411.123	3.008	1.164.365	1.167.373
IV. MONEY MARKET BALANCES		138.889	-	138.889	221.454	-	221.454
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	II-4	138.889	-	138.889	221.454	-	221.454
V. MARKETABLE SECURITIES ISSUED (Net)		137.483	-	137.483	-	-	-
5.1 Bills		137.483	-	137.483	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		3.663	-	3.663	2.609	139	2.748
VIII. OTHER LIABILITIES	II-5	155.849	33.860	189.709	114.239	13.961	128.200
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	II-6	-	-	-	-	-	-
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-7	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	II-8	127.957	69.839	197.796	85.033	35.126	120.159
12.1 General loan loss provisions		84.706	69.839	154.545	55.949	35.126	91.075
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		6.303	-	6.303	3.143	-	3.143
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		36.948	-	36.948	25.941	-	25.941
XIII. TAX LIABILITY	II-9	41.385	-	41.385	24.313	-	24.313
13.1 Current tax liability		41.385	-	41.385	24.313	-	24.313
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	II-10	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	II-11	-	1.053.135	1.053.135	-	639.209	639.209
XVI. SHAREHOLDERS' EQUITY	II-12	1.340.796	(3.545)	1.337.251	1.331.027	-	1.331.027
16.1 Paid-in capital		1.496.150	-	1.496.150	1.496.150	-	1.496.150
16.2 Supplementary capital		876	(3.545)	(2.669)	(8.546)	-	(8.546)
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		876	(3.545)	(2.669)	(8.546)	-	(8.546)
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		(156.230)	-	(156.230)	(156.577)	-	(156.577)
16.4.1 Prior years' income/ (losses)		(156.577)	-	(156.577)	(19.572)	-	(19.572)
16.4.2 Current year income/ (losses)		347	-	347	(137.005)	-	(137.005)
16.5 Minority shares	II-14	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		11.579.652	14.042.485	25.622.137	7.706.065	8.403.731	16.109.796

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET
CONTINGENCIES AND COMMITMENTS AS OF DECEMBER 31, 2014
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

	Note Ref. (Section Five)	Audited Current Period 31.12.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		7.401.890	14.055.246	21.457.136	5.475.947	8.659.546	14.135.493
I. GUARANTEES	III-1	810.498	681.787	1.492.285	622.693	311.640	934.333
1.1 Letters of guarantee		804.578	201.336	1.005.914	622.693	121.548	744.241
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		804.578	201.336	1.005.914	622.693	121.548	744.241
1.2 Bank loans		5.920	48.766	54.686	-	44.079	44.079
1.2.1 Import letter of acceptance		5.920	48.766	54.686	-	44.079	44.079
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		-	431.685	431.685	-	146.013	146.013
1.3.1 Documentary letters of credit		-	431.685	431.685	-	146.013	146.013
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	685.649	457.452	1.143.101	827.826	1.321.011	2.148.837
2.1 Irrevocable commitments		685.649	457.452	1.143.101	827.826	1.321.011	2.148.837
2.1.1 Forward asset purchase and sales commitments		207.616	377.848	585.464	553.111	1.102.569	1.655.680
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		179.303	71.642	250.945	97.450	216.951	314.401
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		81.805	-	81.805	37.369	-	37.369
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		216.925	-	216.925	139.816	-	139.816
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		-	7.962	7.962	80	1.491	1.571
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	III-2	5.905.743	12.916.007	18.821.750	4.025.428	7.026.895	11.052.323
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		5.905.743	12.916.007	18.821.750	4.025.428	7.026.895	11.052.323
3.2.1 Forward foreign currency buy/sell transactions		541.081	799.181	1.340.262	396.221	550.815	947.036
3.2.1.1 Forward foreign currency transactions-buy		290.067	379.279	669.346	110.081	368.201	478.282
3.2.1.2 Forward foreign currency transactions-sell		251.014	419.902	670.916	286.140	182.614	468.754
3.2.2 Swap transactions related to foreign currency, and interest rates		2.695.790	6.042.615	8.738.405	1.161.037	3.197.882	4.358.919
3.2.2.1 Foreign currency swaps-buy		440.221	2.624.363	3.064.584	627.950	782.572	1.410.522
3.2.2.2 Foreign currency swaps-sell		1.964.221	1.111.706	3.075.927	221.559	1.218.478	1.440.037
3.2.2.3 Interest rate swaps-buy		145.674	1.153.273	1.298.947	155.764	598.416	754.180
3.2.2.4 Interest rate swaps-sell		145.674	1.153.273	1.298.947	155.764	598.416	754.180
3.2.3 Foreign currency, interest rate and securities options		2.668.872	6.074.211	8.743.083	2.468.170	3.278.198	5.746.368
3.2.3.1 Foreign currency options-buy		1.447.649	1.882.838	3.330.487	1.061.601	1.818.770	2.880.371
3.2.3.2 Foreign currency options-sell		1.221.223	2.141.897	3.363.120	1.406.569	1.459.428	2.865.997
3.2.3.3 Interest rate options-buy		-	1.024.738	1.024.738	-	-	-
3.2.3.4 Interest rate options-sell		-	1.024.738	1.024.738	-	-	-
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)		19.463.122	10.996.416	30.459.538	9.338.927	5.358.927	14.697.854
IV. ITEMS HELD IN CUSTODY		578.957	314.104	893.061	156.737	144.049	300.786
4.1 Assets under management		236.022	-	236.022	13.612	-	13.612
4.2 Investment securities held in custody		46.429	12.952	59.381	42.579	11.163	53.742
4.3 Checks received for collection		10.640	215.532	226.172	3.304	119.730	123.034
4.4 Commercial notes received for collection		285.866	85.620	371.486	97.242	13.156	110.398
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		18.884.165	10.682.312	29.566.477	9.182.190	5.214.878	14.397.068
5.1 Marketable securities		-	-	-	-	-	-
5.2 Guarantee notes		1.910.336	158.469	2.068.805	772.753	144.126	916.879
5.3 Commodities		2.105.178	-	2.105.178	820.095	-	820.095
5.4 Warrants		-	-	-	-	-	-
5.5 Properties		12.686.224	7.080.922	19.767.146	6.770.374	4.536.391	11.306.765
5.6 Other pledged items		2.182.427	3.442.921	5.625.348	818.968	534.361	1.353.329
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		26.865.012	25.051.662	51.916.674	14.814.874	14.018.473	28.833.347

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD ENDED
DECEMBER 31, 2014

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

III. STATEMENT OF INCOME

	Note (Section Five)	Audited Current Period 01.01-31.12.2014	Audited Prior Period 01.01-31.12.2013
I. INTEREST INCOME	IV-1	1.637.812	673.175
1.1 Interest on loans		1.409.240	523.446
1.2 Interest received from reserve deposits		881	-
1.3 Interest received from banks		44.432	14.972
1.4 Interest received from money market placements		96.648	78.235
1.5 Interest received from marketable securities portfolio		82.752	56.393
1.5.1 Held-for-trading financial assets		278	6.597
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		76.125	49.796
1.5.4 Investments held-to-maturity		6.349	-
1.6 Finance lease income		-	-
1.7 Other interest income		3.859	129
II. INTEREST EXPENSE	IV-2	1.057.937	534.868
2.1 Interest on deposits		994.688	500.157
2.2 Interest on funds borrowed		34.831	24.547
2.3 Interest on money market borrowings		16.334	10.164
2.4 Interest on securities issued		11.697	-
2.5 Other interest expense		387	-
III. NET INTEREST INCOME (I - II)		579.875	138.307
IV. NET FEES AND COMMISSIONS INCOME		42.327	7.114
4.1 Fees and commissions received		56.915	13.855
4.1.1 Non-cash loans		15.216	6.418
4.1.2 Other	IV-12	41.699	7.437
4.2 Fees and commissions paid		14.588	6.741
4.2.1 Non-cash loans		-	-
4.2.2 Other	IV-12	14.588	6.741
V. DIVIDEND INCOME	IV-3	-	-
VI. NET TRADING INCOME	IV-4	(36.069)	43.236
6.1 Securities trading gains/ (losses)		19.762	1.080
6.2 Gain/(losses) from derivative financial instruments		(64.404)	(11.206)
6.3 Foreign exchange gains/ (losses)		8.573	53.362
VII. OTHER OPERATING INCOME	IV-5	3.636	1.289
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		589.769	189.946
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-6	167.823	82.233
X. OTHER OPERATING EXPENSES (-)	IV-7	404.646	260.741
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		17.300	(153.028)
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	17.300	(153.028)
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-9	(16.953)	16.023
16.1 Provision for current income taxes		(18.501)	1.483
16.2 Provision for deferred taxes		1.548	14.540
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	IV-10	347	(137.005)
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	347	(137.005)

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED
UNDER SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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

	Audited Current Period 01.01-31.12.2014	Audited Prior Period 01.01-31.12.2013
I. Additions to marketable securities revaluation differences for available for sale financial assets	7.347	(10.516)
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	(1.470)	2.103
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	5.877	(8.413)
XI. Profit/Loss	347	(137.005)
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	18.811	(767)
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	(18.464)	(136.238)
XII. Total Profit/Loss accounted for in the period (X±XI)	6.224	(145.418)

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED DECEMBER 31, 2014

(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 Reserves	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																			
31/12/2013																			
I. Period Opening Balance		533.520	-	-	-	-	-	-	-	(19.572)	-	(133)	-	-	-	-	513.815	-	513.815
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)		533.520	-	-	-	-	-	-	-	(19.572)	-	(133)	-	-	-	-	513.815	-	513.815
Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	(8.413)	-	-	-	-	(8.413)	-	(8.413)
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	II-12	962.630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	962.630	-	962.630
14.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Paid-in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	19.572	(19.572)	-	-	-	-	-	-	-	-
XIX. Current Year Income or (Loss)		-	-	-	-	-	-	-	-	(137.005)	-	-	-	-	-	-	(137.005)	-	(137.005)
XX. Profit Distribution																			
20.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+V+.....+XVIII+XIX+XX)		1.496.150	-	-	-	-	-	-	-	(137.005)	(19.572)	(8.546)	-	-	-	-	1.331.027	-	1.331.027

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED DECEMBER 31, 2014

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

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 Reserves	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
CURRENT PERIOD 31/12/2014																			
I. Prior Period End Balance		1.496.150	-	-	-	-	-	-	-	(137.005)	(19.572)	(8.546)	-	-	-	-	1.331.027	-	1.331.027
Changes in the period																			
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	5.877	-	-	-	-	5.877	-	5.877
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	137.005	(137.005)	-	-	-	-	-	-	-	-
XVIII. Profit Distribution		-	-	-	-	-	-	-	-	347	-	-	-	-	-	-	347	-	347
18.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+XVII+XVIII)		1.496.150	-	-	-	-	-	-	-	347	(156.577)	(2.669)	-	-	-	-	1.337.251	-	1.337.251

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENTS OF CASH FLOW FOR THE PERIOD ENDED
DECEMBER 31, 2014

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

VI. STATEMENT OF CASH FLOW

	Note (Section Five)	Reviewed Current Period 31.12.2014	Reviewed Prior Period 31.12.2013
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		70.383	(377.547)
1.1.1 Interest received		1.595.326	404.231
1.1.2 Interest paid		(1.006.035)	(476.355)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		78.392	47.983
1.1.5 Other income		(14.628)	55.669
1.1.6 Collections from previously written off loans		19.364	-
1.1.7 Payments to personnel and service suppliers		(355.056)	(228.475)
1.1.8 Taxes paid		(227.031)	(103.876)
1.1.9 Others	VI-1	(19.949)	(76.724)
1.2 Changes in operating assets and liabilities		1.609.430	16.428
1.2.1 Net (increase) decrease in financial assets held for trading		(458)	(2.649)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		1.924	6.003
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(796.182)	(1.483.684)
1.2.4 Net (increase) decrease in loans		(6.537.786)	(9.338.235)
1.2.5 Net (increase) decrease in other assets	VI-1	11.958	(185.573)
1.2.6 Net increase (decrease) in bank deposits		294.959	332.027
1.2.7 Net increase (decrease) in other deposits		8.355.635	9.494.701
1.2.8 Net increase (decrease) in funds borrowed		159.248	1.023.451
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	VI-1	120.132	170.387
I. Net cash provided from banking operations		1.679.813	(361.119)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(294.330)	(968.822)
2.1 Cash paid for purchase of jointly controlled entities, associates and subsidiaries		-	-
2.2 Cash obtained from sale of jointly controlled entities, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(65.664)	(111.024)
2.4 Fixed assets sales		-	-
2.5 Cash paid for purchase of financial assets available for sale		(381.409)	(916.441)
2.6 Cash obtained from sale of financial assets available for sale		450.414	58.643
2.7 Cash paid for purchase of investment securities		(297.671)	-
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		488.972	1.423.990
3.1 Cash obtained from funds borrowed and securities issued (*)		289.232	461.360
3.2 Cash used for repayment of funds borrowed and securities issued (*)		(150.000)	-
3.3 Capital increase		-	962.630
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other (**)		349.740	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	VI-1	19.949	76.724
V. Net increase / (decrease) in cash and cash equivalents		1.894.404	170.773
VI. Cash and cash equivalents at beginning of the period	VI-2	1.767.934	1.597.161
VII. Cash and cash equivalents at end of the period	VI-2	3.662.338	1.767.934

(*) 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 150.000, maturity of 6 months, discounted and with a simple interest rate of 10% on 26 May 2014, and a bill amounting to TL 150.000 with a simple interest rate of 9,86% on August 18, 2014, both to be sold to qualified investors in the domestic market.

(**) 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 accompanying notes are an integral part of these financial statements.

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED PROFIT DISTRIBUTION TABLE FOR THE PERIOD ENDED
DECEMBER 31, 2014

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

VII. PROFIT DISTRIBUTION TABLE

	Audited Current Period 31.12.2014(*)	Audited Prior Period 31.12.2013
I. DISTRIBUTION OF CURRENT YEAR INCOME/(LOSS)		
1.1 CURRENT YEAR INCOME/(LOSS)	17.300	(153.028)
1.2 TAXES AND DUTIES PAYABLE (-)	(16.953)	16.023
1.2.1 Corporate tax (Income tax)	(18.501)	1.483
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	1.548	14.540
A. NET INCOME FOR THE YEAR (1.1-1.2)	347	(137.005)
1.3 PRIOR YEARS' LOSSES (-)	(137.005)	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	-	-
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE	-	-
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) Authorized body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2014

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Bank prepares financial statements and notes according to Communiqué on Banks' Accounting Practice and Maintaining Documents published in the Official Gazette numbered 26333 dated November 1, 2006, Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures published in the Official Gazette numbered 28337 dated June 28, 2012, Turkish Accounting Standards (TAS), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK") and Turkish Financial Reporting Standards (TFRS), other regulations, communiqués, circulars and pronouncements made by Banking Regulation and Supervision Agency (BRSA) in respect of accounting and financial reporting and maintains its books of accounts in Turkish Lira. The preparation of 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 on the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are explained in the related notes and reflected to the income statement. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The 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 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, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective, have no impact on the accounting policies, financial condition and performance of the Bank. The Bank assess the impact of TFRS 9 Financial Instruments standard.

The accounting policies and valuation principles applied in the preparation of financial statements are determined and applied in accordance with TAS and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2013. The amendments of TAS and TFRS which have entered into force as of January 1, 2014 have no material impact on the Bank's accounting policies, financial position and performance. The aforementioned accounting policies and valuation principles are explained in Notes II to XXIII below.

Additional paragraph for convenience translation into English:

The differences between accounting principles, as described in the preceding paragraphs, and 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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF DECEMBER 31, 2014

(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 December 31, 2014 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.

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) AS OF DECEMBER 31, 2014

(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 (CONTINUED)
AS OF DECEMBER 31, 2014

(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 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 31 December 2014, the Bank has specific provision amount to TL 107.587 for its non-performing loans (December 31, 2013: TL 8.757).

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.

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) AS OF DECEMBER 31, 2014

(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 December 31, 2014, the Bank has TL 2.235.688 of reverse repo transactions (December 31, 2013: TL 460.098).

As of December 31, 2014, the Bank has TL 138.889 funds provided under repurchase agreements (December 31, 2013: TL 221.454).

As of December 31, 2014, the Bank does not have any marketable securities lending transaction (December 31, 2013: None).

X. Explanations on Assets Held for Sale and Discontinued Operations

Assets held for sale with high probability of sale, are those under a plan prepared by the management regarding the sale of the asset to be disposed (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

As of December 31, 2014, the Bank has TL 6.132 assets held for sale (December 31, 2013: None).

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 December 31, 2014 and December 31, 2013 the Bank does not have any discontinued operations.

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) AS OF DECEMBER 31, 2014

(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 No: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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF DECEMBER 31, 2014

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

XIV. Explanations on Provisions and Contingent Liabilities

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

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.

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 December 31, 2014, the Bank has corporate income tax provision amounting to TL 18.501 in the statement of income (December 31, 2013: None).

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XVI. Explanations on Taxation (continued)

Deferred Tax Liability / Asset:

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

In accordance with TAS 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 18.398 in the statement of income (December 31, 2013: TL 18.320).

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.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio, the capital adequacy ratio is calculated in accordance with the “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio” (the “Regulation”), “Regulation Credit Risk Mitigation Techniques”, “Regulation on calculation of Risk-Weighted Amounts of Securitizations” published in the Official Gazette No. 28337 dated June 28, 2012 (“Regulation”) and “Regulation Regarding Banks’ Shareholders’ Equity” published in the Official Gazette No. 26333 as of November 1, 2006. As of December 31, 2014 the Bank’s capital adequacy ratio is 13,70 % (December 31, 2013: 15,61 %).

In the computation of capital adequacy standard ratio, the information prepared in accordance with statutory accounting requirements is used. The credit risk amount and market risk amount is calculated in accordance with the communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" and is taken into consideration in the capital adequacy standard ratio calculation.

In the computation of credit risk amount, the Bank classifies its loans in relevant risk weighted assets taking into considerations its risk class, and the remaining risk mitigating items. In taking into consideration of risk mitigation items, “comprehensive financial collateral” method is used.

The values deducted from the capital base in the shareholders’ equity computation are excluded while calculating credit risk-weighted assets. Assets subject to depreciation and impairment among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

In the calculation of the value at credit risk for the non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions that are classified under liabilities and calculated based on the “Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables”. The net amounts are then multiplied by the rates stated in the 3rd clause of Article 5 of the Regulation, reduced as per the “Regulation on Credit Risk Mitigation Techniques” and then included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

In the calculation of the value at credit risk for the derivative financial the receivables from counterparties are multiplied by the rates defined in the Appendix-2 of the Regulation, reduced as per the “Regulation on Credit Risk Mitigation Techniques” and then included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

I. Information related to the capital adequacy ratio:

	Risk Weights									
	Bank									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	
The amount subject to credit risk	-	-	198.161	2.119.024	1.009.551	12.496.610	209.309	1.182.890	65	
Risk Types	3.363.628	-	990.805	4.238.049	1.346.069	12.496.610	139.539	591.445	26	
Contingent and Non-Contingent Receivables from central governments or central banks	3.235.979	-	-	304.403	-	377.170	-	-	-	
Contingent and Non-Contingent Receivables on Regional or Local governments	-	-	-	-	-	-	-	-	-	
Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-	-	
Contingent and Non-Contingent Receivables on Multilateral Development Banks	-	-	-	-	-	-	-	-	-	
Contingent and Non-Contingent Receivables on International Organizations	-	-	-	-	-	-	-	-	-	
Contingent and Non-Contingent Receivables on Banks and Capital Market Intermediary	-	-	990.804	253.377	-	16.675	1	-	-	
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	10.490.159	-	-	-	
Contingent and Non-Contingent Retail Receivables	-	-	-	-	1.346.069	28.294	-	-	-	
Contingent and Non-Contingent Receivables Secured by Mortgages	-	-	-	3.661.341	-	1.184.434	138	4.571	-	
Past Due Receivables	-	-	-	17.189	-	103.164	13.941	-	-	
Receivables defined in high risk category by Regulator Secured by mortgages	-	-	-	1.739	-	2.625	125.459	586.874	26	
Securitization positions	-	-	-	-	-	-	-	-	-	
Short-Term Receivables from Banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-	
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	
Other Receivables	127.649	-	1	-	-	294.089	-	-	-	

Summary information related to the capital adequacy ratio:

	December 31, 2014	December 31, 2013
Capital Requirement for Credit Risk (Value at Credit Risk*0,08) (CRCR)	1.377.249	966.558
Capital requirement for market risk (II)(Value at Market Risk*0,08) (MRCR)	21.417	21.814
Capital requirement for operational risk (III) (ORCR)	18.787	9.274
Equity	2.427.261	1.946.925
Tier I Capital/((CRCR+CRMR+CROR)*12,5*100	10,85%	9,97%
Common Equity/((CRCR+CRMR+CROR)*12,5*100	7,15%	-
Equity/((CRCR+CRMR+CROR) * 12.5) * 100	13,70%	15,61%

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Information related to the components of shareholders' equity:

Common Equity	December 31, 2014
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	(2.669)
Profit	-
Current Period Profit	347
Prior Period Profit	-
Provisions for Possible Risks	-
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-
Common Equity Before Deductions	1.493.828
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 (-)	156.577
Leasehold improvements (-)	59.194
Goodwill or other intangible assets and deferred tax liability related to these items (-)	10.912
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	226.683
Total Common Equity	1.267.145
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)(*)	699.480
Additional Tier I Capital before Deductions	699.480
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	699.480
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 (-)	43.649
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	1.922.976
TIER II CAPITAL	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014) (**)	349.740
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	154.545
Tier II Capital Before Deductions	504.285
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	504.285
CAPITAL	2.427.261
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 (-)	-
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	2.427.261
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	18.398

(*) 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 Related to the Capital Adequacy Standard Ratio (continued)

Information related to the components of shareholders' equity:

	December 31, 2013
CORE CAPITAL	
Paid in Capital	1.496.150
Nominal capital	1.496.150
Capital commitments (-)	-
Inflation adjustment to share capital	-
Share premium	-
Cancellation profits	-
Legal reserves	-
Inflation adjustment of legal reserves	-
Profit	-
Current period net profit	-
Prior years' profit	-
Provision for possible losses up to 25% of the Core Capital	-
Profit on disposal of associates, subsidiaries and immovables	-
Primary subordinated debts up to 15% of the Core Capital	-
Losses that cannot be covered by reserves (-)	156.577
Current period loss (net)	137.005
Prior years' losses	19.572
Leasehold improvements (-)	48.396
Intangible assets (-)	48.246
Deferred tax asset exceeding 10% of the Core Capital (-)	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-
Total Core Capital	1.242.931
SUPPLEMENTARY CAPITAL	
General loan loss reserves	91.075
45% of the revaluation reserve for movable fixed assets	-
45% of the of revaluation reserve for properties	-
Bonus shares of investment in associates, subsidiaries and joint ventures	-
Primary subordinated loans excluded in the calculation of the Core Capital	-
Secondary subordinated loans	621.465
45% value increase of available for sale financial assets and associates and subsidiaries	(8.546)
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	-
Total Supplementary Capital	703.994
CAPITAL	1.946.925
DEDUCTIONS FROM THE CAPITAL	
Investments in Unconsolidated Financial Institutions (Domestic, Foreign) and Banks	-
The Secondary Subordinated Loans extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and Debt Instruments That Have Primary Secondary Subordinated Loan Nature Purchased From Them	-
Investment in Financial Institutions (Domestic, Foreign) and Banks, in which less than 10% equity interest is exercised and that exceeds 10% and more of the total core and supplementary capital of the Bank	-
Loans extended as contradictory to the articles 50 and 51 of the law	-
The net book value of Bank's Immovables that are 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed according to banking law article 57 as they have been held for more than five years from the acquisition date	-
Other	-
Total Shareholders' Equity	1.946.925

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)**Details on Subordinated Liabilities:**

Details on Subordinated Loans			
Lender	Bank Audi sal	Bank Audi sal	Bank Audi sal
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA
Regulatory treatment	Tier I Capital	Tier I Capital	Tier II Capital
Whether the sub-loan is subject to 10% decrease starting from 1/1/2015	No	No	No
Eligible at stand-alone / consolidated (*)	Stand Alone	Stand Alone	Stand Alone
Instrument type (types to be specified by each jurisdiction) (**)	Tier I-Subordinated Loan	Tier I-Subordinated Loan	Tier II-Subordinated Loan
Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date)	233.160	466.320	349.740
Per value of instrument (Thousand USD)	100.000	200.000	150.000
Accounting classification	Liability-Subordinated Loans	Liability-Subordinated Loans	Liability-Subordinated Loans
Original date of issuance	27/12/2012	24/09/2013	31/10/2014
Perpetual or dated	Perpetual	Perpetual	Dated
Original maturity date	-	-	-
Issuer call subject to prior supervisory approval	Yes	Yes	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.	Within the first month after 5th year with the condition of new borrowing which is provided same requirements.	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	Within the first month after 5th year	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	Noncumulative	Noncumulative
Convertible or non-convertible	Yes	Yes	Yes
If convertible, conversion trigger (s)	Regulation of banks on equity which is numbered 7-2-i	Regulation of banks on equity which is numbered 7-2-i	Regulation of banks on equity which is numbered 7-2-i
If convertible, fully or partially	Remaining principal and interest	Remaining principal and interest	Remaining principal and interest
If convertible, conversion rate	Remaining principal and interest	Remaining principal and interest	Remaining principal and interest
If convertible, mandatory or optional conversion	Optional	Optional	Optional
If convertible, specify instrument type convertible into	Equity	Equity	Equity
If convertible, specify issuer of instrument it converts into	Odea Bank A.Ş	Odea Bank A.Ş	Odea Bank A.Ş
Write-down feature	None	None	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	After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital	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	Contains all the items stated in article 7	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	Contains all the items stated in article 7	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 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".

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Explanations on Internal Capital Management

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

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

II. Explanations Related to Credit Risk

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

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

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

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

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II. Explanations Related to Credit Risk (continued)

	Current Period Risk Amount (*)	Average Net Loan Amount After Provisions
Risk Types(*)		
Contingent and Non-Contingent Receivables from central governments or central banks	3.919.478	3.765.593
Contingent and Non-Contingent Receivables from regional or local governments	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-
Contingent and Non-Contingent Receivables from banks and brokerage houses	1.852.277	2.343.961
Contingent and Non-Contingent Corporates	12.300.652	10.261.565
Contingent and Non-Contingent Retail Receivables	1.720.517	1.268.513
Contingent and Non-Contingent Receivables Secured by Mortgages	4.939.341	3.660.678
Past Due Receivables	134.294	46.044
Receivables defined in high risk category by Regulator	738.790	566.736
Secured by mortgages	-	-
Securitization positions	-	-
Short-Term Receivables from Banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other Receivables	421.739	370.685
Total	26.027.088	22.283.775

(*) The figures represent total risk amounts before Credit Risk Mitigation and before credit conversion factor.

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

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

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

The proportion of the Bank's top 100 and 200 cash loan customers' in total cash loans is 48% and 60% respectively.

The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 77% and 90%.

The proportion of the Bank's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans is 30% and 35% respectively.

The Bank provided a general loan loss provision amounting to TL 154.545 (31 December 2013: TL 91.075).

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II. Explanations Related to Credit Risk (continued)

Information on loan types and provisions:

31 December 2014	Corporate	Commercial	Retail	Total
Standard Loans	7.807.258	8.012.946	1.537.266	17.357.470
Close Monitoring Loans	42.338	367.194	87.870	497.402
Loans Under Follow-up	12.877	160.357	90.941	264.175
Specific Provision (-)	(2.139)	(71.964)	(33.484)	(107.587)
Total	7.860.334	8.468.533	1.682.593	18.011.460

31 December 2013	Corporate	Commercial	Retail	Total
Standard Loans	4.956.104	5.557.611	743.655	11.257.370
Close Monitoring Loans	20.710	20.830	8.131	49.671
Loans Under Follow-up	-	44.427	1.759	46.186
Specific Provision (-)	-	(8.363)	(394)	(8.757)
Total	4.976.814	5.614.505	753.151	11.344.470

Information on past due loan and other receivables:

31 December 2014	Corporate	Commercial	Retail	Total
Not past due and 30 days past due	7.807.258	8.012.946	1.537.266	17.357.470
30-60 days past due	40.470	265.699	51.591	357.760
60-90 days past due	1.868	101.495	36.279	139.642
Total	7.849.596	8.380.140	1.625.136	17.854.872

31 December 2013	Corporate	Commercial	Retail	Total
Not past due and 30 days past due	4.956.104	5.557.611	743.655	11.257.370
30-60 days past due	20.710	5.027	7.842	33.579
60-90 days past due	-	15.803	289	16.092
Total	4.976.814	5.578.441	751.786	11.307.041

Information on debt securities, treasury bills and other eligible bills:

Moody's	BAA3	B2	Total
Financial assets at fair value through profit and loss (net)	3.157	-	3.157
Financial assets available for sale (net)	485.884	377.170	863.054
Held to maturity investments (net)	300.091	-	300.091
Total	789.132	377.170	1.166.302

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II. Explanations Related to Credit Risk (continued)

Significant Risks that are significant on the profile of the regions

Risk Classifications (*)

31 Dec 2014

	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	Total
Domestic	3.540.382	-	-	-	-	1.201.134	11.247.949	1.403.734	4.849.777	134.294	734.689	-	-	-	-	421.739	23.533.698
European Union Countries	-	-	-	-	-	33.454	46.690	207	707	-	4.101	-	-	-	-	-	85.159
OECD Countries**	-	-	-	-	-	181	-	205	-	-	-	-	-	-	-	-	386
Off-shore Banking Regions	-	-	-	-	-	-	-	168	-	-	-	-	-	-	-	-	168
USA, Canada	-	-	-	-	-	8.261	-	-	-	-	-	-	-	-	-	-	8.261
Other Countries	377.170	-	-	-	-	17.826	177.302	1.796	-	-	-	-	-	-	-	-	574.094
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3.917.552	-	-	-	-	1.260.856	11.471.941	1.406.110	4.850.484	134.294	738.790	-	-	-	-	421.739	24.201.766

31 Dec 2013

	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	Total
Domestic	2.686.097	-	-	-	-	103.696	10.435.015	391.675	634.699	37.429	261.538	-	-	932.495	-	317.740	15.800.384
European Union Countries	-	-	-	-	-	1.727	-	-	343	-	198	-	-	212.353	-	-	214.621
OECD Countries**	-	-	-	-	-	-	21.304	-	-	-	-	-	-	71.520	-	-	92.824
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	85.052	-	-	85.052
Other Countries	-	-	-	-	-	5.930	7.452	2.736	-	-	5	-	-	21.036	-	-	37.159
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2.686.097	-	-	-	-	111.353	10.463.771	394.411	635.042	37.429	261.741	-	-	1.322.456	-	317.740	16.230.040

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

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

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

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II. Explanations Related to Credit Risk (continued)

Risk Classifications (*)

Sector concentrations for cash loans:

31 December 2014

Sectors/Counterparties	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	TL	FC	Total
1 Agriculture	-	-	-	-	-	-	97.586	16.232	21.090	-	-	-	-	-	-	-	106.900	28.008	134.908
1.1 Farming and Raising Livestock	-	-	-	-	-	-	83.072	13.794	20.681	-	-	-	-	-	-	-	102.650	14.897	117.547
1.2 Fores TL, Wood and Paper	-	-	-	-	-	-	-	268	-	-	-	-	-	-	-	-	268	-	268
1.3 Fishery	-	-	-	-	-	-	14.514	2.170	409	-	-	-	-	-	-	-	3.982	13.111	17.093
2 Manufacturing	-	-	-	-	-	-	3.951.579	226.541	947.606	19.582	5.227	-	-	-	-	-	2.257.945	2.892.590	5.150.535
2.1 Mining and Quarry	-	-	-	-	-	-	169.960	22.528	90.193	-	-	-	-	-	-	-	187.066	95.615	282.681
2.2 Production	-	-	-	-	-	-	3.404.198	203.100	847.303	19.582	5.227	-	-	-	-	-	1.910.141	2.569.269	4.479.410
2.3 Electricity, Gas and Water	-	-	-	-	-	-	377.421	913	10.110	-	-	-	-	-	-	-	160.738	227.706	388.444
3 Construction	-	-	-	-	-	-	2.877.801	124.701	1.615.744	4.163	3.349	-	-	-	-	-	2.051.765	2.573.993	4.625.758
4 Services	-	-	-	-	-	-	1.260.856	3.751.201	340.588	28.039	12.544	-	-	-	-	-	4.611.183	2.340.592	6.951.775
4.1 Wholesale and Retail Trade	-	-	-	-	-	-	1.692.154	258.091	447.369	21.669	10.969	-	-	-	-	-	2.086.722	343.530	2.430.252
4.2 Hotel, Tourism, Food and Beverage Services	-	-	-	-	-	-	294.583	15.460	665.129	-	-	-	-	-	-	-	212.632	762.540	975.172
4.3 Transportation and Communication	-	-	-	-	-	-	1.161.789	44.463	132.823	155	149	-	-	-	-	-	613.329	726.050	1.339.379
4.4 Financial Institutions	-	-	-	-	-	-	1.260.856	109.738	1.239	99.050	1.154	12	-	-	-	-	1.144.923	327.126	1.472.049
4.5 Real Estate and Renting Services.	-	-	-	-	-	-	72.858	5.264	58.783	2.368	1.396	-	-	-	-	-	93.300	47.369	140.669
4.6 Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7 Education Services	-	-	-	-	-	-	167.032	3.400	55.548	188	4	-	-	-	-	-	226.172	-	226.172
4.8 Health and Social Services	-	-	-	-	-	-	253.047	12.671	99.845	2.505	14	-	-	-	-	-	234.105	133.977	368.082
5 Other	3.917.552	-	-	-	-	-	793.774	698.048	707.497	82.510	717.670	-	-	-	-	-	421.739	3.641.412	3.697.378
Total	3.917.552	-	-	-	-	-	1.260.856	11.471.941	1.406.110	134.294	738.790	-	-	-	-	-	421.739	12.669.205	11.532.561

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

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III. Explanations Related to Credit Risk (continued)

Risk Classifications (*)

Sector concentrations for cash loans:

31 December 2013

Sectors/Counterparties	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Retail Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Securitization Positions	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	TL	FC	Total
1 Agriculture	-	-	-	-	-	-	101.793	-	1.155	22.705	-	-	-	-	-	-	111.412	14.241	125.653
1.1 Farming and Raising Livestock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Fores TL, Wood and Paper	-	-	-	-	-	-	-	97.950	1.155	22.705	-	-	-	-	-	-	107.569	14.241	121.810
1.3 Fishery	-	-	-	-	-	-	-	3.843	-	-	-	-	-	-	-	-	3.843	-	3.843
2 Manufacturing	-	-	-	-	-	-	2.987.082	-	57.837	6.225	1.158	-	-	-	-	-	1.563.154	1.489.148	3.052.302
2.1 Mining and Quarry	-	-	-	-	-	-	220.441	-	10.051	-	-	-	-	-	-	-	136.986	93.506	230.492
2.2 Production	-	-	-	-	-	-	2.766.641	-	47.786	6.225	1.158	-	-	-	-	-	1.426.168	1.395.642	2.821.810
2.3 Electricity, Gas and Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Construction	-	-	-	-	-	-	2.653.794	-	351.888	1.366	-	-	-	-	-	-	1.750.871	1.256.177	3.007.048
4 Services	-	-	-	-	-	111.353	3.094.974	19	129.872	5.768	8	-	-	1.322.456	-	-	3.127.467	1.536.983	4.664.450
4.1 Wholesale and Retail Trade	-	-	-	-	-	-	1.767.692	-	33.733	5.449	-	-	-	-	-	-	1.525.148	281.726	1.806.874
4.2 Hotel, Tourism, Food and Beverage Services	-	-	-	-	-	-	559.744	-	45.625	-	-	-	-	-	-	-	254.940	350.429	605.369
4.3 Transportation and Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.4 Financial Institutions	-	-	-	-	-	111.353	203.772	-	36.310	-	-	-	-	1.322.456	-	-	861.392	812.499	1.673.891
4.5 Real Estate and Renting Services.	-	-	-	-	-	-	329.723	-	11.786	319	-	-	-	-	-	-	249.633	92.195	341.828
4.6 Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7 Education Services	-	-	-	-	-	-	102.928	19	1.368	-	-	-	-	-	-	-	104.315	-	104.315
4.8 Health and Social Services	-	-	-	-	-	-	131.115	-	1.050	-	8	-	-	-	-	-	132.039	134	132.173
5 Other	2.686.097	-	-	-	-	-	1.626.128	394.392	94.290	1.365	260.575	-	-	-	-	317.740	2.886.405	2.494.182	5.380.587
Total	2.686.097	-	-	-	-	111.353	10.463.771	394.411	635.042	37.429	261.741	-	-	1.322.456	-	317.740	9.439.311	6.790.729	16.230.040

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

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II. Explanations Related to Credit Risk (continued)

Maturity Distribution of Remaining Maturities of time exposures:

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Risk Types	Time to Maturity					Total
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	
Due from central governments or central banks	2.415.653	-	-	-	1.164.994	3.580.647
Regional or Local Government Receivables	-	-	-	-	-	-
Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-
Receivables on Multilateral Development Banks	-	-	-	-	-	-
Receivables on International Organizations	-	-	-	-	-	-
Receivables on Banks and Brokerage Houses	1.117.200	7.623	25.041	26.032	67.410	1.243.306
Receivables from Corporates	972.911	799.894	1.044.794	2.572.121	6.011.691	11.401.411
Retail Receivables	76.904	100.439	163.218	444.526	397.607	1.182.694
Receivables Secured by Mortgages	150.453	78.410	179.859	380.829	4.060.890	4.850.441
Past Due Receivables	-	-	-	-	-	-
Receivables defined in high risk category by Regulators	-	-	-	-	716.315	716.315
Secured by mortgages	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporates	-	-	-	-	-	-
Investment similar to collective investment funds	-	-	-	-	-	-
Other Receivables	1	-	-	-	-	1
Total	4.733.122	986.366	1.412.912	3.423.508	12.418.907	22.974.815

31 December 2013

Risk Types	Time to Maturity					Total
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	
Due from central governments or central banks	2.170	77.288	282.516	150.763	431.965	944.702
Regional or Local Government Receivables	-	-	-	-	-	-
Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-
Receivables on Multilateral Development Banks	-	-	-	-	-	-
Receivables on International Organizations	-	-	-	-	-	-
Receivables on Banks and Brokerage Houses	-	-	17.246	10.467	83.640	111.353
Receivables from Corporates	559.230	716.485	921.223	1.513.225	6.158.035	9.868.198
Retail Receivables	31.134	2.189	2.072	9.965	320.649	366.009
Receivables Secured by Mortgages	16.304	30.838	78.381	66.443	368.274	560.240
Past Due Receivables	-	-	-	-	-	-
Receivables defined in high risk category by Regulators	-	7.729	1.629	7.859	244.524	261.741
Secured by mortgages	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporates	917.090	27.625	-	-	-	944.715
Investment similar to collective investment funds	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	1.525.928	862.154	1.303.067	1.758.722	7.607.087	13.056.958

Risk by Risk Weights Balances:

Risk Weights (*)	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	Deductions from the shareholders' equity	Total
1 Amount before the credit risk mitigation	3.363.628	-	990.805	588.708	1.833.553	16.671.995	144.017	609.034	26	-	-	24.201.766
2 Amount after the credit risk mitigation	3.363.628	-	990.805	4.238.049	1.346.069	12.496.610	139.539	591.445	26	-	-	23.166.171

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

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II. Explanations Related to Credit Risk (continued)

Important sectors or type of information according to counterparty

Sectors/Counterparties	Loans (*)		Impairment	Provisions
	Impaired Receivables	Past Due Receivables		
Agricultural				
Farming and raising livestock	41.656	796	16	41.656
Forestry	-	-	-	-
Fishing	-	-	-	-
Manufacturing				
Mining	-	8.361	167	-
Production	31.867	25.522	510	7.473
Electricity, Gas, Water	840	14.359	287	420
Construction	12.262	14.392	288	4.722
Services				
Wholesale and retail trade	44.008	44.657	893	11.935
Hotel, Food, Beverage services	-	10	0	-
Transportation and Telecommunication	698	23.696	474	394
Financial Institutions	4.849	42	1	545
Real Estate and Lending Service	-	-	-	-
Self employment service	-	-	-	-
Education Service	-	729	15	-
Health and social services	23.438	3.279	66	4.961
Other	104.557	78.552	1.571	35.481
Total	264.175	214.395	4.288	107.587

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

Information related to Impairment and Loan Loss Provisions:

	Opening Balance	The amount of provision in the period	Reversal of Provision	Other Provisions(*)	Closing Balance
1 Specific Provisions	8.757	104.353	-	(5.523)	107.587
2 General Provisions	91.075	63.470	-	-	154.545

(*) As of December 31, 2014 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 5.510 have been removed from the assets, by the bank (December 31, 2013: None).

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II. Explanations Related to Credit Risk (continued)

Internal credit rating system

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

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

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

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II. Explanations Related to Credit Risk (continued)

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

Debtors financial Position	Degree	Portion
Debtor has a solid financial position	1	5%
Debtor has a good financial position	2	71%
Debtor's financial position is at risk within short and medium term	3	21%
Debtor's financial position is at high risk within short term	4	3%
Debtor has been defaulted	5	0%
Debtor has not been rated	6	0%

Collateral Distribution

31 December 2014	Corporate	Commercial	Retail	Total
Deposit	420.066	1.060.769	44.948	1.525.783
Mortgage	1.925.419	3.569.506	451.813	5.946.738
Assignment of claim	894.983	468.569	-	1.363.552
Cheque	274.724	984.970	-	1.259.694
Pledge of vehicle	85.935	62.735	23.804	172.474
TOTAL	3.601.127	6.146.549	520.565	10.268.241

31 December 2013	Corporate	Commercial	Retail	Total
Deposit	43.017	448.714	21.198	512.929
Mortgage	1.351.032	2.859.193	255.080	4.465.305
Assignment of claim	349.248	372.698	6.820	728.766
Cheque	125.544	103.395	5	228.944
Pledge of vehicle	68.102	61.198	15.037	144.337
TOTAL	1.936.943	3.845.198	298.140	6.080.281

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

III. Explanations Related to Market Risk

The Bank has defined market risk management operations and taken the necessary precautions in order to hedge market risk within its financial risk management purposes, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" which was published in the Official Gazette on June 28, 2012 numbered 28337 and "Regulation Regarding Banks' Shareholders' Equity".

The Board of Directors determines the limits for the basic risk that the Bank is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Bank. Additionally, the Board of Directors has ensured that the risk management division and senior management has taken necessary precautions to describe, evaluate, control and manage risks faced by the Bank.

Interest rate and exchange rate risks, arising from the volatility in the financial markets are measured, and in the computation of capital adequacy, the amount subject to risk calculated by using the standard method (summarized below) is taken into consideration.

The risks of on-balance sheet and off-balance sheet accounts positions depending on fluctuations in the financial markets are measured by the bank. Information regarding market risk which has taken into account in the calculation of the regulatory capital is presented below:

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III. Explanations Related to Market Risk (continued)

Information Related to Market Risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	6.768
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	110
(III) Capital requirement for specific risk in securitisation positions- Standard Method	-
(IV) Capital Requirement to be Employed For Currency Risk – Standard Method	4.308
(V) Capital Requirement to be Employed For Commodity Risk – Standard Method	-
(VI) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VII) Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	494
(VIII) Capital requirement for counterparty credit risk - Standard Method	9.737
(IX) Capital requirement for market risk for banks applying Risk Measurement Model	-
(X) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VII+VIII)	21.417
(XI) Capital requirement for market risk (12.5 x IX) or (12.5 x X)	267.713

Average market risk table of calculated market risk at month ends:

	December 31, 2014(*)			December 31, 2013(*)		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	6.457	8.055	4.316	7.154	15.505	3.392
Common Stock Risk	-	-	-	-	-	-
Currency Risk	5.604	16.781	1.645	13.529	29.580	4.176
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	441	746	155	869	338	320
Counterparty Risk	7.917	12.484	3.716	6.331	11.601	1.310
Total Value Subject to Risk	20.419	33.232	14.457	27.883	57.024	9.198

(*) In alignment with "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" published in the Official Gazette No. 28337 dated 28/06/2012, from July 2012 on, Basel 2 has been applied in terms of capital adequacy. Up until July 2012, for capital adequacy ratio calculation, "Regulation on Procedures and Principles for Determination of Quantification of Loans and Other Receivables by Banks and Provisions to be set aside" published in the Official Gazette No.26333 dated November 1, 2006 was applied.

Quantitative Counterparty Risk Information

	Amount
Interest Rate Based Contracts	6.693
Exchange Rate Based Contracts(*)	76.454
Commodity Based Contracts	-
Common Stock Based Contracts	-
Gross Profit Fair Value(**)	54.522
Benefits to Clarify	-
Net Amount of Current Risk	-
Guarantees Held	-
The Net Position of Derivatives(***)	137.669
Other	-

(*) Principal

(**) Positive Replacement Cost

(***) Calculated Counterparty Credit Risk

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III. Explanations Related to Market Risk (continued)

For counterparty credit risks, limits are set by Board of Directors. Counterparty credit risk is managed by the Financial Institutions Department of the Bank by taking into account the counterparty's financial reports, general overview, rating, current and expected transaction volumes with the Bank. Within the scope Regulation on the Internal Systems of Banks and Regulation on Measurement and Assessment of Capital Adequacy of Bank's, published in the Official Gazette No. 28337 dated June 28, 2012, "Counterparty Credit Risk Management Policy" is prepared, approved by the Board of Directors and published in the Bank.

Other price risks:

The Bank does not have share certificates quoted on a stock exchange hence it is not subject to share price risk.

IV. Explanations Related to Operational Risk

Basic indicators approach:

The annual gross income is composed of net interest income and net non-interest income after deducting realised gains/losses from the sale of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

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

	2 PY Amount	1 PY Amount	CY Amount	Total / Total number of years for which gross income is positive	Rate (%)	Total
Gross income	-	61.830	188.661	125.246	15	18.787
The amount subject to operational risk (Total*12,5)(*)					-	234.838

(*) With the approval of BRSA dated November 19, 2012 and numbered 23254, as of December 31, 2014 the Bank calculate the amount subject to operational risk is TL 234.838.

V. Explanations Related to 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.

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V. Explanations Related to Currency Risk (continued)

The announced current foreign exchange buying rates of the Bank at December 31, 2014 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	24 Dec 2014	25 Dec 2014	26 Dec 2014	27 Dec 2014	30 Dec 2014	31 Dec 2014
USD	2,3197	2,3154	2,3183	2,3217	2,3278	2,3316
CHF	2,3522	2,3478	2,3462	2,3528	2,3565	2,3518
GBP	3,6053	3,5986	3,6057	3,6070	3,6211	3,6282
100 JPY	0,0193	0,0193	0,0193	0,0193	0,0196	0,0195
EURO	2,8305	2,8374	2,8221	2,8309	2,8344	2,8295

	24 Dec 2013	25 Dec 2013	26 Dec 2013	27 Dec 2013	28 Dec 2013	31 Dec 2013
USD	2,0812	2,0710	2,0957	2,1604	2,1343	2,1304
CHF	2,3194	2,3111	2,3337	2,4307	2,3899	2,3868
GBP	3,3978	3,3735	3,4286	3,5601	3,5114	3,5157
100 JPY	1,9908	1,9795	1,9955	2,0557	2,0231	2,0240
EURO	2,8466	2,8353	2,8693	2,9844	2,9365	2,9344

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before December 31, 2014 are as follows:

	Monthly Average Foreign Exchange Rate
USD	2,2958
CHF	2,3501
GBP	3,5881
100 JPY	0,0192
EURO	2,8274

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V. Explanations Related to Currency Risk (continued)

December 31, 2014	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	24.949	2.445.264	1.541	2.471.754
Banks	3.006	141.881	703	145.590
Financial Assets at Fair Value Through Profit and Loss (***)	-	1.379	-	1.379
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	-	377.170	-	377.170
Loans (*)	3.437.008	5.720.406	-	9.157.414
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Held-To-Maturity Investments	-	300.091	-	300.091
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	28.592	8.539	-	37.131
Total Assets	3.493.555	8.994.730	2.244	12.490.529
Liabilities				
Bank Deposits	201.818	380.592	-	582.410
Other Deposits	3.743.685	7.122.288	7.628	10.873.601
Derivative financial liabilities (****)	-	-	-	-
Funds Provided From Other Financial Institutions	306.197	1.061.912	34.254	1.402.363
Subordinated Loan	-	1.053.135	-	1.053.135
Miscellaneous Payables	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities (***)	24.885	8.970	5	33.860
Total Liabilities	4.276.585	9.626.897	41.887	13.945.369
Net Balance Sheet Position	(783.030)	(632.167)	(39.643)	(1.454.840)
Net Off-Balance Sheet Position	788.435	383.711	66.500	1.238.646
Financial Derivative Assets	2.310.584	4.521.093	232.813	7.064.490
Financial Derivative Liabilities	1.489.723	4.197.819	163.974	5.851.516
Forward deposit purchase commitments	50.195	151.565	-	201.760
Forward deposit sales commitments	82.621	91.128	2.339	176.088
Non-Cash Loans (**)	210.618	469.664	1.505	681.787
December 31, 2013				
Total Assets	1.950.927	5.837.242	19.437	7.807.606
Total Liabilities	1.808.369	6.466.216	33.315	8.307.900
Net Balance Sheet Position	142.558	(628.974)	(13.878)	(500.294)
Net Off-Balance Sheet Position	9.428	459.431	14.163	483.022
Financial Derivative Assets	934.159	2.417.025	216.776	3.567.960
Financial Derivative Liabilities	1.193.962	2.062.183	202.790	3.458.935
Forward deposit purchase commitments	289.038	448.186	1.059	738.283
Forward deposit sales commitments	19.807	343.597	882	364.286
Non-Cash Loans (**)	105.319	205.718	603	311.640

(*) Foreign currency indexed loans amounting to TL 1.137.148 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	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
USD	% 10	(24.846)	(16.954)	(24.846)	(16.954)
USD	%(10)	24.846	16.954	24.846	16.954
EUR	% 10	541	15.199	541	15.199
EUR	%(10)	(541)	(15.199)	(541)	(15.199)

(*) Represents before tax amounts

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VI. Explanations Related to 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
December 31, 2014							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	302.555	-	-	-	-	2.528.107	2.830.662
Banks	1.004.428	-	-	-	-	8.135	1.012.563
Financial Assets at Fair Value Through Profit and Loss	12.775	10.171	14.015	5.094	5.059	-	47.114
Money Market Placements	2.235.688	-	-	-	-	-	2.235.688
Available-For-Sale Financial Assets	103.079	258.970	82.212	41.623	377.170	-	863.054
Loans	2.183.851	4.459.815	5.938.515	3.952.861	1.319.830	156.588	18.011.460
Held-To-Maturity Investments	-	-	-	300.091	-	-	300.091
Other Assets	-	-	-	-	-	321.505	321.505
Total Assets	5.842.376	4.728.956	6.034.742	4.299.669	1.702.059	3.014.335	25.622.137
Liabilities							
Bank Deposits	368.753	153.982	8.900	-	-	96.605	628.240
Customer Deposits	12.115.909	6.765.051	370.008	3.587	-	1.178.245	20.432.800
Money Market Borrowings	138.889	-	-	-	-	-	138.889
Miscellaneous Payables	-	-	-	-	-	3.663	3.663
Marketable Securities Issued	-	137.483	-	-	-	-	137.483
Subordinated Loans	-	-	-	-	353.655	699.480	1.053.135
Funds Provided From Other Financial Institutions	476.873	434.666	325.102	117.400	57.082	-	1,411.123
Other Liabilities (*)	7.973	13.990	19.297	9.118	285	1.766.141	1.816.804
Total Liabilities	13.108.397	7.505.172	723.307	130.105	411.022	3.744.134	25.622.137
Balance Sheet Long Position	-	-	5.311.435	4.169.564	1.291.037	-	10.772.036
Balance Sheet Short Position	(7.266.021)	(2.776.216)	-	-	-	(729.799)	(10.772.036)
Off-Balance Sheet Long Position	4.169.166	1.643.491	1.320.579	1.901.511	353.216	-	9.387.953
Off-Balance Sheet Short Position	(4.189.510)	(1.658.673)	(1.386.234)	(1.941.168)	(258.204)	-	(9.433.789)
Total Position	(7.286.365)	(2.791.398)	5.245.780	4.129.907	1.386.049	(729.799)	(45.836)

(*) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 1.337.251, TL 41.385 tax liabilities, TL 197.796 provisions and TL 189.709 other liabilities.

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VI. Explanations Related to 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, 2013							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	1.777.178	1.777.178
Banks	849.884	-	-	-	-	299.960	1.149.844
Financial Assets at Fair Value Through Profit and Loss	2.123	9.755	56.437	29.518	3.350	-	101.183
Money Market Placements	460.098	-	-	-	-	-	460.098
Available-For-Sale Financial Assets	-	328.774	433.278	180.480	-	-	942.532
Loans	1.436.981	1.757.290	3.268.551	3.480.343	1.363.877	37.428	11.344.470
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	334.491	334.491
Total Assets	2.749.086	2.095.819	3.758.266	3.690.341	1.367.227	2.449.057	16.109.796
Liabilities							
Bank Deposits	215.189	106.079	11.629	-	-	95	332.992
Customer Deposits	7.412.677	4.022.548	105.063	24	-	498.654	12.038.966
Money Market Borrowings	221.454	-	-	-	-	-	221.454
Miscellaneous Payables	-	-	-	-	-	2.748	2.748
Subordinated Loans	-	-	-	-	639.209	-	639.209
Funds Provided From Other Financial Institutions	249.002	460.346	351.320	-	106.705	-	1.167.373
Other Liabilities (*)	5.254	26.693	47.738	23.670	-	1.603.699	1.707.054
Total Liabilities	8.103.576	4.615.666	515.750	23.694	745.914	2.105.196	16.109.796
Balance Sheet Long Position	-	-	3.242.516	3.666.647	621.313	343.861	7.874.337
Balance Sheet Short Position	(5.354.490)	(2.519.847)	-	-	-	-	(7.874.337)
Off-Balance Sheet Long Position	1.608.225	1.207.158	1.885.109	782.813	40.045	-	5.523.350
Off-Balance Sheet Short Position	(1.629.713)	(1.203.856)	(1.871.921)	(783.436)	(40.045)	-	(5.528.971)
Total Position	(5.375.978)	(2.516.545)	3.255.704	3.666.024	621.313	343.861	(5.621)

(*) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 1.331.027 TL 24.313 tax liabilities, TL 120.159 provisions and TL 128.200 other liabilities.

Interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
December 31, 2014				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	1,51
Banks	-	0,22	-	10,94
Financial Assets at Fair Value Through Profit and Loss	-	4,81	-	8,86
Money Market Placements	-	-	-	11,23
Available-For-Sale Financial Assets	-	6,03	-	8,44
Loans	5,94	5,90	-	13,59
Held-To-Maturity Investments	-	4,95	-	-
Liabilities				
Bank Deposits	2,87	2,65	-	10,10
Customer Deposits	2,62	2,59	-	10,26
Money Market Borrowings	-	-	-	8,25
Subordinated Loans	-	6,50	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	9,93
Funds Provided From Other Financial Institutions	2,17	2,03	-	-

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VI. Explanations Related to Interest Rate Risk (continued)

Interest sensitivity of assets, liabilities and off-balance sheet items (based on reprising dates):

	EURO %	USD %	JPY %	TL %
December 31, 2013				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0,29	0,23	-	7,57
Financial Assets at Fair Value Through Profit and Loss	-	-	-	9,58
Money Market Placements	-	-	-	7,74
Available-For-Sale Financial Assets	-	-	-	7,41
Loans	6,17	5,75	-	11,87
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	3,16	3,13	-	8,13
Customer Deposits	3,25	3,40	-	9,09
Money Market Borrowings	-	-	-	4,50
Subordinated Loans	-	5,00	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	2,01	3,18	-	5,23

Nature of interest rate risk resulted from banking book:

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

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

Unit of Currency	Applicable Shock (+ / -) base point)*	Profit/ Loss	Profit / Equity Capital – Loss / Equity Capital
TL	500	(314.870)	(12,97)%
	(400)	299.075	12,32%
EUR	200	(11.655)	(0,48)%
	(200)	148	0,01%
USD	200	9.870	0,41%
	(200)	(100.425)	(4,14)%
Total (For Positive Shock)		(316.655)	(13,04)%
Total (For Negative Shock)		198.798	8,19%

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

VII. Explanations Related to Share Certificates Position Risk

The Bank has no outstanding share certificate position.

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VIII. Explanations Related to Liquidity Risk

Liquidity risk occurs when there is insufficient cash or cash inflows to meet the cash outflows completely and timely.

Liquidity risk may also occur when the market penetration is not adequate, when the open positions cannot be closed quickly at suitable prices and sufficient amounts due to barriers and break-ups at the markets.

The Bank's policy is to establish an asset structure that can meet all kinds of liabilities by liquid sources at all times. In this context, liquidity problem has not been faced in any period. In order to maintain this, the Board of Directors of the Bank continuously determines standards for the liquidity ratios, and monitors them.

According to the general policies of the Bank, the maturity and interest rate structure of assets, and liabilities is always monitored. A positive difference is tried to be established between the yields of assets and liabilities on the balance sheet and their costs. In this sense, various crisis scenarios which are prepared by Risk Management Group are presented to Senior Management and Audit Committee.

When the funding and liquidity sources are considered, the Bank covers majority of its liquidity need by deposits, and in addition to this source, it makes use of bond issuance, pre-financing and syndication products to generate additional sources.

In accordance with the "Communiqué on the Measurement and Assessment of Liquidity Adequacy of the Banks" published in the Official Gazette dated 1 November 2006 No. 26333, beginning from 1 June 2007 liquidity ratio of the banks on a weekly and monthly basis should not be less than 80% for foreign currency denominated assets and liabilities, and for total assets and liabilities it should not be less than 100%. The Bank's liquidity ratios as at 31 December 2014 is presented below:

	Current Period			
	31 December 2014			
	First maturity tranche		Second maturity	
	(weekly)		tranche	
	FC	TL + FC	FC	TL + FC
Average (%)	214	251	125	144
Maximum (%)	309	351	226	250
Minimum (%)	171	194	85	106
	Prior Period			
	31 December 2013			
	First maturity tranche		Second maturity	
	(weekly)		tranche	
	FC	TL + FC	FC	TL + FC

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VIII. Explanations Related to Liquidity Risk (continued)

Presentation of assets and liabilities according to their remaining maturities:

December 31, 2014	Demand	Up to 1 Month	1-3 Month	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	2.830.662	-	-	-	-	-	-	2.830.662
Banks	8.135	1.004.428	-	-	-	-	-	1.012.563
Financial Assets at Fair Value Through Profit and Loss	11.927	9.842	11.729	7.429	3.730	2.457	-	47.114
Money Market Placements	-	2.235.688	-	-	-	-	-	2.235.688
Available-For-Sale Financial Assets	-	103.079	-	82.212	41.781	635.982	-	863.054
Loans	156.588	1.409.761	924.192	4.430.264	6.350.581	4.740.074	-	18.011.460
Held-To-Maturity Investments	-	-	-	-	300.091	-	-	300.091
Other Assets	-	-	-	-	-	-	321.505	321.505
Total Assets	3.007.312	4.762.798	935.921	4.519.905	6.696.183	5.378.513	321.505	25.622.137
Liabilities								
Bank Deposits	96.605	368.753	153.982	8.900	-	-	-	628.240
Customer Deposits	1.178.245	12.115.909	6.765.051	370.008	3.587	-	-	20.432.800
Funds Provided From Other Financial Institutions	-	476.873	434.666	325.102	117.400	57.082	-	1.411.123
Money Market Borrowings	-	138.889	-	-	-	-	-	138.889
Marketable Securities Issued	-	-	137.483	-	-	-	-	137.483
Subordinated Loans	-	-	-	-	-	353.655	699.480	1.053.135
Miscellaneous Payables	-	-	-	-	-	-	3.663	3.663
Other Liabilities (**)	-	18.644	13.042	11.581	6.564	832	1.766.141	1.816.804
Total Liabilities	1.274.850	13.119.068	7.504.224	715.591	127.551	411.569	2.469.284	25.622.137
Liquidity Gap	1.732.462	(8.356.270)	(6.568.303)	3.804.314	6.568.632	4.966.944	(2.147.779)	-
Prior period								
Total Assets	2.114.567	2.058.779	720.570	3.058.271	4.921.253	2.901.865	334.491	16.109.796
Total Liabilities	498.749	8.103.576	4.615.666	515.750	23.694	745.914	1.606.447	16.109.796
Liquidity Gap	1.615.818	(6.044.797)	(3.895.096)	2.542.521	4.897.559	2.155.951	(1.271.956)	-

(*) 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 other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 1.337.251, TL 41.385 tax liabilities, TL 197.796 provisions and TL 189.709 other liabilities.

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VIII. Explanations Related to Liquidity Risk (continued)

Analysis of financial liabilities by remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments (*)	Total
As of December 31, 2014								
Bank Deposits	96.605	465.896	155.076	9.029	-	-	-	726.606
Customer deposits	1.178.245	12.609.460	6.987.429	390.728	3.709	-	-	21.169.571
Subordinated Loans	699.480	-	-	-	-	355.676	-	1.055.156
Funds Provided From Other Financial Institutions	-	479.859	436.815	328.895	145.447	75.608	-	1.466.624
Funds From interbank money market	-	139.264	-	-	-	-	-	139.264
Total	1.974.330	13.694.479	7.579.320	728.652	149.156	431.284	-	24.557.221

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments (*)	Total
As of December 31, 2013								
Bank Deposits	95	215.535	106.509	11.733	-	-	-	333.872
Customer deposits	498.654	7.929.926	4.053.789	107.765	26	-	-	12.590.160
Subordinated Loans	-	-	-	-	-	960.591	-	960.591
Funds Provided From Other Financial Institutions	-	250.983	468.167	1.126.245	-	-	-	1.845.395
Funds From interbank money market	-	-	-	-	-	-	-	-
Total	498.749	8.396.444	4.628.465	1.245.743	26	960.591	-	15.730.018

Analysis of contractual expiry by maturity of the Bank's derivative financial instruments:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2014						
Gross settled						
Foreign exchange forward contracts	710.187	258.338	371.737	-	-	1.340.262
Currency swaps	3.325.934	2.073.516	456.365	284.696	-	6.140.511
Interest rate swap agreement	10.322	-	256.150	2.107.634	223.788	2.597.894
Foreign currency sell and buy options	4.317.239	970.310	1.383.571	22.487	-	6.693.607
Interest rate sell and buy options	-	-	238.982	1.422.862	387.632	2.049.476
Total	8.363.682	3.302.164	2.706.805	3.837.679	611.420	18.821.750

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2013						
Gross settled						
Foreign exchange forward contracts	283.353	243.117	398.639	21.927	-	947.036
Currency swaps	1.945.120	647.406	82.119	175.914	-	2.850.559
Interest rate swap agreement	-	-	59.862	1.368.408	80.090	1.508.360
Foreign currency sell and buy options	1.009.473	1.520.491	3.216.404	-	-	5.746.368
Interest rate sell and buy options	-	-	-	-	-	-
Total	3.237.946	2.411.014	3.757.024	1.566.249	80.090	11.052.323

IX. Explanations Related to Securitization Positions

None.

X. Explanations Related to Credit Risk Mitigation Techniques

All available financial collaterals, which have been used in comprehensive financial collateral method, are used by the Bank according to the credit risk mitigation technique. As the Bank has only cash blockage, treasury bills and government bonds, as collateral only those types of collaterals are included in the calculation.

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X. Explanations Related to Credit Risk Mitigation Techniques (continued)

Collateral on the basis of risk classes

December 31, 2014

Risk Types	Current period risk amount(*)	Financial Collateral	Other / Physical Collateral	Guaranties and Credit Derivatives
Contingent and Non-Contingent Receivables from central governments or central banks	3.919.478	-	-	-
Contingent and Non-Contingent Receivables on Regional and Local governments	-	-	-	-
Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-
Contingent and Non-Contingent Receivables on Multilateral Development Banks	-	-	-	-
Contingent and Non-Contingent Receivables on International Organizations	-	-	-	-
Contingent and Non-Contingent Receivables on Banks and brokerage houses	1.852.277	-	-	-
Contingent and Non-Contingent receivables from corporates	12.300.652	1.006.279	-	-
Contingent and Non-Contingent Retail Receivables	1.720.517	34.951	-	-
Contingent and Non-Contingent Receivables Secured by Mortgages	4.939.341	-	-	-
Past Due Receivables	134.294	-	-	-
Receivables defined in high risk category by Regulator	738.790	22.067	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporate	-	-	-	-
Investment similar to collective investment funds	-	-	-	-
Other Receivables	421.739	-	-	-
Total	26.027.088	1.063.297	-	-

December 31, 2013

Risk Types	Prior period risk amount (*)	Financial Collateral	Other / Physical Collateral	Guarantees and Credit Derivatives
Contingent and Non-Contingent Receivables from central governments or central banks	2.686.097	-	-	-
Contingent and Non-Contingent Receivables on Regional and Local governments	-	-	-	-
Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-
Contingent and Non-Contingent Receivables on Multilateral Development Banks	-	-	-	-
Contingent and Non-Contingent Receivables on International Organizations	-	-	-	-
Contingent and Non-Contingent Receivables on Banks and brokerage houses	117.306	-	-	-
Contingent and Non-Contingent receivables from corporates	11.084.094	235.186	-	-
Contingent and Non-Contingent Retail Receivables	509.441	7.297	-	-
Contingent and Non-Contingent Receivables Secured by Mortgages	666.323	49.227	-	-
Past Due Receivables	37.429	-	-	-
Receivables defined in high risk category by Regulator	261.741	5.687	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporate	2.977.711	-	-	-
Investment similar to collective investment funds	-	-	-	-
Other Receivables	317.740	-	-	-
Total	18.657.882	297.397	-	-

(*) The figures represent total risk amounts before Credit Risk Mitigation and before credit conversion factor.

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XI. Explanations Related to Risk Management Objectives and Policies

Risk management strategies and practices are defined as follows: The Bank's Risk Management Unit was established as an independent unit which reports to the Member of Audit Committee who is responsible for the Audit, Internal Control and Risk Management.

Risk management is committed to control processes in order to determine the limits and measurement of operational risks, including the risks comprising of credit, market, interest rate, concentration, counterparty, banking accounts and IT risks.

Objective of risk policies: In line with "Regulation on Internal Systems of Banks (published in the Official Gazette dated June 28, 2012 numbered 28337)", sustaining the Bank's operations in accordance with the Banks's strategic plans, mission, targets, profitability and productivity principles by determining Bank's risk strategy and maximum risk level in line with the volume, qualification and complexity of the Bank's operations. Moreover, ensuring to conserve the interests of depositors and the Bank's shareholder's interest at a maximum level.

Risk Management regularly reports to Senior Management and the Audit Committee all the risks the bank is exposed to and concentrations, and the Bank's own internal limits of the legal limits are monitored daily, weekly, monthly and quarterly. These reports consist of, market risk limits, liquidity and interest rate, credit risk analysis and capital adequacy analysis and daily value at risk (VAR) analysis. These reports are also presented to Asset-Liability Management Committee on a weekly and Audit committee on a monthly basis . Financial instruments in the Bank's portfolio are closely monitored and reported on a daily basis against volatility and market values of market risk instruments.

Monthly scenario analyzes on economic capital, capital adequacy, liquidity and profitability scenarios and credit risk on Bank's loan portfolio including benchmark of similar banks are presented to the Audit Committee. Management follows the Bank's performance and the limits by using these detailed reports.

Risk Management Group calculates Basel II capital adequacy calculation, namely Credit Risk, Market Risk and Operational Risk, in accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Bank's" published in the Official Gazette dated June 28, 2012 numbered 28337."

At the Bank, by considering Regulation on the Internal Systems of Banks published in the Official Gazette No. 28337 dated June 28, 2012 banking processes and policies were established. Consequently, related procedures/policies are formed and then approved by the Board of Directors at August 2012.

In order to manage operational risks that the Bank is exposed to more effectively and form an integrated risk management point of view, Operational Risk Policy and IT Continuity Plan was updated.

In order to define, measure, limit and report market risk the Bank is exposed to, Market Risk Policy is formed. When the Bank manages its treasury securities portfolio within the limits determined by the Board of Directors, Risk Management Group checks whether Treasury Department is within these risk limits.

Liquidity Risk is the risk that the Bank cannot fulfill its payment obligations fully and on time due to its insufficient cash inflow or due to inadequate available cash resulting from the mismatch between cash inflows and outflows. In order to define, measure, follow, report the liquidity risk the Bank is exposed to and take necessary actions for the results, Liquidity Risk Policy is formed. When Liquidity Risk Policy is formed, to manage the net liquidity position and liquidity requirement on an ongoing and forward-looking basis is aimed at.

Concentration risk is the risk within credit risk that is exposed according to individual debtor and debtor groups, to debtor groups that indicate similar characteristics in terms of economic and regional sector qualities, on the basis of the assets subject to the collateral securities similar to the risk that is to be considered also within the scope of the market risk and operational risk. In order to define, measure, follow and manage the concentration risk the Bank is exposed to, Concentration Risk Policy is formed. Concentration limits are monitored in compliance with the credit, deposit and related policies.

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XI. Explanations Related to Risk Management Objectives and Policies (continued)

Counterparty credit risk refers to the default risk of the counterparty of the transaction before the last payment in the cash flow of this transaction of which brings an obligation to both sides. In order to define, measure, follow and manage the counterparty credit risk the Bank is exposed to Counterparty Credit Risk and Clearing Risk Policy is formed. Counterparty credit risk management is conducted by the Financial Institutions Department of the Bank by taking into account the counterparty's financial reports, general overview, rating, current and expected transaction volumes. The limits for counterparties are determined by the Board of Directors.

"Banking Book" includes all Assets and Liabilities (including credit) except trading securities portfolio. In order to define, measure, follow, report the interest rate risk related to banking book risk the Bank is exposed to and take necessary actions for the results, interest rate risk policy related to banking book is formed. Interest rate risk is managed by senior management in order to avoid losses from adverse interest rate movements.

Regarding internal assessment process which aims at the Bank has capital requirement according to its risk profile, Capital Requirement Internal Management Procedure is prepared. Within internal capital management scope, the Bank has established a stress test based management by taking into account the estimated maximum loss amount that may occur in credit, operational, market and other risks as well as the changes in the market.

Risk Management Procedure is formed in such a way that it includes all the definitions above.

Structure and organization of risk management system, in respect of Risk Management Unit is committed to board of directors. Commitment to the board of directors is realized through Audit Committee.

Hedging Risk and Process of Risk Mitigation Policies and Process Related to Control Their Effectiveness Continuously: Bank carries out risk mitigation processes and risk hedging for credit risk in accordance with credit risk policies. Risks related to market risk are measured and monitored in accordance with application procedures and policies. In this respect the limits are allocated by the Board of Directors. Limits are monitored, reported, in the event of any limit exceed it is reported to relevant committees and units through documentation by electronic mail. In addition, information about limits on use and loan segment concentration is presented to Audit Committee and the Board of Directors on quarterly.

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XII. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value

	Book Value December 31, 2014	Fair Value December 31, 2014	Book Value December 31, 2013	Fair Value December 31, 2013
Financial Assets	22.422.856	23.128.060	13.859.515	11.998.252
Money Market Placements	2.235.688	2.235.688	460.098	460.098
Banks	1.012.563	1.012.563	1.149.844	1.149.844
Available-For-Sale Financial Assets	863.054	863.054	942.532	942.532
Held-To-Maturity Investments	300.091	301.775	-	-
Loans	18.011.460	18.714.980	11.307.041	9.445.778
Financial Liabilities	23.666.444	23.605.256	14.309.488	14.204.552
Bank Deposits	628.240	628.240	332.991	333.778
Other Deposits	20.432.800	20.456.278	12.038.967	12.040.907
Funds Borrowed From Other Financial Institutions	1.411.123	1.330.155	1.167.373	1.165.538
Subordinated Loans	1.053.135	1.049.220	639.209	533.381
Issued Bonds	137.483	137.700	-	-
Miscellaneous Payables	3.663	3.663	130.948	130.948

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

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

Aforesaid fair value hierarchy is determined as follows.

a) Quoted market prices (non-adjusted) (1st level)

b) Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)

c) Data not based on observable data regarding assets or liabilities (3rd level)

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

December 31, 2014	Level 1	Level 2	Level 3	Total
Financial Assets	866.211	43.957	-	910.168
Financial Assets at Fair Value through Profit and Loss	3.157	43.957	-	47.114
Available-For-Sale Financial Assets	863.054	-	-	863.054
Financial Liabilities	-	50.663	-	50.663
Derivative financial liabilities held for trading	-	50.663	-	50.663
December 31, 2013	Level 1	Level 2	Level 3	Total
Financial Assets	945.142	98.573	-	1.043.715
Financial Assets at Fair Value through Profit and Loss	2.610	98.573	-	101.183
Available-For-Sale Financial Assets	942.532	-	-	942.532
Financial Liabilities	-	103.355	-	103.355
Derivative financial liabilities held for trading	-	103.355	-	103.355

XIII. Explanations Related To Transactions Made on Behalf of Others and Fiduciary Transactions

The Bank provides security purchase-sell and safe keeping services in the name of real persons and legal entities. Details of investment securities held in custody are given in the Statement of Off Balance Sheet Contingencies and Commitments.

XIV. Explanations Related to Hedge Accounting

None.

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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:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Cash in Vault	56.353	56.883	33.100	45.357
Balances with the Central Bank of Turkey	302.555	2.414.871	79.566	1.619.155
Other	-	-	-	-
Total	358.908	2.471.754	112.666	1.664.512

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

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Unrestricted demand deposits	302.555	49	79.566	515
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	2.414.822	-	1.618.640
Total	302.555	2.414.871	79.566	1.619.155

c) Explanations related to reserve deposits:

As of December 31, 2014, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11.5% depending on the maturity of deposits (December 31, 2013 – 5% to 11.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of deposits (December 31, 2013 – 6% to 13%).

With regard to the press release of the Central Bank of the Republic of Turkey dated October 21, 2014 and numbered 2014-72 as of November 2014, interest payments have started on the TL portion of Reserve Requirements at the rate of the weighted average funding costs of the Central Bank of the Republic of Turkey less 700 base points.

In accordance with the declaration by the T.C. Central Bank on January 3, 2015 numbered 2015-1, as of the February 13, 2015 obligation schedule, the Banks shall book required reserves at the rate of 6% to 18% depending on the structure of the maturity for non-deposit foreign currency obligations which they need to hold as required reserve in the account of the T.C Central Bank's.

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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:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Classified as unrestricted deposit	1.778	1.379	2.610	-
Subject to repurchase agreements	-	-	-	-
Given as collateral/blocked	-	-	-	-
Total	1.778	1.379	2.610	-

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:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Forward Transactions	1.491	4.255	392	14.051
Swap Transactions	2.471	18.960	1.379	10.199
Futures Transactions	-	-	-	-
Options	4.267	12.513	219	72.333
Other	-	-	-	-
Total	8.229	35.728	1.990	96.583

3. a) Information on banks:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Banks				
Domestic	866.973	137.565	515.607	334.438
Foreign	-	8.025	-	299.799
Branches and head office abroad	-	-	-	-
Total	866.973	145.590	515.607	634.237

b) Information on foreign bank accounts:

	Unrestricted	Amount	Restricted Amount	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
European Union Countries	3.550	134.148	-	-
USA and Canada	4.325	151.721	-	-
OECD Countries (*)	130	13.930	-	-
Other	20	-	-	-
Total	8.025	299.799	-	-

(*) OECD countries other than European Union countries, USA and Canada

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

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

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

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	205.577	-	244.163	-
Other	-	-	-	-
Total	205.577	-	244.163	-

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

As of December 31, 2014, available-for-sale financial assets subject to repurchase agreements amount to TL 134.264 (31 December 2013: TL 221.166).

b) Information on financial assets available for sale portfolio:

	December 31, 2014	December 31, 2013
Debt securities	863.054	942.532
Quoted on a stock exchange	863.054	942.532
Not quoted	-	-
Share certificates	-	-
Quoted on a stock exchange	-	-
Not quoted	-	-
Value Decrease (-) / Increase (+)	-	-
Total	863.054	942.532

5. Information on loans:

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

	December 31, 2014		December 31, 2013	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	11.000
Corporate shareholders	-	-	-	11.000
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	4.846	-	2.578	-
Total	4.846	-	2.578	11.000

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

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

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables (Total)	Restructured or Rescheduled	Other	Loans and Other Receivables (Total)	Restructured or Rescheduled	Other
Non-specialized loans	3.014.414	17.064	-	91.223	6.979	-
Discount notes	-	-	-	-	-	-
Export loans	1.217.283	14.220	-	3.353	3.258	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	-	-	-	-	-	-
Foreign loans	256.392	-	-	-	-	-
Consumer loans	1.393.582	2.844	-	73.975	3.696	-
Credit cards	147.157	-	-	13.895	25	-
Precious metals loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Specialized loans	14.343.056	115.731	-	406.179	276.028	-
Other receivables	-	-	-	-	-	-
Total	17.357.470	132.795	-	497.402	283.007	-

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	132.795	283.007
Extended by 3,4 or 5 times	-	-
Extended by more than 5 times	-	-
Total	132.795	283.007

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	112.260	197
6 - 12 Months	19.633	693
1 - 2 Years	100	104.017
2 - 5 Years	802	178.100
5 Years and over	-	-
Total	132.795	283.007

d) Loans according to their maturity structure:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables (Total)	Agreement Conditions Modified	Loans and Other Receivables (Total)	Agreement Conditions Modified
Short term loans and other receivables	5.439.892	72.082	78.389	5.635
Non-Specialized loans	5.439.892	72.082	78.389	5.635
Specialized loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and long-term loans and other receivables	11.917.578	60.713	419.013	277.372
Non-Specialized loans	11.917.578	60.713	419.013	277.372
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	17.357.470	132.795	497.402	283.007

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

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

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	109.025	1.346.346	1.455.371
Housing Loans	1.511	594.829	596.340
Car Loans	83	22.245	22.328
General Purpose Loans	106.975	729.272	836.247
Other	456	-	456
Consumer Loans –Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	156.463	754	157.217
With Installments	42.311	754	43.065
Without Installments	114.152	-	114.152
Individual Credit Cards-FC	62	-	62
With Installments	26	-	26
Without Installments	36	-	36
Personnel Loans-TL	519	4.027	4.546
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	519	4.027	4.546
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	287	13	300
With Installments	135	13	148
Without Installments	152	-	152
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL(Real Persons)	7.640	-	7.640
Overdraft Accounts-FC(Real Persons)	-	-	-
Total	273.996	1.351.140	1.625.136

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

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

Current Period- 31.12.2014			
	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	63.640	2.031.128	2.094.768
Business Loans	-	270	270
Car Loans	570	29.393	29.963
General Purpose Loans	62.409	1.590.320	1.652.729
Other	661	411.145	411.806
Commercial loans with installment facility - Indexed to FC	5.025	274.550	279.575
Business Loans	-	-	-
Car Loans	-	10.997	10.997
General Purpose Loans	5.025	261.454	266.479
Other	-	2.099	2.099
Commercial loans with installment facility –FC	-	447.308	447.308
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	158.588	158.588
Other	-	288.720	288.720
Corporate Credit Cards-TL	3.473	-	3.473
With Installments	-	-	-
Without Installments	3.473	-	3.473
Corporate Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL(Legal Entities)	201.890	-	201.890
Overdraft Accounts-FC(Legal Entities)	-	-	-
Total	274.028	2.752.986	3.027.014

g) Loans according to types of borrowers:

	December 31, 2014	December 31, 2013
Private Sector	17.854.872	11.307.041
Public Sector	-	-
Total	17.854.872	11.307.041

h) Distribution of domestic and foreign loans:

	December 31, 2014	December 31, 2013
Domestic loans	17.598.480	11.243.566
Foreign loans	256.392	63.475
Total	17.854.872	11.307.041

i) Loans granted to subsidiaries and associates: None.

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

j) Specific provisions provided against loans :

	December 31, 2014	December 31, 2013
Specific provisions		
Loans and receivables with limited collectability	15.296	6.594
Loans and receivables with doubtful collectability	39.573	1.939
Uncollectible loans and receivables	52.718	224
Total	107.587	8.757

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

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

k.2) The movement of non-performing loans:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
December 31, 2013 balance	38.601	7.361	224
Additions (+)	239.521	-	3.342
Transfers from other categories of non-performing loans (+)	-	153.132	62.998
Transfers to other categories of non-performing loans (-)	153.132	62.998	-
Collections (-)	14.520	2.359	2.485
Write-offs (-)	-	-	5.510
Corporate and commercial loans	-	-	-
Retail loans	-	-	5.510
Credit cards	-	-	-
Indexation difference (-)	-	-	-
Other	-	-	-
December 31, 2014 balance	110.470	95.136	58.569
Specific provision (-)	15.296	39.573	52.718
Net Balances on Balance Sheet	95.174	55.563	5.851

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

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

	III. Grup	IV. Grup	V. Grup
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and other receivables
December 31, 2014 (Net)	95.174	55.563	5.851
Loans to Real Persons and Legal Entities (Gross)	110.470	95.136	58.569
Specific provision (-)	15.296	39.573	52.718
Loans to Real Persons and Legal Entities (Net)	95.174	55.563	5.851
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
	-	-	-
December 31, 2013 (Net)	32.007	5.422	-
Loans to Real Persons and Legal Entities (Gross)	38.601	7.361	224
Specific provision (-)	6.594	1.939	224
Loans to Real Persons and Legal Entities (Net)	32.007	5.422	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

l) 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 December 31, 2014, the Bank has calculated net provision amounting to TL 5.851 for loans and other receivables which are evaluated as other non-performing loans fully provided (December 31, 2013: TL 224.).

m) Explanations on write-off policy:

As of December 31, 2014 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 5.510 have been removed from the assets, by the bank (December 31, 2013: None).

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 300.091 held-to-maturity investments as of December 31, 2014 (December 31, 2013: None).

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

d) Movement of held-to-maturity investments:

	December 31, 2014	December 31, 2013
Beginning Balance	-	-
Foreign Currency Differences on Monetary Assets	-	-
Purchases during year	300.091	-
Disposals Through Sales and Redemptions	-	-
Impairment Provision	-	-
Change in Amortized Cost	-	-
Total	300.091	-

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.

11. Information on derivative financial assets for hedging purposes:

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

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

12. Information on tangible assets (Net) :

	Closing Balance December 31, 2013	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2014
Cost:						
Land and buildings	9.174	-	-	-	-	9.174
Leased tangible assets						
Vehicles		-	-	-	-	-
Other	108.621	37.733	-	-	-	146.354
Total Cost	117.795	37.733	-	-	-	155.528

	Closing Balance December 31, 2013	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2014
Accumulated Depreciation:						
Land and buildings	214	183	-	-	-	397
Leased tangible assets	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-
Other	13.143	25.026	-	-	-	38.169
Total Accumulated Depreciation	13.357	25.209	-	-	-	38.566
Net Book Value	104.438	12.524	-	-	-	116.962

- a) Disclosure for impairment losses or releases individually material for financial statements:
- a.1) Conditions for allocating/releasing any impairment: None.
- a.2) Amount of impairment losses provided or released in financial statements during current period: None.
- b) Other impairment losses provided or released in current period that are immaterial for the financial statement individually: None.
- c) Pledges, Commitments and other restrictions to acquire tangible assets: None.

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

13. Information on intangible assets:

	Closing Balance December 31, 2013	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2014
Cost:						
Software cost	55.174	21.799	-	-	-	76.973
Other intangible assets	1.129	-	-	-	-	1.129
Total Cost	56.303	21.799	-	-	-	78.102

	Closing Balance December 31, 2013	Period Charge	Disposals	Other	Change in estimate	Ending Balance December 31, 2014
Accumulated Depreciation:						
Software cost	7.950	12.429	-	-	-	20.379
Other intangible assets	107	174	-	-	-	281
Total Accumulated Depreciation	8.057	12.603	-	-	-	20.660
Net Book Value	48.246	9.196	-	-	-	57.442

14. Investment Property (Net): None.

15. Explanations on deferred tax assets:

- a) As of December 31, 2014, the Bank has deferred tax asset amounting to TL 18.398 arising from deductible temporary differences (December 31, 2013: TL 18.320).
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- b) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

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	December 31, 2014		December 31, 2013	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
Reserve for Employee Benefits	6.303	1.261	3.143	629
Other provisions	35.615	7.123	25.000	5.000
Net Book Value and Tax Value Differences of Financial Assets:				
Deferred Commissions	66.786	13.357	119.165	23.833
Tax Carry Forward Losses	55.605	11.121	34.128	6.826
Other	-	-	27.982	5.596
	2.507	501	4.160	832
Deferred Tax Assets	166.816	33.363	213.578	42.716
Net Book Value and Tax Value Differences of Financial Liabilities:				
Amortization Differences	46.136	9.227	98.573	19.715
Other	26.247	5.249	23.238	4.648
	2.441	489	167	33
Deferred Tax Liability (-)	74.824	14.965	121.978	24.396
Deferred Tax Asset (Net)	91.992	18.398	91.600	18.320

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

As of December 31, 2014 the Bank has assets held for sale and discontinued operations amounting to TL 6.132 (December 31, 2013: None).

17. Information on other assets

- Other assets do not exceed 10% of the balance sheet total (excluding off balance sheet commitments).
- 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) December 31, 2014 :

	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	41.968	-	336.897	4.842.773	361.345	122.035	7.807	-	5.712.825
Foreign currency deposits	798.959	-	1.144.548	8.445.565	354.593	106.486	23.987	-	10.874.138
Residents in Turkey	684.009	-	1.136.918	8.349.355	352.280	104.289	21.727	-	10.648.578
Residents abroad	114.950	-	7.630	96.210	2.313	2.197	2.260	-	225.560
Public sector deposits	27.844	-	-	56.915	-	-	-	-	84.759
Commercial deposits	297.072	-	643.696	1.924.234	102.086	17.599	27	-	2.984.714
Other institutions deposits	12.402	-	9.470	609.253	65.701	79.538	-	-	776.364
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	96.605	-	531.635	-	-	-	-	-	628.240
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	57.076	-	-	-	-	-	57.076
Foreign Banks	96.605	-	474.559	-	-	-	-	-	571.164
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	1.274.850	-	2.666.246	15.878.740	883.725	325.658	31.821	-	21.061.040

December 31, 2013:

	Demand	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	35.304	-	145.634	3.648.637	10.802	26.136	46.581	-	3.913.094
Foreign currency deposits	289.957	-	750.732	4.988.582	125.519	43.860	7.212	-	6.205.862
Residents in Turkey	281.839	-	750.732	4.949.005	125.150	40.973	5.152	-	6.152.851
Residents abroad	8.118	-	-	39.577	369	2.887	2.060	-	53.011
Public sector deposits	6.130	-	-	3.340	-	-	-	-	9.470
Commercial deposits	166.828	-	412.719	1.065.508	10.849	-	1.126	-	1.657.030
Other institutions deposits	435	-	1.494	251.583	-	-	-	-	253.512
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	95	-	332.895	-	-	-	-	-	332.990
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	95	-	332.895	-	-	-	-	-	332.990
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	498.749	-	1.643.474	9.957.650	147.170	69.996	54.919	-	12.371.958

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	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Saving deposits	896.447	543.258	4.816.378	3.369.835
Foreign currency saving deposits	193.456	73.452	5.478.381	2.004.074
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	1.089.903	616.710	10.294.759	5.373.909

(*) 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:

	December 31, 2014	December 31, 2013
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	12.737	11.308
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:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Forward Transactions	3.447	4.165	4.470	2.184
Swap Transactions	4.163	14.478	38.125	4.868
Futures Transactions	-	-	-	-
Options	12.231	12.179	55	53.653
Other	-	-	-	-
Total	19.841	30.822	42.650	60.705

3. Information on borrowings:

a) Information on banks and other financial institutions:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
From Domestic Banks and Institutions	8.760	13.683	3.008	1.926
From Foreign Banks, Institutions and Funds	-	1.388.680	-	1.162.439
Total	8.760	1.402.363	3.008	1.164.365

b) Maturity analysis of borrowings:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Short-term	6.721	771.114	1.836	773.296
Medium and long-term	2.039	631.249	1.172	391.069
Total	8.760	1.402.363	3.008	1.164.365

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

4. Information on funds provided from repurchase agreement transactions :

a) Funds Provided Under Repurchase Agreements :

	December 31, 2014	December 31, 2013
Funds Provided Under Repurchase Agreements	138.889	221.454
Total	138.889	221.454

5. Marketable Securities Issued (Net)

	December 31, 2014	December 31, 2013
Bank Bills	137.483	-
Total	137.483	-

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 150.000, maturity of 6 months, discounted and with a simple interest rate of 10% on May 26, 2014 and a bill amounting to TL 150.000, maturity of 6 months, with a simple interest rate of 9,86% on August 18, 2014, both to be 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:

	December 31, 2014	December 31, 2013
General Provisions	154.545	91.075
I. Provisions for First Group Loans and Receivables	131.642	86.703
- Additional provision for extended loans	6.353	-
II. Provisions for Second Group Loans and Receivables	18.276	2.427
- Additional provision for intentioned loans	14.065	1.434
Provisions for Non-cash Loans and Derivative Financial Instruments	4.627	1.945
Total	154.545	91.075

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TL 4.182 on the foreign currency indexed loans are netted off from loans on the balance sheet.

c) Provisions for non-cash loans that are not indemnified or converted into cash: As of December 31, 2014 provision for non-cash loans that are not indemnified or converted into cash amounting to TL 1.333 (December 31, 2013: TL 941).

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

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

	December 31, 2014	December 31, 2013
Employee termination benefit provision	2.689	905
Unused vacation provision	3.614	2.238
Total of provision for employee benefits	6.303	3.143

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.

	Current Period	Prior Period
Discount rate	%3,24	%3,28
Interest rate	%8,04	%10,00
Estimated salary/ Employee termination benefit increase rate	%5,00	%6,50
	Current Period	Prior Period
Balance at the beginning of period	905	-
Paid in during the period	(76)	-
The amount of provision	1.860	905
Balance at the end of period	2.689	905

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

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 35.615 for the year of 2014 (December 31, 2013: TL 25.000)

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.

10. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Information on corporate tax:

As of December 31, 2014, corporate taxes payable of the Bank, after deductions of TL 14.411 prepaid taxes, are TL 4.090 (December 31, 2013: None).

a.2) Explanations on taxes payable:

	December 31, 2014	December 31, 2013
Payroll Tax	2.921	2.260
Taxation on securities	16.827	10.887
BSMV	13.598	7.287
Property Tax	414	126
Value Added Tax Payable	786	1.563
Stamp Tax	30	-
Corporate Taxes Payable	4.090	-
Foreign Exchange Transaction Tax	-	-
Other	457	517
Total	39.123	22.640

a.3) Information on premiums:

	December 31, 2014	December 31, 2013
Social Security Premiums-Employer	1.091	795
Social Security Premiums-Employee	966	724
Unemployment Insurance-Employer	137	102
Unemployment Insurance-Employee	68	52
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	2.262	1.673

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

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

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

12. Information on Subordinated Loans:

	December 31, 2014		December 31, 2013	
	TC	FC		FC
From domestic banks	-	-	-	-
From foreign banks	-	1.053.135	-	639.209
Total	-	1.053.135	-	639.209

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".

13. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

As of December 31, 2014 the Bank's paid in capital consists of TL 1.496.150,000 shares which nominal value is TL 1.

TL	December 31, 2014	December 31, 2013
Common stock(*)	1.496.150	1.496.150
Preferred stock	-	-
Total	1.496.150	1.496.150

(*) Nominal Capital

b) The Bank does not apply registered share capital system.

c) Information on share capital increases and their sources: None

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.

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

h) Information on marketable securities value increase fund:

	December31, 2014	December31, 2013
Valuation Difference	(2.669)	(8.546)
Foreign Exchange Difference	-	-
Total	(2.669)	(8.546)

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:

	December 31, 2014	December 31, 2013
Forward asset purchase and sales commitments	585.464	1.655.680
Loan granting commitments	250.945	314.401
Commitments for checks	81.805	37.369
Credit card limit commitments	216.925	139.816
Other irrevocable commitments	7.962	1.571
Total	1.143.101	2.148.837

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:

	December 31, 2014	December 31, 2013
Other guarantees and collaterals	1.005.914	744.241
Letters of credit	431.685	146.013
Bank acceptance loans	54.686	44.079
Total	1.492.285	934.333

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

	December 31, 2014	December 31, 2013
Definite letter of guarantees	720.177	514.316
Temporary letter of guarantees	58.567	75.010
Other letter of guarantees	227.170	154.915
Total	1.005.914	744.241

c) c.1) Total amount of non-cash loans:

	December 31, 2014	December 31, 2013
Non-cash loans given to cover cash loans		
With maturity of 1 year or less than 1 year	14.383	240
With maturity of more than 1 year	-	-
Other non-cash loans	1.477.902	934.093
Total	1.492.285	934.333

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

c.2) Information on sectoral risk breakdown of non-cash loans and irrevocable loan commitments (excluding forward asset sales and purchase commitments):

	December 31, 2014			
	TL	(%)	FC	(%)
Agricultural	710	0,09	1.166	0,17
Farming and raising livestock	710	0,09	1.166	0,17
Fores TL	-	-	-	-
Fishery	-	-	-	-
Manufacturing	153.531	18,94	356.291	52,27
Mining	386	0,05	16.546	2,43
Production	108.321	13,36	321.092	47,10
Electric, gas and water	44.824	5,53	18.653	2,74
Construction	331.550	40,91	94.341	13,84
Services	319.439	39,42	210.373	30,87
Wholesale and retail trade	182.505	22,52	98.146	14,40
Hotel, food and beverage services	4.493	0,55	-	-
Transportation and telecommunication	45.523	5,62	40.136	5,89
Financial institutions	6.122	0,76	20.119	2,95
Real estate and renting services	67.341	8,31	19.377	2,84
Self-employment services	9.047	1,12	15.718	2,31
Education services	2.926	0,36	-	-
Health and social services	1.482	0,18	16.877	2,48
Other	5.268	0,65	19.616	2,88
Total	810.498	100,00	681.787	100,00

	December 31, 2013			
	TL	(%)	FC	(%)
Agricultural	15.705	2,52	1.347	0,43
Farming and raising livestock	15.705	2,52	1.347	0,43
Fores TL	-	-	-	-
Fishery	-	-	-	-
Manufacturing	88.803	14,26	91.625	29,40
Mining	2.012	0,32	2.725	0,87
Production	37.808	6,07	83.709	26,86
Electric, gas and water	48.983	7,87	5.191	1,67
Construction	299.603	48,11	46.673	14,98
Services	213.697	34,32	147.433	47,31
Wholesale and retail trade	133.944	21,51	47.863	15,36
Hotel, food and beverage services	583	0,09	3.196	1,03
Transportation and telecommunication	19.726	3,17	77.305	24,81
Financial institutions	2.117	0,34	-	-
Real estate and renting services	353	0,06	3.967	3,967
Self-employment services	-	-	-	-
Education services	48.475	7,78	14.059	4,51
Health and social services	8.499	1,36	1.043	0,33
Other	4.885	0,78	24.562	7,88
Total	622.693	100,00	311.640	100,00

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

c.3) Information on I st and II nd group non-cash loans:

Non-cash loans	I st Group		II nd Group	
	TL	FC	TL	FC
Letters of guarantee	795.173	199.041	7.428	2.295
Bank acceptances	5.920	48.766	-	-
Letters of credit	-	431.150	-	535
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Factoring Commitments	-	-	-	-
Other commitments and contingencies	-	-	-	-
Total	801.093	678.957	7.428	2.830

2) Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading	Hedging	Trading	Hedging
	December 31, 2014	December 31, 2014	December 31, 2013	December 31, 2013
Types of trading transactions				
Foreign currency related derivative transactions (I):				
Forward transactions	1.340.262	-	947.036	-
Swap transactions	6.140.511	-	2.850.559	-
Futures transactions	-	-	-	-
Option transactions	6.693.607	-	5.746.368	-
Interest related derivative transactions (II) :				
Forward rate transactions	-	-	-	-
Interest rate swap transactions	2.597.894	-	1.508.360	-
Interest option transactions	2.049.476	-	-	-
Futures interest transactions	-	-	-	-
Other derivative transactions for trade (III)	-	-	-	-
A. Total trading derivative transactions (I+II+III)	18.821.750	-	11.052.323	-
Types of hedging transactions				
Fair value hedges	-	-	-	-
Cash flow hedges	-	-	-	-
Net investment hedges	-	-	-	-
B. Total hedging related derivatives	-	-	-	-
Total Derivative Transactions (A+B)	18.821.750	-	11.052.323	-

Forward foreign currency and swap transactions include mainly customer deals and proprietary transactions that are qualified as trading and measured at fair value in line with Turkish accounting Standards.

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

As of December 31, 2014 breakdown of the Bank's foreign currency forward and swap transactions based on currencies are disclosed below in their TL equivalents:

December 31, 2014	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Interest Swap Buy	Interest Swap Sell	Interest Option Buy	Interest Option Sell	Total
TL	290.067	251.014	440.221	1.964.221	1.376.652	1.292.220	145.674	145.674	-	-	5.905.743
USD	254.421	314.187	1.132.419	493.483	985.601	1.650.000	919.587	919.587	1.024.738	1.024.738	8.718.761
EURO	78.490	69.167	1.402.691	560.323	890.747	331.667	233.686	233.686	-	-	3.800.457
Other	46.368	36.548	89.253	57.900	62.486	104.234	-	-	-	-	396.789
Total	669.346	670.916	3.064.584	3.075.927	3.315.486	3.378.121	1.298.947	1.298.947	1.024.738	1.024.738	18.821.750

December 31, 2013	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Interest Swap Buy	Interest Swap Sell	Total
TL	110.081	286.140	627.950	221.559	1.061.601	1.406.569	155.764	155.764	4.025.428
USD	118.847	170.063	529.966	220.812	1.222.463	1.125.532	545.771	545.771	4.479.225
EUR	229.989	12.551	181.723	921.402	469.776	207.365	52.645	52.645	2.128.096
Other	19.365	-	70.883	76.264	126.531	126.531	-	-	419.574
Total	478.282	468.754	1.410.522	1.440.037	2.880.371	2.865.997	754.180	754.180	11.052.323

3. Information related to credit derivatives and risk exposures:

None.

4. Explanations on contingent liabilities and assets:

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

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

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

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

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

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

5. Custodian and intermediary services:

The Bank provides security purchase-sell and safe keeping services in the name of real persons and legal entities. Details of investment securities held in custody are given in the Statement of Off Balance Sheet Contingencies and Commitments.

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IV. Explanations and Disclosures Related to the Statement of Income

1. a) Information on interest on loans:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Interest on loans (*)				
Short term loans	503.975	31.423	175.964	21.349
Medium and long term loans	544.258	329.584	203.212	122.921
Interest on non-performing loans	-	-	-	-
Total	1.048.233	361.007	379.176	144.270

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

b) Information on interest received from banks:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
The Central Bank of Republic of Turkey (CBRT)	881	-	-	-
Domestic banks	43.821	516	14.456	514
Foreign banks	-	95	-	2
Branches and head office abroad	-	-	-	-
Total	44.702	611	14.456	516

c) Interest received from marketable securities portfolio:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Trading securities	278	-	6.587	10
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	56.375	19.750	49.796	-
Held-to-maturity securities	-	6.349	-	-
Total	56.653	26.099	56.383	10

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

2. a) Information on interest on funds borrowed:

	December 31, 2014		December 31, 2013	
	TL	FC	TL	FC
Interest on funds borrowed				
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	249	152	54	16
Foreign banks	-	34.430	-	24.477
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	249	34.582	54	24.493

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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 December 31, 2014; The bank has interest expense to marketable securities issued amounting to TL 11.697.
- d. Distribution of interest expense on deposits based on maturity of deposits:**

December 31, 2014								
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	-	4.367	-	-	-	-	-	4.367
Saving deposits	-	16.016	451.542	13.928	3.797	1.204	-	486.487
Public sector deposits	-	-	641	-	-	-	-	641
Commercial deposits	-	22.554	187.010	4.945	974	5	-	215.488
Other deposits	-	476	39.722	3.297	2.030	-	-	45.525
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	43.413	678.915	22.170	6.801	1.209	-	752.508
Foreign Currency								
Foreign currency deposits	-	20.506	201.595	7.065	2.920	451	-	232.537
Bank deposits	-	9.643	-	-	-	-	-	9.643
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	30.149	201.595	7.065	2.920	451	-	242.180
Grand Total	-	73.562	880.510	29.235	9.721	1.660	-	994.688

3. Information on Dividend Income: None.

4. Information on net trading income:

	December 31, 2014	December 31, 2013
Income	2.219.676	1.519.285
Gains on capital market operations	20.156	9.353
Gains on derivative financial instruments	367.747	467.366
Foreign exchange gains	1.831.773	1.042.566
Losses (-)	2.255.745	1.476.049
Losses on capital market operations	394	8.273
Losses on derivative financial instruments	432.151	478.572
Foreign exchange losses	1.823.200	989.204
Net Amount	(36.069)	43.236

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

5. Information on other operating income: As of December 31, 2014 other operating income includes the adjustment account for previous years' expenses and other operating income.

6. Provision for impairment of loans and other receivables:

	December 31, 2014	December 31, 2013
Specific provisions for loans and other receivables	104.353	8.757
III. Group Loans and Receivables	8.715	6.594
IV. Group Loans and Receivables	37.634	1.939
V. Group Loans and Receivables	58.004	224
General loan loss provision expenses	63.470	72.586
Provision expenses for possible losses	-	-
Marketable securities impairment losses	-	890
Financial assets at fair value through profit and loss	-	890
Investment securities available for sale	-	-
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Jointly controlled entities	-	-
Investments held to maturity	-	-
Other	-	-
Total	167.823	82.233

7. Information on other operating expenses:

	December 31, 2014	December 31, 2013
Personnel expenses	147.550	93.549
Unused vacation provision	1.376	1.379
Taxes and duties	-	-
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	25.209	10.798
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	12.603	6.939
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	217.908	148.078
Rent expenses	37.550	23.151
Maintenance expenses	1.533	309
Advertisement expenses	28.327	35.349
Other expenses(*)	150.498	89.269
Loss on sales of assets	-	-
Total	404.646	260.743

(*) As of December 31, 2014, other operating expenses include IT expenses amounting to TL 18.430, outsource services amounting to TL 16.105, communication expenses amounting to TL 7.903, credit card expenses amounting to TL 8.031, premiums for saving deposit insurance fund amounting to TL 7.322, consulting projects expenses amounting to TL 5.574 and other expenses.

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

As of 31 December 2014, the Bank's loss before tax from continued operations is TL 17.300.

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

As of December 31, 2014, The Bank has deferred tax income amounting to TL 1.548 through temporary difference and The Bank has current tax expense TL 18.501. (December 31, 2013: TL 1.483)

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

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

As of December 31, 2014 the Bank's net profit from continued operations is TL 347.

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

V. Explanations and Disclosures Related to Statement of Changes in Shareholders' Equity

- a) Decrease resulting from revaluation of financial assets available for sale is TL 2.669.
- b) Increase in cash flow risk hedging items: None.
- c) The reconciliation related with foreign currency translation reserves at the beginning and end of the period: None.
- d) Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements: None.
- e) Amounts transferred to legal reserves: None.
- f) Information on shares issued:

The Bank does not have any issued debt securities. As of the date of approval of these financial statements, there is no subsequent dividend announcement of the Bank after the balance sheet date.

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VI. Explanations and Disclosures Related To Statement Of Cash Flows

1. The effects of the other items stated in the statement of cash flows and the changes in foreign currency exchange rates on cash and cash equivalents:

“Other Income” line amounting to TL 14.628 consists of fees and commissions paid, other operating incomes except for collection of non-cash provisions and other operating expenses except for personnel expenses and “Others” line amounting to TL 19.949 consist of effect of change in foreign exchange rate on cash and cash equivalents in “Bank Operating profit before changes in operating assets and liabilities”.

“Net increase/decrease in other liabilities” line amounting to TL 120.132 in “Changes in bank operations assets and liabilities” consists of changes in miscellaneous payables, other liabilities and tax liability.

“Net increase/decrease in other assets” line amounting to TL 12.228 consists of changes in other assets.

2. Cash and cash equivalents at beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the statement of cash flow:

End of the period	December 31, 2014	December 31, 2013
Cash	415.338	158.538
Cash in TL/foreign currency	113.236	78.456
Central Bank of Republic of Turkey	302.102	80.082
Cash equivalents	3.247.000	1.609.396
Receivables from banks and other financial institutions	1.012.000	1.149.396
Receivables from money market placements	2.235.000	460.000
Total cash and cash equivalents	3.662.338	1.767.934

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VII. Explanations on the Risk Group of the Bank

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

a) **December 31, 2014:**

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	-	-	-	16.119	-	-
Balance at end of period	-	-	-	18.221	53	787
Interest and commission income	-	-	-	-	-	-

December 31, 2013

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	-	-	-	11.000	-	-
Balance at end of period	-	-	-	16.119	-	-
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	
	December 31, 2014		December 31, 2014		December 31, 2014	
Deposits						
Balance at beginning of period	-	-	-	-	-	343.965
Balance at end of period	-	-	-	12.737	-	570.736
Interest on deposits	-	-	-	794	-	10.690

December 31, 2013:

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, 2013		December 31, 2013		December 31, 2013	
Deposits						
Balance at beginning of period	-	-	-	-	-	9.109
Balance at end of period	-	-	-	-	-	343.965
Interest on deposits	-	-	-	-	-	856

The Bank has obtained Subordinated Loan amounting to TL 699.480 TIER I, TL 353.655 TIER II, short term loans amounting to TL 233.160 and deposit amounting to TL 570.736 from the risk group and realized interest expense amounting to TL 23.050.

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

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

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities	Direct and indirect shareholders of the Bank	Other entities included in the risk group
Financial assets at fair value through profit and loss	December 31, 2014	December 31, 2014	December 31, 2014
Balance at beginning of period	-	198.695	-
Balance at end of period	-	-	-
Total Loss/ Profit	-	-	-

December 31, 2013

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, 2013	December 31, 2013	December 31, 2013
Balance at beginning of period	-	821.874	-
Balance at end of period	-	198.695	-
Total Loss/ Profit	-	1.722	-

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

Gross payment made to the executive management as of December 31, 2014 is TL 14.229.

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VIII. Explanations on the Bank's domestic branches, agencies and branches abroad and off- shore branches

1. Explanations on the Bank's domestic branches, agencies and branches abroad and off- shore branches:

	Number	Employees			
Domestic branches	48	1.388			
			Country		
Rep-offices abroad	-	-	-		
				Total Assets	Capital
Branches abroad	-	-	-	-	-
Off-shore branches	-	-	-	-	-

2. Explanations on Branch and Agency Openings or Closings of the Bank:

None.

IX. Explanations and disclosures related to subsequent events

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 81.462, maturity of 6 months, discounted and with a simple interest rate of 9,75% on 25 February 2015 to be sold to qualified investors in the domestic market.

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SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations on the Operations of the Bank:

None.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report:

The unconsolidated financial statements for the year ended December 31, 2014 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited). The independent auditor's report dated March 13, 2015 is presented preceding the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor:

None.