

# **ODEA BANK A.Ş.**

## **UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT SEPTEMBER 30, 2015 TOGETHER WITH INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT**

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

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

**Odea Bank A.Ş.**

**Auditor's limited review report for the period ended September 30, 2015**

To the Board of Directors of Odea Bank Anonim Şirketi

*Introduction*

We have reviewed the unconsolidated balance sheet of Odea Bank A.Ş. ("the Bank") at 30 September 2015 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders' equity, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" except for the matters regulated by BRSA Legislation. Our responsibility is to express a conclusion on these interim financial statements based on our review.

*Scope of Review*

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

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the financial position of Odea Bank A.Ş. at 30 September 2015 and of the results of its operations and its cash flows for the nine-month-period then ended in all aspects in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" except for the matters regulated by BRSA Legislation.

*Additional paragraph for English translation:*

As explained in detail in Note I.b. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 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  
Istanbul, November 11, 2015

**THE UNCONSOLIDATED SIX MONTH FINANCIAL REPORT OF  
ODEA BANK A.Ş. AS OF SEPTEMBER 30, 2015**

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

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON 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 nine month period end and notes to these financial statements which are expressed, (unless otherwise stated) in thousands of Turkish Lira, have been presented based on the accounting books of the Bank prepared in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations of these, and have been reviewed.

Samir HANNA	Hüseyin ÖZKAYA	Naim 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 SEPTEMBER 30, 2015**

(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 September 30, 2015 and December 31, 2014, 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 Private Bank sal	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%
	<b>1.496.150</b>	<b>100,00%</b>	<b>1.496.150</b>	<b>100,00%</b>

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2015**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

<u>Title</u>	<u>Name-Surname</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairman of the Board of Directors</b>	Samir HANNA	Chairman	High School
<b>Vice President of the Executive Board</b>	Marwan GHANDOUR	Member of the Board of Directors/ Member of Audit Committee	PHD Degree
<b>Members of the Board of Directors</b>	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
<b>Member of the Board of Directors and General Manager</b>	Hüseyin ÖZKAYA	Member of the Board of Directors and General Manager	Master Degree
<b>Deputy General Manager</b>	Erol SAKALLIOĞLU	Commercial Banking	Bachelor's Degree
<b>Assistant General Managers</b>	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
	Yalçın AVCI	Corporate Banking	Master Degree

**ODEA BANK ANONİM ŞİRKETİ**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2015**

(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 September 30, 2015:

<b>Name / Commercial Title</b>	<b>Share Amount</b>	<b>Share Ratios</b>	<b>Paid up Shares</b>	<b>Unpaid Shares</b>
Bank Audi sal	1.403.787	93,827%	1.403.787	-
Audi Private Bank sal	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 September 30, 2015, there are 54 domestic branches with 1.506 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**

- I. Balance Sheet (Statement of Financial Position)
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**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2015 AND**  
**DECEMBER 31, 2014 (STATEMENT OF FINANCIAL POSITION)**

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

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

	Note Ref (Section Five)	Reviewed Current Period 30.09.2015			Audited Prior Period 31.12.2014		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	I-1	1.974.062	3.784.046	5.758.108	358.908	2.471.754	2.830.662
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	I-2	283.953	35.524	319.477	10.007	37.107	47.114
2.1 Financial assets held for trading		283.953	35.524	319.477	10.007	37.107	47.114
2.1.1 Public sector debt securities		2.730	-	2.730	1.778	1.379	3.157
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		281.223	35.524	316.747	8.229	35.728	43.957
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		-	-	-	-	-	-
<b>III. BANKS</b>	I-3	291	76.008	76.299	866.973	145.590	1.012.563
<b>IV. MONEY MARKET PLACEMENTS</b>		2.775.817	-	2.775.817	2.235.688	-	2.235.688
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		2.775.817	-	2.775.817	2.235.688	-	2.235.688
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	I-4	538.734	650.456	1.189.190	485.884	377.170	863.054
5.1 Share certificates		-	-	-	-	-	-
5.2 Public sector debt securities		538.734	650.456	1.189.190	485.884	377.170	863.054
5.3 Other marketable securities		-	-	-	-	-	-
<b>VI. LOANS AND RECEIVABLES</b>	I-5	10.980.966	10.896.673	21.877.639	9.991.194	8.020.266	18.011.460
6.1 Loans and receivables		10.706.769	10.896.673	21.603.442	9.834.606	8.020.266	17.854.872
6.1.1 Loans to risk group of the Bank		55	-	55	53	-	53
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		10.706.714	10.896.673	21.603.387	9.834.553	8.020.266	17.854.819
6.2 Non-performing loans		-	-	427.628	264.175	-	264.175
6.3 Specific provisions (-)		153.431	-	153.431	107.587	-	107.587
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. HELD TO MATURITY INVESTMENTS (Net)</b>	I-6	-	381.577	381.577	-	300.091	300.091
8.1 Public sector debt securities		-	381.577	381.577	-	300.091	300.091
8.2 Other marketable securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	I-7	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	I-8	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
<b>XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)</b>	I-9	-	-	-	-	-	-
11.1 Accounted for under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>	I-10	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	I-11	-	-	-	-	-	-
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	I-12	138.907	-	138.907	116.962	-	116.962
<b>XV. INTANGIBLE ASSETS (Net)</b>	I-13	68.326	-	68.326	57.442	-	57.442
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		68.326	-	68.326	57.442	-	57.442
<b>XVI. INVESTMENT PROPERTY (Net)</b>	I-14	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>	I-15	37.883	-	37.883	18.398	-	18.398
17.1 Current tax asset		18.588	-	18.588	-	-	-
17.2 Deferred tax asset		19.295	-	19.295	18.398	-	18.398
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	I-16	12.669	-	12.669	6.132	-	6.132
18.1 Held for sale		12.669	-	12.669	6.132	-	6.132
18.2 Discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	I-17	129.013	75.662	204.675	85.440	37.131	122.571
<b>TOTAL ASSETS</b>		16.940.621	15.899.946	32.840.567	14.233.028	11.389.109	25.622.137

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2015 AND**  
**DECEMBER 31, 2014 (STATEMENT OF FINANCIAL POSITION)**

(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)	Reviewed Current Period 30.09.2015			Audited Prior Period 31.12.2014		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	II-1	<b>8.908.096</b>	<b>17.283.841</b>	<b>26.191.937</b>	<b>9.605.029</b>	<b>11.456.011</b>	<b>21.061.040</b>
1.1 Deposits from risk group of the Bank		22.067	1.016.763	1.038.830	17.137	566.336	583.473
1.2 Other		8.886.029	16.267.078	25.153.107	9.587.892	10.889.675	20.477.567
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	II-2	<b>218.961</b>	<b>26.298</b>	<b>245.259</b>	<b>19.841</b>	<b>30.822</b>	<b>50.663</b>
<b>III. FUNDS BORROWED</b>	II-3	<b>8.298</b>	<b>2.772.391</b>	<b>2.780.689</b>	<b>8.760</b>	<b>1.402.363</b>	<b>1.411.123</b>
<b>IV. MONEY MARKET BALANCES</b>		<b>228.118</b>	<b>-</b>	<b>228.118</b>	<b>138.889</b>	<b>-</b>	<b>138.889</b>
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	II-4	228.118	-	228.118	138.889	-	138.889
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	II-5	<b>154.942</b>	<b>-</b>	<b>154.942</b>	<b>137.483</b>	<b>-</b>	<b>137.483</b>
5.1 Bills		154.942	-	154.942	137.483	-	137.483
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>10.708</b>	<b>-</b>	<b>10.708</b>	<b>3.663</b>	<b>-</b>	<b>3.663</b>
<b>VIII. OTHER LIABILITIES</b>	II-6	<b>217.878</b>	<b>40.174</b>	<b>258.052</b>	<b>155.849</b>	<b>33.860</b>	<b>189.709</b>
<b>IX. FACTORING PAYABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. LEASE PAYABLES (Net)</b>	II-7	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	II-8	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	II-9	<b>145.174</b>	<b>93.462</b>	<b>238.636</b>	<b>127.957</b>	<b>69.839</b>	<b>197.796</b>
12.1 General loan loss provisions		102.623	93.462	196.085	84.706	69.839	154.545
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		8.705	-	8.705	6.303	-	6.303
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		33.846	-	33.846	36.948	-	36.948
<b>XIII. TAX LIABILITY</b>	II-10	<b>45.816</b>	<b>-</b>	<b>45.816</b>	<b>41.385</b>	<b>-</b>	<b>41.385</b>
13.1 Current tax liability		45.816	-	45.816	41.385	-	41.385
13.2 Deferred tax liability		-	-	-	-	-	-
<b>XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS</b>	II-11	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	II-12	<b>-</b>	<b>1.363.312</b>	<b>1.363.312</b>	<b>-</b>	<b>1.053.135</b>	<b>1.053.135</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	II-13	<b>1.357.213</b>	<b>(34.115)</b>	<b>1.323.098</b>	<b>1.340.796</b>	<b>(3.545)</b>	<b>1.337.251</b>
16.1 Paid-in capital		1.496.150	-	1.496.150	1.496.150	-	1.496.150
16.2 Supplementary capital		(19.429)	(34.115)	(53.544)	876	(3.545)	(2.669)
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		(19.429)	(34.115)	(53.544)	876	(3.545)	(2.669)
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		(119.508)	-	(119.508)	(156.230)	-	(156.230)
16.4.1 Prior years' income/ (losses)		(156.230)	-	(156.230)	(156.577)	-	(156.577)
16.4.2 Current year income/ (losses)		36.722	-	36.722	347	-	347
16.5 Minority shares	II-14	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>11.295.204</b>	<b>21.545.363</b>	<b>32.840.567</b>	<b>11.579.652</b>	<b>14.042.485</b>	<b>25.622.137</b>

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET**  
**CONTINGENCIES AND COMMITMENTS AS OF SEPTEMBER 30, 2015 AND**  
**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)	Reviewed Current Period 30.09.2015			Audited Prior Period 31.12.2014		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>15,071,423</b>	<b>23,753,975</b>	<b>38,825,398</b>	<b>7,401,890</b>	<b>14,055,246</b>	<b>21,457,136</b>
<b>I. GUARANTEES</b>	III-1	<b>1,066,728</b>	<b>1,500,104</b>	<b>2,566,832</b>	<b>810,498</b>	<b>681,787</b>	<b>1,492,285</b>
1.1 Letters of guarantee		1,061,623	679,437	1,741,060	804,578	201,336	1,005,914
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		1,061,623	679,437	1,741,060	804,578	201,336	1,005,914
1.2 Bank loans		5,105	53,383	58,488	5,920	48,766	54,686
1.2.1 Import letter of acceptance		5,105	53,383	58,488	5,920	48,766	54,686
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		-	767,284	767,284	-	431,685	431,685
1.3.1 Documentary letters of credit		-	767,284	767,284	-	431,685	431,685
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		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	III-1	<b>569,783</b>	<b>157,778</b>	<b>727,561</b>	<b>685,649</b>	<b>457,452</b>	<b>1,143,101</b>
2.1 Irrevocable commitments		569,783	157,778	727,561	685,649	457,452	1,143,101
2.1.1 Forward asset purchase and sales commitments		25,135	24,235	49,370	207,616	377,848	585,464
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		146,354	126,220	272,574	179,303	71,642	250,945
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		94,064	-	94,064	81,805	-	81,805
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		304,230	-	304,230	216,925	-	216,925
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		-	7,323	7,323	-	7,962	7,962
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>13,434,912</b>	<b>22,096,093</b>	<b>35,531,005</b>	<b>5,905,743</b>	<b>12,916,007</b>	<b>18,821,750</b>
3.1 Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1 Fair value hedge		-	-	-	-	-	-
3.1.2 Cash flow hedge		-	-	-	-	-	-
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Held for trading transactions		13,434,912	22,096,093	35,531,005	5,905,743	12,916,007	18,821,750
3.2.1 Forward foreign currency buy/sell transactions		2,169,287	3,945,822	6,115,109	541,081	799,181	1,340,262
3.2.1.1 Forward foreign currency transactions-buy		1,088,687	1,983,702	3,072,389	290,067	379,279	669,346
3.2.1.2 Forward foreign currency transactions-sell		1,080,600	1,962,120	3,042,720	251,014	419,902	670,916
3.2.2 Swap transactions related to foreign currency, and interest rates		6,118,951	10,965,854	17,084,805	2,695,790	6,042,615	8,738,405
3.2.2.1 Foreign currency swaps-buy		1,112,528	5,637,790	6,750,318	440,221	2,624,363	3,064,584
3.2.2.2 Foreign currency swaps-sell		4,720,507	2,050,080	6,770,587	1,964,221	1,111,706	3,075,927
3.2.2.3 Interest rate swaps-buy		142,958	1,638,992	1,781,950	145,674	1,153,273	1,298,947
3.2.2.4 Interest rate swaps-sell		142,958	1,638,992	1,781,950	145,674	1,153,273	1,298,947
3.2.3 Foreign currency, interest rate and securities options		5,146,674	7,184,417	12,331,091	2,668,872	6,074,211	8,743,083
3.2.3.1 Foreign currency options-buy		2,156,695	3,725,915	5,882,610	1,447,649	1,882,838	3,330,487
3.2.3.2 Foreign currency options-sell		2,989,979	2,983,492	5,973,471	1,221,223	2,141,897	3,363,120
3.2.3.3 Interest rate options-buy		-	237,505	237,505	-	1,024,738	1,024,738
3.2.3.4 Interest rate options-sell		-	237,505	237,505	-	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>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>37,698,623</b>	<b>20,717,630</b>	<b>58,416,253</b>	<b>19,463,122</b>	<b>10,996,416</b>	<b>30,459,538</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>651,171</b>	<b>569,352</b>	<b>1,220,523</b>	<b>578,957</b>	<b>314,104</b>	<b>893,061</b>
4.1 Assets under management		248,355	-	248,355	236,022	-	236,022
4.2 Investment securities held in custody		16,622	16,622	31,254	46,429	12,952	59,381
4.3 Checks received for collection		4,710	281,070	285,780	10,640	215,532	226,172
4.4 Commercial notes received for collection		383,474	271,660	655,134	285,866	85,620	371,486
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>37,047,452</b>	<b>20,148,278</b>	<b>57,195,730</b>	<b>18,884,165</b>	<b>10,682,312</b>	<b>29,566,477</b>
5.1 Marketable securities		-	-	-	-	-	-
5.2 Guarantee notes		11,671,301	1,988,570	13,659,871	1,910,336	158,469	2,068,805
5.3 Commodities		2,270,432	-	2,270,432	2,105,178	-	2,105,178
5.4 Warrants		-	-	-	-	-	-
5.5 Properties		16,405,401	10,421,382	26,826,783	12,686,224	7,080,922	19,767,146
5.6 Other pledged items		6,700,318	7,738,326	14,438,644	2,182,427	3,442,921	5,625,348
5.7 Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>52,770,046</b>	<b>44,471,605</b>	<b>97,241,651</b>	<b>26,865,012</b>	<b>25,051,662</b>	<b>51,916,674</b>

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD**  
**ENDED JANUARY 1-SEPTEMBER 30, 2015 AND 2014**

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

**III. STATEMENT OF INCOME**

	Note (Section Five)	Reviewed Current Period 01.01- 30.09.2015	Reviewed Prior Period 01.01- 30.09.2014	Reviewed Current Period 01.07- 30.09.2015	Reviewed Prior Period 01.07- 30.09.2014
<b>I. INTEREST INCOME</b>	IV-1	<b>1.705.435</b>	<b>1.158.370</b>	<b>637.165</b>	<b>430.999</b>
1.1 Interest on loans		1.428.709	1.009.332	520.780	373.751
1.2 Interest received from reserve deposits		7.149	-	4.061	-
1.3 Interest received from banks		66.353	30.090	26.478	9.869
1.4 Interest received from money market placements		126.702	53.201	54.361	25.015
1.5 Interest received from marketable securities portfolio		68.606	63.741	27.621	21.316
1.5.1 Held-for-trading financial assets		1.812	174	792	74
1.5.2 Financial assets at fair value through profit and loss		-	-	-	-
1.5.3 Available-for-sale financial assets		56.808	59.812	23.073	18.603
1.5.4 Investments held-to-maturity		9.986	3.755	3.756	2.639
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		7.916	2.006	3.864	1.048
<b>II. INTEREST EXPENSE</b>	IV-2	<b>992.141</b>	<b>773.263</b>	<b>357.575</b>	<b>269.801</b>
2.1 Interest on deposits		915.493	729.954	328.122	258.391
2.2 Interest on funds borrowed		50.353	24.424	20.812	5.861
2.3 Interest on money market borrowings		8.894	12.196	3.978	525
2.4 Interest on securities issued		14.531	6.355	4.559	5.005
2.5 Other interest expense		2.870	334	104	19
<b>III. NET INTEREST INCOME (I - II)</b>		<b>713.294</b>	<b>385.107</b>	<b>279.590</b>	<b>161.198</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>73.875</b>	<b>30.023</b>	<b>40.005</b>	<b>15.520</b>
4.1 Fees and commissions received		92.095	39.398	47.813	19.638
4.1.1 Non-cash loans		17.087	10.601	6.761	3.880
4.1.2 Other	IV-12	75.008	28.797	41.052	15.758
4.2 Fees and commissions paid		18.220	9.375	7.808	4.118
4.2.1 Non-cash loans		-	-	-	-
4.2.2 Other	IV-12	18.220	9.375	7.808	4.118
<b>V. DIVIDEND INCOME</b>	IV-3	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VI. NET TRADING INCOME</b>	IV-4	<b>(155.050)</b>	<b>(13.334)</b>	<b>(93.437)</b>	<b>7.134</b>
6.1 Securities trading gains/ (losses)		(2.649)	13.164	(1.925)	5.337
6.2 Gain/(losses) from derivative financial instruments		494.050	(39.672)	370.757	52.661
6.3 Foreign exchange gains/ (losses)		(646.451)	13.174	(462.269)	(50.864)
<b>VII. OTHER OPERATING INCOME</b>	IV-5	<b>4.145</b>	<b>2.733</b>	<b>1.785</b>	<b>873</b>
<b>VIII. NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>636.264</b>	<b>404.529</b>	<b>227.943</b>	<b>184.725</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	IV-6	<b>196.997</b>	<b>110.982</b>	<b>72.913</b>	<b>52.488</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	IV-7	<b>382.884</b>	<b>296.892</b>	<b>130.907</b>	<b>104.274</b>
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>56.383</b>	<b>(3.345)</b>	<b>24.123</b>	<b>27.963</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIII. PROFIT / (LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIV. GAIN / (LOSS) ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	IV-8	<b>56.383</b>	<b>(3.345)</b>	<b>24.123</b>	<b>27.963</b>
<b>XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	IV-9	<b>(19.661)</b>	<b>(7.655)</b>	<b>(7.788)</b>	<b>(7.946)</b>
16.1 Provision for current income taxes		(7.839)	-	10.477	881
16.2 Provision for deferred taxes		(11.822)	(7.655)	(18.265)	(8.827)
<b>XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	IV-10	<b>36.722</b>	<b>(11.000)</b>	<b>16.335</b>	<b>20.017</b>
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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		-	-	-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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		-	-	-	-
<b>XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
21.1 Provision for current income taxes		-	-	-	-
21.2 Provision for deferred taxes		-	-	-	-
<b>XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	IV-11	<b>36.722</b>	<b>(11.000)</b>	<b>16.335</b>	<b>20.017</b>

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

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED**  
**UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED JANUARY 1-**  
**SEPTEMBER 30, 2015 AND 2014**

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

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

	Reviewed Current Period 01.01-30.09.2015	Reviewed Prior Period 01.01-30.09.2014
I. Additions to marketable securities revaluation differences for available for sale financial assets	(63.594)	11.273
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	12.719	(2.254)
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	(50.875)	9.019
XI. Profit/Loss	36.722	(11.000)
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	2.410	12.149
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	34.312	(23.149)
XII. Total Profit/Loss accounted for in the period (X±XI)	(14.153)	(1.981)

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015 AND 2014**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

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
<b>PRIOR PERIOD</b>																			
<b>30/09/2014</b>																			
<b>I. Period Opening Balance</b>		1.496.150	-	-	-	-	-	-	-	(137.005)	(19.572)	(8.546)	-	-	-	-	1.331.027	-	1.331.027
<b>II. Changes in Accounting Policies according to TAS 8</b>																			
2.1 Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I-II)</b>		1.496.150	-	-	-	-	-	-	-	(137.005)	(19.572)	(8.546)	-	-	-	-	1.331.027	-	1.331.027
Changes in the period																			
<b>IV. Increase/Decrease due to the Merger</b>																			
<b>V. Marketable Securities Valuation Differences</b>																			
<b>VI. Hedging Transactions</b>												9.019					9.019		9.019
6.1 Cash Flow Hedge																			
6.2 Foreign Investment Hedge																			
<b>VII. Property and Equipment Revaluation Differences</b>																			
<b>VIII. Intangible Fixed Assets Revaluation Differences</b>																			
<b>IX. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures</b>																			
<b>X. Foreign Exchange Differences</b>																			
<b>XI. Changes due to the disposal of assets</b>																			
<b>XII. Changes due to the reclassification of assets</b>																			
<b>XIII. Effects of changes in equity of investments in associates</b>																			
<b>XIV. Capital Increase</b>	II-12																		
14.1 Cash Increase																			
14.2 Internal Resources																			
<b>XV. Share Premium</b>																			
<b>XVI. Share Cancellation Profits</b>																			
<b>XVII. Paid-in-capital inflation adjustment difference</b>																			
<b>XVIII. Other</b>										137.005	(137.005)								
<b>XIX. Current Year Income or (Loss)</b>										(11.000)							(11.000)		(11.000)
<b>XX. Profit Distribution</b>																			
20.1 Dividends Paid																			
20.2 Transfers to Reserves																			
20.3 Other																			
<b>Period End Balance (I+II+III+...+XVI+XVII+XVIII)</b>		1.496.150	-	-	-	-	-	-	-	(11.000)	(156.577)	473	-	-	-	-	1.329.046	-	1.329.046

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

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015 AND 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	
<b>CURRENT PERIOD</b>																				
<b>30/09/2015</b>																				
<b>I. Prior Period End Balance</b>		1.496.150	-	-	-	-	-	-	-	347	(156.577)	(2.669)	-	-	-	-	1.337.251	-	1.337.251	
Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Increase/Decrease due to the Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Marketable Securities Valuation Differences</b>		-	-	-	-	-	-	-	-	-	-	(50.875)	-	-	-	-	(50.875)	-	(50.875)	
<b>IV. Hedging Transactions</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Property and Equipment Revaluation Differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Intangible Fixed Assets Revaluation Differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Foreign Exchange Differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Changes due to the disposal of assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Changes due to the reclassification of assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Effects of changes in equity of investments in associates</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Capital Increase</b>	II-12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Share Premium</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Share Cancellation Profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Paid-in-capital inflation adjustment difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other</b>		-	-	-	-	-	-	-	-	(347)	347	-	-	-	-	-	-	-	-	-
<b>XVII. Current Year Income or( Loss)</b>		-	-	-	-	-	-	-	-	36.722	-	-	-	-	-	-	36.722	-	36.722	
<b>XVIII. Profit Distribution</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1 Dividens Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (I+II+III+...+XVI+XVII+XVIII)</b>		1.496.150	-	-	-	-	-	-	-	36.722	(156.230)	(53.544)	-	-	-	-	1.323.098	-	1.323.098	

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



**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE PERIOD ENDED JANUARY 1-SEPTEMBER 30, 2015 AND 2014**

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

**VI. STATEMENT OF CASH FLOW**

	Reviewed Current Period 30.09.2015	Reviewed Prior Period 30.09.2014
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>I.1 Operating profit before changes in operating assets and liabilities</b>	<b>(95.884)</b>	<b>149.049</b>
1.1.1 Interest received	1.391.515	1.143.354
1.1.2 Interest paid	(971.476)	(738.030)
1.1.3 Dividend received	-	-
1.1.4 Fees and commissions received	99.771	57.301
1.1.5 Other income	(233.244)	(29.399)
1.1.6 Collections from previously written off loans	58.428	14.396
1.1.7 Payments to personnel and service suppliers	(351.432)	(268.805)
1.1.8 Taxes paid	(46.932)	(12.022)
1.1.9 Others	(42.514)	(17.746)
<b>I.2 Changes in operating assets and liabilities</b>	<b>1.673.095</b>	<b>602.854</b>
1.2.1 Net (increase) decrease in financial assets held for trading	235	(174)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss	(78.194)	(35.580)
1.2.3 Net (increase) decrease in due from banks and other financial institutions	(1.300.303)	(887.317)
1.2.4 Net (increase) decrease in loans	(3.470.950)	(4.024.651)
1.2.5 Net (increase) decrease in other assets	(116.928)	17.543
1.2.6 Net increase (decrease) in bank deposits	717.963	(9.462)
1.2.7 Net increase (decrease) in other deposits	4.407.291	5.428.157
1.2.8 Net increase (decrease) in funds borrowed	1.450.303	21.371
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	63.678	92.967
<b>I. Net cash provided from banking operations</b>	<b>1.577.211</b>	<b>751.903</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net cash provided from investing activities</b>	<b>(409.313)</b>	<b>(266.802)</b>
2.1 Cash paid for purchase of jointly controlled entities, associates and subsidiaries	-	-
2.2 Cash obtained from sale of jointly controlled entities, associates and subsidiaries	-	-
2.3 Fixed assets purchases	(78.296)	(42.782)
2.4 Fixed assets sales	-	-
2.5 Cash paid for purchase of financial assets available for sale	(331.017)	(383.816)
2.6 Cash obtained from sale of financial assets available for sale	-	455.328
2.7 Cash paid for purchase of investment securities	-	(295.532)
2.8 Cash obtained from sale of investment securities	-	-
2.9 Others	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net cash provided from financing activities</b>	<b>17.459</b>	<b>253.028</b>
3.1 Cash obtained from funds borrowed and securities issued (*)	375.342	264.784
3.2 Cash used for repayment of funds borrowed and securities issued	(357.883)	(11.756)
3.3 Capital increase	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	-	-
3.6 Other	-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	<b>42.514</b>	<b>17.746</b>
<b>V. Net increase / (decrease) in cash and cash equivalents</b>	<b>1.227.871</b>	<b>755.875</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	<b>3.662.338</b>	<b>1.767.934</b>
<b>VII. Cash and cash equivalents at end of the period</b>	<b>4.890.209</b>	<b>2.523.809</b>

(\*)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 160.160, maturity on January 18,2016 and with a simple interest rate of 10.75% on July 24, 2015 sold to qualified investors in the domestic market.

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

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2015**

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

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

**I. Basis of Presentation**

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

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

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

The accounting policies followed and revaluation principles used in the preparation of financial statements have been determined and implemented in accordance with the regulations, communiqués, explanations and circulars published by BRSA with respect to accounting and financial reporting principles and principles covered by TAS/TFRS in cases where there were no specific regulations made by BRSA and they are consistent with accounting policies implemented in annual financial statements prepared for the year ending on 31 December 2014.

The amendments of TAS and TFRS which have entered into force as of 1 January 2015 have no material impact on the Bank’s accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, have no impact on the accounting policies, financial condition and performance of the Bank. The Bank assesses the impact of TFRS 9 Financial Instruments standard.

**b. Explanation for convenience translation into English:**

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

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

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS, and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2014. The aforementioned accounting policies and valuation principles are explained in Notes II to XXII below.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**AS OF SEPTEMBER 30, 2015**

(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.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**AS OF SEPTEMBER 30, 2015**

(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 SEPTEMBER 30, 2015**

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

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

*Financial Assets Available for Sale*

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

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

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

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

*Loans and Receivables*

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

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

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

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

**VII. Explanations on Impairment of Financial Assets**

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

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

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

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

As of 30 September 2015, the Bank has specific provision amount to TL 153.431 for its non-performing loans (December 31, 2014: TL 107.587).

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

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**AS OF SEPTEMBER 30, 2015**

(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 September 30, 2015, the Bank has TL 2.775.817 of reverse repo transactions (December 31, 2014: TL 2.235.688).

As of September 30, 2015, the Bank has TL 228.118 repo transactions (December 31, 2014: TL 138.889 ).

As of September 30, 2015, the Bank does not have any marketable securities lending transaction (December 31, 2014: None).

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

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

As of September 30, 2015, the Bank has TL 12.669 assets held for sale (December 31, 2014: TL 6.132).

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 September 30, 2015 and December 31, 2014 the Bank does not have any discontinued operations.

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

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

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

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

**XII. Explanations on Tangible Fixed Assets**

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

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

	%
Buildings	2
Safety box	2
ATM	10
Furniture, fixtures and others	20
Office equipments	10-33

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

Normal maintenance and repair cost of the properties are expensed.

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

**XIII. Explanations on Leasing Transactions**

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

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

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

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

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

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

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

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**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 September 30, 2015, the Bank has corporate income tax provision amounting to TL 14.314, which is netted with prepaid taxes amounting to TL 32.902 and shown as TL 18.588 in the current taxes (December 31, 2014: Tax Provision TL 4.090).

*Deferred Tax Liability / Asset:*

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



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

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

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

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

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax income/expense stated under the deferred tax provision amounting to TL 19.295 in the statement of income. (December 31, 2014 : TL 18.398).

**XVII. Additional Explanations on Borrowings**

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

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

The Bank has not issued convertible bonds

**XVIII. Explanations on Issued Share Certificates**

The Bank does not have any issued share certificates.

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

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

**XX. Explanations on Government Grants**

There are no government grants utilized by the Bank.

**XXI. Explanations on Segment Reporting**

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

**XXII. Explanations on Other Matters**

None, other than above explanations.

*Explanation for convenience translation to English*

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

**ODEA BANK ANONİM ŞİRKETİ**  
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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. 28756 as of September 5, 2013. As of September 30, 2015 the Bank's capital adequacy ratio is 12,24 % (December 31, 2014: 13,70 %).

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 3<sup>rd</sup> 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.

**ODEA BANK ANONİM ŞİRKETİ**  
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**Explanations Related to the Capital Adequacy Standard Ratio (continued)**

**Information related to the capital adequacy ratio:**

	Risk Weights									Total
	0%	10%	20%	50%	75%	100%	150%	200%	250%	
<b>The amount subject to credit risk</b>	-	-	53.698	2.355.024	1.064.474	15.985.435	742.958	1.274.012	-	21.475.601
<b>Risk Types</b>	<b>6.415.411</b>	-	<b>268.491</b>	<b>4.710.048</b>	<b>1.419.298</b>	<b>15.985.435</b>	<b>495.305</b>	<b>637.006</b>	-	<b>29.930.994</b>
Contingent and Non-Contingent Receivables from central governments or central banks	6.249.172	-	-	544.963	-	520.005	-	-	-	7.314.140
Contingent and Non-Contingent Receivables on Regional or Local governments	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-	-	6.657	-	-	-	6.657
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	-	-	268.491	108.535	-	68.668	-	-	-	445.694
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	13.222.524	-	-	-	13.222.524
Contingent and Non-Contingent Retail Receivables	-	-	-	-	1.419.298	17.503	-	-	-	1.436.801
Contingent and Non-Contingent Receivables Secured by Mortgages	-	-	-	4.004.119	-	1.590.985	-	-	-	5.595.104
Past Due Receivables	-	-	-	50.016	-	188.586	174.317	-	-	412.919
Receivables defined in high risk category by Regulator	-	-	-	2.415	-	16.367	320.988	637.006	-	976.776
Secured by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Other Receivables	166.239	-	-	-	-	354.140	-	-	-	520.379

**Summary information related to the capital adequacy ratio:**

	September 30, 2015	December 31, 2014
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	1.718.048	1.377.249
Capital requirement for market risk (II)(Value at Market Risk*0,08) (MRCR)	40.238	21.417
Capital requirement for operational risk (III) (ORCR)	42.013	18.787
Equity	2.755.092	2.427.261
Tier 1 Capital/((CRCR+CRMR+CROR)*12,5*100	9,35%	10,85%
Common Equity/((CRCR+CRMR+CROR)*12,5*100	5,54%	7,15%
<b>Equity/((CRCR+CRMR+CROR) * 12.5) * 100</b>	<b>12,24%</b>	<b>13,70%</b>

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

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

Common Equity	30 September 2015	31 December 2014
<b>Paid-in capital following all debts in terms of claim in liquidation of the Bank</b>	<b>1.496.150</b>	<b>1.496.150</b>
Share premium	-	-
Share cancellation profits	-	-
Reserves	-	-
Gains recognized in equity as per TAS	-	(2.669)
Profit	37.069	347
Current Period Profit	36.722	347
Prior Period Profit	347	-
Provisions for Possible Risks	-	-
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-	-
<b>Common Equity Before Deductions</b>	<b>1.533.219</b>	<b>1.493.828</b>
<b>Deductions from Common Equity</b>		
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	210.121	156.577
Leasehold improvements (-)	63.161	59.194
Goodwill or other intangible assets and deferred tax liability related to these items (-)	12.832	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 (-)	-	-
<b>Total Deductions From Common Equity</b>	<b>286.114</b>	<b>226.683</b>
<b>Total Common Equity</b>	<b>1.247.105</b>	<b>1.267.145</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
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)	908.820	699.480
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)(*)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>908.820</b>	<b>699.480</b>
<b>Deductions from Additional Tier I Capital</b>		
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 (-)	-	-
<b>Total Deductions From Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>908.820</b>	<b>699.480</b>
<b>Deductions from Tier I Capital</b>		
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 (-)	51.328	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 (-)	-	-
<b>Total Tier I Capital</b>	<b>2.104.597</b>	<b>1.922.976</b>
<b>TIER II CAPITAL</b>		
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)**)	454.410	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	196.085	154.545
<b>Tier II Capital Before Deductions</b>	<b>650.495</b>	<b>504.285</b>
<b>Deductions From Tier II Capital</b>		
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	-	-
<b>Total Tier II Capital</b>	<b>650.495</b>	<b>504.285</b>
<b>CAPITAL</b>	<b>2.755.092</b>	<b>2.427.261</b>
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 (-)	-	-
<b>TOTAL CAPITAL</b>	<b>2.755.092</b>	<b>2.427.261</b>
<b>Amounts below the Excess Limits as per the Deduction Principles</b>		
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	37.883	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 an 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".

**ODEA BANK ANONİM ŞİRKETİ**  
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**I. Explanations Related to the Capital Adequacy Standard Ratio (continued)**

**Details on Subordinated Liabilities:**

Lender	Details on Subordinated Loans		
	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)	302.940	605.880	454.492
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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**II. 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:

**Information Related to Market Risk:**

	<b>Amount</b>
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	12.180
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
(III) Capital requirement for specific risk in securitisation positions- Standard Method	-
(IV) Capital Requirement to be Employed For Currency Risk – Standard Method	3.768
(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	436
(VIII) Capital requirement for counterparty credit risk - Standard Method	23.854
(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)	40.238
<b>(XI) Capital requirement for market risk (12.5 x IX) or (12.5 x X)</b>	<b>502.975</b>

**III. 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	589.767	280.086	15	42.013
The amount subject to operational risk (Total*12,5)						525.163

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**IV. 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.

The announced current foreign exchange buying rates of the Bank at September 30, 2015 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	<b>23 September 2015</b>	<b>24 September 2015</b>	<b>25 September 2015</b>	<b>26 September 2015</b>	<b>29 September 2015</b>	<b>30 September 2015</b>
<b>USD</b>	3,0311	3,0311	3,0311	3,0504	3,0366	3,0294
<b>CHF</b>	3,1107	3,1107	3,1107	3,1158	3,1279	3,1080
<b>GBP</b>	4,6255	4,6255	4,6255	4,6293	4,6014	4,5959
<b>100 JPY</b>	0,0252	0,0252	0,0252	0,0254	0,0254	0,0252
<b>EURO</b>	3,3880	3,3880	3,3880	3,4074	3,4112	3,3897

  

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

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before September 30, 2015 are as follows:

	<b>Monthly Average Foreign Exchange Rate</b>
<b>USD</b>	3,0143
<b>CHF</b>	3,1010
<b>GBP</b>	4,6278
<b>100 JPY</b>	0,0251
<b>EURO</b>	3,3857

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**IV. Explanations Related to Currency Risk (continued)**

<b>September 30, 2015</b>	<b>EUR</b>	<b>USD</b>	<b>OTHER</b>	<b>TOTAL</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	28.284	3.752.729	3.033	3.784.046
Banks	47.317	9.202	19.489	76.008
Financial Assets at Fair Value Through Profit and Loss (***)	-	-	-	-
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	-	650.456	-	650.456
Loans (*)	4.908.942	7.651.798	-	12.560.740
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Held-To-Maturity Investments	-	381.577	-	381.577
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	3.764	71.898	-	75.662
<b>Total Assets</b>	<b>4.988.307</b>	<b>12.517.660</b>	<b>22.522</b>	<b>17.528.489</b>
<b>Liabilities</b>				
Bank Deposits	310.564	736.057	-	1.046.621
Other Deposits	6.412.953	9.787.590	36.677	16.237.220
Derivative financial liabilities(****)	-	-	-	-
Funds Provided From Other Financial Institutions	647.688	2.073.375	51.328	2.772.391
Subordinated Loan(*****)	-	1.363.312	-	1.363.312
Miscellaneous Payables	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities (***)	6.451	33.593	130	40.174
<b>Total Liabilities</b>	<b>7.377.656</b>	<b>13.993.927</b>	<b>88.135</b>	<b>21.459.718</b>
<b>Net Balance Sheet Position</b>	<b>(2.389.349)</b>	<b>(1.476.267)</b>	<b>(65.613)</b>	<b>(3.931.229)</b>
<b>Net Off-Balance Sheet Position</b>				
Financial Derivative Assets	4.699.623	7.959.323	564.958	13.223.904
Financial Derivative Liabilities	2.207.286	6.166.967	497.936	8.872.189
Forward deposit purchase commitments	-	18.176	-	18.176
Forward deposit sales commitments	-	6.059	-	6.059
Non-Cash Loans (**)	431.079	1.063.901	5.125	1.500.105
<b>December 31, 2014</b>				
Total Assets	3.493.555	8.994.730	2.244	12.490.529
Total Liabilities	4.276.585	9.626.897	41.887	13.945.369
<b>Net Balance Sheet Position</b>	<b>(783.030)</b>	<b>(632.167)</b>	<b>(39.643)</b>	<b>(1.454.840)</b>
<b>Net Off-Balance Sheet Position</b>	<b>788.435</b>	<b>383.711</b>	<b>66.500</b>	<b>1.238.646</b>
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

(\*) Foreign currency indexed loans amounting to TL 1.664.067 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.

(\*\*\*\*\*) TIER 1 subordinated loan amounting to TL 908.820 is included.

**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	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
USD	% 10	31.609	(24.846)	31.609	(24.846)
USD	%(10)	(31.609)	24.846	(31.609)	24.846
EUR	% 10	10.299	541	10.299	541
EUR	%(10)	(10.299)	(541)	(10.299)	(541)

(\*) Represents before tax amounts.



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**V. 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
<b>September 30, 2015</b>							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	5.621.736	-	4.072	-	-	132.300	5.758.108
Banks	-	-	-	-	-	76.299	76.299
Financial Assets at Fair Value Through Profit and Loss	132.644	72.893	64.386	41.322	8.232	-	319.477
Money Market Placements	2.775.817	-	-	-	-	-	2.775.817
Available-For-Sale Financial Assets	-	83.960	286.166	-	819.064	-	1.189.190
Loans	4.386.413	5.101.681	5.885.004	4.910.316	1.320.028	274.197	21.877.639
Held-To-Maturity Investments	-	-	-	381.577	-	-	381.577
Other Assets	-	-	-	-	-	462.460	462.460
<b>Total Assets</b>	<b>12.916.610</b>	<b>5.258.534</b>	<b>6.239.628</b>	<b>5.333.215</b>	<b>2.147.324</b>	<b>945.256</b>	<b>32.840.567</b>
Liabilities							
Bank Deposits	567.926	155.098	327.801	-	-	274	1.051.099
Customer Deposits	17.627.644	5.257.301	347.697	1.057	-	1.907.139	25.140.838
Money Market Borrowings	228.118	-	-	-	-	-	228.118
Miscellaneous Payables	-	-	-	-	-	10.708	10.708
Marketable Securities Issued	-	-	154.942	-	-	-	154.942
Subordinated Loans	-	-	-	-	454.492	908.820	1.363.312
Funds Provided From Other Financial Institutions	455.427	596.240	1.153.971	257.119	317.932	-	2.780.689
Other Liabilities (*)	38.808	59.378	110.695	35.979	399	1.865.602	2.110.861
<b>Total Liabilities</b>	<b>18.917.923</b>	<b>6.068.017</b>	<b>2.095.106</b>	<b>294.155</b>	<b>772.823</b>	<b>4.692.543</b>	<b>32.840.567</b>
Balance Sheet Long Position	-	-	4.144.522	5.039.060	1.374.501	-	10.558.083
Balance Sheet Short Position	(6.001.313)	(809.483)	-	-	-	(3.747.287)	(10.558.083)
Off-Balance Sheet Long Position	7.777.124	4.775.673	3.118.627	1.614.207	439.141	-	17.724.772
Off-Balance Sheet Short Position	(7.721.287)	(4.847.267)	(3.187.622)	(1.609.644)	(440.413)	-	(17.806.233)
<b>Total Position</b>	<b>(5.945.476)</b>	<b>(881.077)</b>	<b>4.075.527</b>	<b>5.043.623</b>	<b>1.373.229</b>	<b>(3.747.287)</b>	<b>(81.461)</b>

(\*) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 1.323.098, TL 45.816 tax liabilities, TL 238.636 provisions and TL 258.052 other liabilities.

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**V. 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
<b>December 31, 2014</b>							
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
<b>Total Assets</b>	<b>5.842.376</b>	<b>4.728.956</b>	<b>6.034.742</b>	<b>4.299.669</b>	<b>1.702.059</b>	<b>3.014.335</b>	<b>25.622.137</b>
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
<b>Total Liabilities</b>	<b>13.108.397</b>	<b>7.505.172</b>	<b>723.307</b>	<b>130.105</b>	<b>411.022</b>	<b>3.744.134</b>	<b>25.622.137</b>
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)
<b>Total Position</b>	<b>(7.286.365)</b>	<b>(2.791.398)</b>	<b>5.245.780</b>	<b>4.129.907</b>	<b>1.386.049</b>	<b>(729.799)</b>	<b>(45.836)</b>

(\*) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 1.327.887, TL 45.816 tax liabilities, TL 239.024 provisions and TL 258.052 other liabilities.

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

	EURO %	USD %	JPY %	TL %
<b>September 30, 2015</b>				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	0,21	-	2,32
Banks	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	-	-	-	10,04
Money Market Placements	-	-	-	10,75
Available-For-Sale Financial Assets	-	6,17	-	9,89
Loans	5,63	6,09	-	15,10
Held-To-Maturity Investments	-	3,49	-	-
Liabilities				
Bank Deposits	2,14	2,43	-	6,69
Customer Deposits	2,32	2,21	-	11,60
Money Market Balances	-	-	-	0,07
Subordinated Loans (Note II.11)	-	6,50	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	0,10
Funds Provided From Other Financial Institutions	2,16	2,03	-	6,76

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**V. Explanations Related to Interest Rate Risk (continued)**

	EURO %	USD %	JPY %	TL %
<b>December 31, 2014</b>				
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	-	-

**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	(350.703)	(12,71)%
	(400)	339.211	12,29%
EUR	200	(11.246)	(0,41)%
	(200)	291	0,01%
USD	200	(31.120)	(1,13)%
	(200)	(64.134)	(2,32)%
<b>Total (For Positive Shock)</b>		<b>(393.069)</b>	<b>(14,24)%</b>
<b>Total (For Negative Shock)</b>		<b>275.368</b>	<b>9,98%</b>

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

**VI. Explanations Related to Share Certificates Position Risk**

The Bank has no outstanding share certificate position.

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**VII. 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.

Liquidity coverage ratios are calculated as solo weekly and consolidated monthly starting from 1 January 2015 as per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette no. 28948, dated 21 March 2014. Liquidity coverage ratios should be at least 40% for foreign currency denominated assets and liabilities and 60% for total assets and liabilities for 2015. Weekly solo liquidity coverage average ratios for the third quarter of 2015 are as follows:

<b>Current Year- 30 September 2015</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average (%)</b>	159	129

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**VII. Explanations Related to Liquidity Risk (continued)**

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

<b>September 30, 2015</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Month</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Undistributed (*)</b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	5.758.108	-	-	-	-	-	-	5.758.108
Banks	76.299	-	-	-	-	-	-	76.299
Financial Assets at Fair Value Through Profit and Loss	-	131.777	70.762	62.130	46.576	8.232	-	319.477
Money Market Placements	-	2.775.817	-	-	-	-	-	2.775.817
Available-For-Sale Financial Assets	-	-	-	83.960	415.002	690.228	-	1.189.190
Loans	-	1.406.950	1.045.567	4.423.595	8.897.114	5.830.216	274.197	21.877.639
Held-To-Maturity Investments	-	-	-	-	381.577	-	-	381.577
Other Assets	-	-	-	-	-	-	462.460	462.460
<b>Total Assets</b>	<b>5.834.407</b>	<b>4.314.544</b>	<b>1.116.329</b>	<b>4.569.685</b>	<b>9.740.269</b>	<b>6.528.676</b>	<b>736.657</b>	<b>32.840.567</b>
<b>Liabilities</b>								
Bank Deposits	274	567.926	155.098	327.801	-	-	-	1.051.099
Customer Deposits	1.907.139	17.627.644	5.257.301	347.697	1.057	-	-	25.140.838
Funds Provided From Other Financial Institutions	-	455.427	596.240	1.153.971	257.119	317.932	-	2.780.689
Money Market Borrowings	-	228.118	-	-	-	-	-	228.118
Marketable Securities Issued	-	-	-	154.942	-	-	-	154.942
Subordinated Loans	-	-	-	-	-	454.492	908.820	1.363.312
Miscellaneous Payables	-	-	-	-	-	-	10.708	10.708
Other Liabilities (**)	-	38.293	58.161	109.684	38.377	402.427	1.463.919	2.110.861
<b>Total Liabilities</b>	<b>1.907.413</b>	<b>18.917.408</b>	<b>6.066.800</b>	<b>2.094.095</b>	<b>296.553</b>	<b>1.174.851</b>	<b>2.383.447</b>	<b>32.840.567</b>
<b>Liquidity Gap</b>	<b>3.926.994</b>	<b>(14.602.864)</b>	<b>(4.950.471)</b>	<b>2.475.590</b>	<b>9.443.716</b>	<b>5.353.825</b>	<b>(1.646.790)</b>	<b>-</b>
<b>Prior period</b>								
Total Assets	2.850.724	4.762.798	935.921	4.519.905	6.696.183	5.378.513	478.093	25.622.137
Total Liabilities	1.274.850	13.119.068	7.504.224	715.591	127.551	411.569	2.469.284	25.622.137
<b>Liquidity Gap</b>	<b>1.575.874</b>	<b>(8.356.270)</b>	<b>(6.568.303)</b>	<b>3.804.314</b>	<b>6.568.632</b>	<b>4.966.944</b>	<b>(1.991.191)</b>	<b>-</b>

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

(\*\*) The other liabilities line in the undistributed column consist of shareholders' equity amounting to TL 1.323.098, TL 45.816 tax liabilities, TL 238.636 provisions and TL 258.052 other liabilities.

**VIII. Explanations Related to Securitization Positions**

None.

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**IX. 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.

**Collateral on the basis of risk classes:**

**September 30, 2015**

<b>Risk Types</b>	<b>Current period risk amount(*)</b>	<b>Financial Collateral</b>	<b>Other / Physical Collateral</b>	<b>Guaranties and Credit Derivatives</b>
Contingent and Non-Contingent Receivables from central governments or central banks	7.350.469	-	-	-
Contingent and Non-Contingent Receivables on Regional and Local governments	-	-	-	-
Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises	6.971	-	-	-
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	460.398	-	-	-
Contingent and Non-Contingent receivables from corporates	15.905.895	1.298.946	-	-
Contingent and Non-Contingent Retail Receivables	1.856.289	30.296	-	-
Contingent and Non-Contingent Receivables Secured by Mortgages	5.683.384	-	-	-
Past Due Receivables	412.924	5	-	-
Receivables defined in high risk category by Regulator	1.019.194	42.418	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporate	-	-	-	-
Investment similar to collective investment funds	-	-	-	-
Other Receivables	520.379	-	-	-
<b>Total</b>	<b>33.215.903</b>	<b>1.371.665</b>	-	-

**December 31, 2014**

<b>Risk Types</b>	<b>Prior period risk amount(*)</b>	<b>Financial Collateral</b>	<b>Other / Physical Collateral</b>	<b>Guaranties and Credit Derivatives</b>
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	-	-	-
<b>Total</b>	<b>26.027.088</b>	<b>1.063.297</b>	-	-

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

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**X. 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 and Internal Capital Adequacy Assessment Process of Banks (published in the Official Gazette dated July 11, 2014 numbered 29057)", 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 Internal Systems and Internal Capital Adequacy Assessment Process of Banks published in the Official Gazette No. 29057 dated July 11, 2014 banking processes and policies were established. Consequently, related procedures/policies are formed and then approved by the Board of Directors.

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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**X. 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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**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:**

	September 30, 2015		December 31, 2014	
	TL	FC	TL	FC
Cash in Vault	63.347	68.836	56.353	56.883
Balances with the Central Bank of Turkey	1.910.715	3.715.210	302.555	2.414.871
Other	-	-	-	-
<b>Total</b>	<b>1.974.062</b>	<b>3.784.046</b>	<b>358.908</b>	<b>2.471.754</b>

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

	September 30, 2015		December 31, 2014	
	TL	FC	TL	FC
Unrestricted demand deposits	1.910.715	84	302.555	49
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	3.715.126	-	2.414.822
<b>Total</b>	<b>1.910.715</b>	<b>3.715.210</b>	<b>302.555</b>	<b>2.414.871</b>

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

In accordance with the declaration by the T.C. Central Bank on March 10, 2015 numbered 2015-19, as of the February 27, 2015 obligation schedule, 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, 2014 – 5% to 11.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 9% to 13% depending on the maturity of deposits (December 31, 2014 – 6% to 13%), the Banks shall book required reserves at the rate of 5% to 11,5% depending on the structure of the maturity for non-deposit Turkish Lira obligations (December 31, 2014 – 5% to 11.5%) and at the rate of 6% to 20% depending on the structure of the maturity for non-deposit foreign currency obligations (December 31, 2014 – 6% to 18%), which they need to hold as required reserve in the account of the T.C Central Bank's.

Also, as per the related announcement on August 29, 2015, foreign currency borrowings after August 28, 2015 will be subject to new rates between 5% and 25% depending on the maturities where Banks will place these funds starting from October 23, 2015.

Starting from November 2014, the Central Bank of the Republic of Turkey started to pay interest on the TL portion of Reserve Requirements and also interest payment is started on the FC portion of Reserve Requirements starting from May 2015.

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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:

	September 30, 2015		December 31, 2014	
	TL	FC	TL	FC
Classified as unrestricted	2.730	-	1.778	1.379
Subject to repurchase agreements	-	-	-	-
Given as collateral/blocked	-	-	-	-
<b>Total</b>	<b>2.730</b>	<b>-</b>	<b>1.778</b>	<b>1.379</b>

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:

	September 30, 2015		December 31, 2014	
	TL	FC	TL	FC
Forward Transactions	58.285	9.248	1.491	4.255
Swap Transactions	167.704	20.638	2.471	18.960
Futures Transactions	-	-	-	-
Options	55.234	5.638	4.267	12.513
Other	-	-	-	-
<b>Total</b>	<b>281.223</b>	<b>35.524</b>	<b>8.229</b>	<b>35.728</b>

**3. Information on banks:**

	September 30, 2015		December 31, 2014	
	TL	FC	TL	FC
Banks				
Domestic	291	-	866.973	137.565
Foreign	-	76.008	-	8.025
Branches and head office abroad			-	-
<b>Total</b>	<b>291</b>	<b>76.008</b>	<b>866.973</b>	<b>145.590</b>

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

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

	September 30, 2015		December 31, 2014	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	288.933	-	205.577	-
Other	-	-	-	-
<b>Total</b>	<b>288.933</b>	<b>-</b>	<b>205.577</b>	<b>-</b>

**ODEA BANK ANONİM ŞİRKETİ**  
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**I. Explanations and Disclosures Related to the Assets (continued)**

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

As of September 30, 2015, available-for-sale financial assets subject to repurchase agreements amount to TL 227.967 (31 December 2014: TL 139.264).

b) Information on financial assets available for sale portfolio:

	September 30, 2015	December 31, 2014
Debt securities	1.189.190	863.054
Quoted on a stock exchange	1.189.190	863.054
Not quoted	-	-
Share certificates	-	-
Quoted on a stock exchange	-	-
Not quoted	-	-
Value Decrease (-) / Increase (+)	-	-
<b>Total</b>	<b>1.189.190</b>	<b>863.054</b>

**5. Information on loans:**

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

	September 30, 2015		December 31, 2014	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	20.985	-	18.221
Loans granted to employees	5.773	-	4.846	-
<b>Total</b>	<b>5.773</b>	<b>20.985</b>	<b>4.846</b>	<b>18.221</b>

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	Restructured or Rescheduled	Other	Loans and Other Receivables	Restructured or Rescheduled	Other
Non-specialized loans	20.777.690	74.035	-	313.359	438.358	-
Discount notes	-	-	-	-	-	-
Export loans	1.391.048	6.525	-	11.534	2.284	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	122.407	-	-	-	-	-
Foreign loans	519.582	-	-	-	-	-
Consumer loans	1.720.782	2.997	-	115.388	32.546	-
Credit cards	166.586	-	-	17.369	-	-
Precious metals loans	-	-	-	-	-	-
Other	16.857.285	64.513	-	169.068	403.528	-
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
<b>Total</b>	<b>20.777.690</b>	<b>74.035</b>	<b>-</b>	<b>313.359</b>	<b>438.358</b>	<b>-</b>

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**I. Explanations and Disclosures Related to the Assets (continued)**

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

Number of extensions	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	74.035	438.358
Extended by 3,4 or 5 times	-	-
Extended by more than 5 times	-	-
<b>Total</b>	<b>74.035</b>	<b>438.358</b>

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	31.193	875
6 - 12 Months	24.595	10.689
1 - 2 Years	6.157	53.457
2 - 5 Years	12.090	361.477
5 Years and over	-	11.860
<b>Total</b>	<b>74.035</b>	<b>438.358</b>

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

	Short Term	Medium and Long Term	Total
<b>Consumer Loans-TL</b>	<b>128.738</b>	<b>1.641.728</b>	<b>1.770.466</b>
Housing Loans	-	597.917	597.917
Car Loans	287	33.264	33.551
General Purpose Loans	128.451	1.010.547	1.138.998
Other	-	-	-
<b>Consumer Loans -Indexed to FC</b>	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	-	<b>86.244</b>	<b>86.244</b>
Housing Loans	-	86.244	86.244
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>176.680</b>	<b>89</b>	<b>176.769</b>
With Installments	41.901	89	41.990
Without Installments	134.779	-	134.779
<b>Individual Credit Cards-FC</b>	<b>49</b>	-	<b>49</b>
With Installments	11	-	11
Without Installments	38	-	38
<b>Personnel Loans-TL</b>	<b>379</b>	<b>5.026</b>	<b>5.405</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	379	5.026	5.405
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>368</b>	-	<b>368</b>
With Installments	84	-	84
Without Installments	284	-	284
<b>Personnel Credit Cards-FC</b>	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
<b>Overdraft Accounts-TL(Real Persons)</b>	<b>9.598</b>	-	<b>9.598</b>
<b>Overdraft Accounts-FC(Real Persons)</b>	-	-	-
<b>Total</b>	<b>315.812</b>	<b>1.733.087</b>	<b>2.048.899</b>

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

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

**Current Period- 30.09.2015**

	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Commercial loans with installment facility-TL</b>	<b>57.408</b>	<b>1.931.838</b>	<b>1.989.246</b>
Business Loans	-	474	474
Car Loans	430	31.342	31.772
General Purpose Loans	56.978	1.900.022	1.957.000
Other	-	-	-
<b>Commercial loans with installment facility - Indexed to FC</b>	<b>8.902</b>	<b>342.597</b>	<b>351.499</b>
Business Loans	-	-	-
Car Loans	-	12.788	12.788
General Purpose Loans	8.902	329.809	338.711
Other	-	-	-
<b>Commercial loans with installment facility –FC</b>	<b>-</b>	<b>733.667</b>	<b>733.667</b>
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	733.667	733.667
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>6.688</b>	<b>-</b>	<b>6.688</b>
With Installments	4	-	4
Without Installments	6.684	-	6.684
<b>Corporate Credit Cards-FC</b>	<b>81</b>	<b>-</b>	<b>81</b>
With Installments	-	-	-
Without Installments	81	-	81
<b>Overdraft Accounts-TL(Legal Entities)</b>	<b>205.009</b>	<b>-</b>	<b>205.009</b>
<b>Overdraft Accounts-FC(Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>278.088</b>	<b>3.008.102</b>	<b>3.286.190</b>

f) Distribution of domestic and foreign loans:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Domestic loans	21.083.860	17.598.480
Foreign loans	519.582	256.392
<b>Total</b>	<b>21.603.442</b>	<b>17.854.872</b>

g) Loans granted to subsidiaries and associates: None.

h) Specific provisions provided against loans:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Specific provisions		
Loans and receivables with limited collectability	18.487	15.296
Loans and receivables with doubtful collectability	60.951	39.573
Uncollectible loans and receivables	73.993	52.718
<b>Total</b>	<b>153.431</b>	<b>107.587</b>

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**AS OF SEPTEMBER 30, 2015**

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

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

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

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>December 31, 2014 balance</b>	<b>110.470</b>	<b>95.136</b>	<b>58.569</b>
Additions (+)	339.525	-	-
Transfers from other categories of non-performing loans (+)	-	273.801	196.162
Transfers to other categories of non-performing loans (-)	273.801	196.162	-
Collections (-)	21.614	19.350	17.464
Write-offs (-)	-	-	45.618
Corporate and commercial loans	-	-	-
Retail loans	-	-	32.465
Credit cards	-	-	13.153
Other (-) (*)	-	-	72.026
Corporate and commercial loans	-	-	56.347
Retail loans	-	-	15.679
Credit cards	-	-	5.038
<b>September 30, 2015 balance</b>	<b>154.580</b>	<b>153.425</b>	<b>119.623</b>
Specific provision (-)	18.487	60.951	73.993
<b>Net Balances on Balance Sheet</b>	<b>136.093</b>	<b>92.474</b>	<b>45.630</b>

(\*) The Bank completed the transfer of previously written off non performing loans of TL 14.752 and on balance sheet non performing loans of TL 20.574 to Sumer Varlık (Asset Management Company) on June 24, 2015 for TL 3.800. Also, The Bank completed the transfer of previously written off non performing loans of TL 20.717 and on balance sheet non performing loans of TL 27.069 to Turkasset Varlık (Asset Management Company) on September 30, 2015 for TL 6.749.

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

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>September 30, 2015 (Net)</b>	<b>136.093</b>	<b>92.474</b>	<b>45.630</b>
Loans to Real Persons and Legal Entities (Gross)	154.580	153.425	119.623
Specific provision (-)	18.487	60.951	73.993
Loans to Real Persons and Legal Entities (Net)	136.093	92.474	45.630
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>December 31, 2014 (Net)</b>	<b>95.174</b>	<b>55.563</b>	<b>5.851</b>
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)	-	-	-

**ODEA BANK ANONİM ŞİRKETİ**  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

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

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of September 30, 2015, the net amount after provisions of the non-performing loans and receivables in the fifth group is TL 45.631 (December 31, 2014: TL 5.851).

- k) Explanations on write-off policy:

In 2015 with the decisions of Board of Directors and in accordance with laws of "Regulations of Provisions", retail loans and credit cards with special provision at the rate of 100%, without any collateral, amounting to TL 45.618 have been moved to off- balance sheet by means of renounce and removed from the assets, by the bank (December 31, 2014: 5.510).

The Bank completed the transfer of previously written off non performing loans of TL 14.752 and on balance sheet non performing loans of TL 20.574 to Sumer Varlık (Asset Management Company) on June 24, 2015 for TL 3.800. Also, The Bank completed the transfer of previously written off non performing loans of TL 20.717 and on balance sheet non performing loans of TL 27.069 to Turkasset Varlık (Asset Management Company) on September 30, 2015 for TL 6.749.

**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 381.577 held-to-maturity investments as of September 30, 2015 (December 31, 2014: TL 300.091).
- d) Movement on held-to-maturity investments:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Beginning Balance	300.091	-
Foreign Currency Differences on Monetary Assets	-	-
Purchases during year	-	300.091
Disposals Through Sales and Redemptions	-	-
Impairment Provision	-	-
Change in Amortized Cost	81.486	-
<b>Total</b>	<b>381.577</b>	<b>300.091</b>

(\*)Represents exchange differences

**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.

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

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

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

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

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

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

**13. Information on intangible assets:**

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

**14. Investment Property (Net):** None.

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

- a) As of September 30, 2015, the Bank has deferred tax asset amounting to TL 19.295 arising from deductible temporary differences (December 31, 2014: TL 18.398).
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

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

As of September 30, 2015 the Bank has assets held for sale and discontinued operations amounting to TL 12.669 (December 31, 2014: TL 6.132).

**17. Information on other assets**

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



**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**AS OF SEPTEMBER 30, 2015**

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

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

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

**a.1) September 30, 2015**

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	211.604	-	474.860	4.737.196	31.879	66.124	20.204	-	5.541.867
Foreign currency deposits	1.232.478	-	2.059.478	12.012.037	684.463	167.344	80.411	-	16.236.211
Residents in Turkey	1.205.595	-	2.054.640	11.896.923	683.880	164.757	64.807	-	16.070.602
Residents abroad	26.883	-	4.838	115.114	583	2.587	15.604	-	165.609
Public sector deposits	73.483	-	-	213	-	-	-	-	73.696
Commercial deposits	387.924	-	295.926	2.146.087	9.847	61.857	859	-	2.902.500
Other institutions deposits	644	-	1.428	383.486	-	-	-	-	385.558
Precious metals deposits	1.006	-	-	-	-	-	-	-	1.006
Interbank deposits	274	-	142.122	556.208	99.666	252.829	-	-	1.051.099
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	274	-	30.294	-	-	-	-	-	30.568
Foreign Banks	-	-	111.828	556.208	99.666	252.829	-	-	1.020.531
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.907.413</b>	<b>-</b>	<b>2.973.814</b>	<b>19.835.227</b>	<b>825.855</b>	<b>548.154</b>	<b>101.474</b>	<b>-</b>	<b>26.191.937</b>

**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	-	-	915	-	-	-	-	28.759
Commercial deposits	297.072	-	643.696	1.980.234	102.086	17.599	27	-	3.040.714
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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.274.850</b>	<b>-</b>	<b>2.666.246</b>	<b>15.878.740</b>	<b>883.725</b>	<b>325.658</b>	<b>31.821</b>	<b>-</b>	<b>21.061.040</b>

**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	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Saving deposits	1.136.106	896.447	4.405.761	4.816.378
Foreign currency saving deposits	289.310	193.456	8.354.848	5.478.381
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
<b>Total</b>	<b>1.425.416</b>	<b>1.089.903</b>	<b>12.760.609</b>	<b>10.294.759</b>

(\*) 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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**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**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:

	September 30, 2015	December 31, 2014
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	18.145	12.737
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

**2. Information on derivative financial liabilities**

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

	September 30, 2015		December 31, 2014	
	TL	FC	TL	FC
Forward Transactions	37.691	2.133	3.447	4.165
Swap Transactions	137.515	16.787	4.163	14.478
Futures Transactions	-	-	-	-
Options	43.755	7.378	12.231	12.179
Other	-	-	-	-
<b>Total</b>	<b>218.961</b>	<b>26.298</b>	<b>19.841</b>	<b>30.822</b>

**3. Information on borrowings:**

a) Information on banks and other financial institutions:

	September 30, 2015		December 31, 2014	
	TL	FC	TL	FC
From Domestic Banks and Institutions	8.298	14.301	8.760	13.683
From Foreign Banks, Institutions and Funds	-	2.758.090	-	1.388.680
<b>Total</b>	<b>8.298</b>	<b>2.772.391</b>	<b>8.760</b>	<b>1.402.363</b>

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**II. Explanations and Disclosures Related to the Liabilities**

- b) Maturity analysis of borrowings

	<b>September 30, 2015</b>		<b>December 31, 2014</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term	8.015	1.527.254	6.721	771.114
Medium and long-term	283	1.245.137	2.039	631.249
<b>Total</b>	<b>8.298</b>	<b>2.772.391</b>	<b>8.760</b>	<b>1.402.363</b>

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

- a) Funds Provided Under Repurchase Agreements

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Funds Provided Under Repurchase Agreements	228.118	138.889
<b>Total</b>	<b>228.118</b>	<b>138.889</b>

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

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Bank Bills	154.942	137.483
<b>Total</b>	<b>154.942</b>	<b>137.483</b>

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 160.160, maturity on January 18, 2016 and with a simple interest rate of 10.75% on July 24, 2015 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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**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

**9. Information on provisions**

a) Information on general provisions

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
General Provisions	196.085	154.545
I. Provisions for First Group Loans and Receivables	161.912	131.642
o/w - Provision for extended loans	2.488	6.353
II. Provisions for Second Group Loans and Receivables	28.555	18.276
o/w - Provision for extended loans	21.911	14.065
Provisions for Non-cash Loans and Derivative Financial Instruments	5.618	4.627
<b>Total</b>	<b>196.085</b>	<b>154.545</b>

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TL 1.307 on the foreign currency indexed loans are netted off from loans on the balance sheet.

c) Provisions for NPL customers' non-cash loans that are not converted into cash: As of September 30, 2015 provision for NPL customers' non-cash loans that are not converted into cash is TL 3.242 (December 31, 2014: TL 1.333).

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

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

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Employee termination benefit provision	4.519	2.689
Unused vacation provision	4.186	3.614
<b>Total of provision for employee benefits</b>	<b>8.705</b>	<b>6.303</b>

In accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits"; total benefit is calculated for each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct and reflected to the financial statements in accordance with TAS. The Bank has calculated retirement pay liability for personnels who deserve retirement pay in accordance with legal compliance.

e) Information on other provisions:

e.1) Provisions for possible losses: None.

e.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions: Other provisions consist of provision for personnel premium amounting to TL 30.604 for the year of 2015 (December 31, 2014: TL 35.615).

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.

**ODEA BANK ANONİM ŞİRKETİ**  
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

**10. Explanations on taxes payable**

a) Information on current tax liability:

a.1) Information on corporate tax:

As of September 30, 2015, the Bank has corporate income tax provision amounting to TL 14.314, which is netted with prepaid taxes amounting to TL 32.902 and shown as TL 18.588 in the current taxes (December 31, 2014: Tax Provision TL 4.090).

a.2) Explanations on taxes payable:

	September 30, 2015	December 31, 2014
Payroll Tax	3.375	2.921
Taxation on Securities	21.986	16.827
BSMV	16.594	13.598
Property Tax	281	414
Value Added Tax Payable	248	786
Stamp Tax	104	30
Corporate Taxes Payable	-	4.090
Foreign Exchange Transaction Tax	-	-
Other	486	457
<b>Total</b>	<b>43.074</b>	<b>39.123</b>

a.3) Information on premiums:

	September 30, 2015	December 31, 2014
Social Security Premiums-Employer	1.323	1.091
Social Security Premiums-Employee	1.171	966
Unemployment Insurance-Employer	165	137
Unemployment Insurance-Employee	83	68
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	-	-
<b>Total</b>	<b>2.742</b>	<b>2.262</b>

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

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

**12. Information on Subordinated Loans**

	September 30, 2015	December 31, 2014
From domestic banks	-	-
From foreign banks	1.363.312	1.053.135
<b>Total</b>	<b>1.363.312</b>	<b>1.053.135</b>

**ODEA BANK ANONİM ŞİRKETİ**  
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**II. Explanations and Disclosures Related to the Liabilities (continued)**

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 September 30, 2015 the Bank's paid in capital consists of TL 1.496.150.000 shares which nominal value is TL 1.

<b>TL</b>	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Common stock(*)	1.496.150	1.496.150
Preferred stock	-	-
<b>Total</b>	<b>1.496.150</b>	<b>1.496.150</b>

(\*) 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.
- h) Information on marketable securities value increase fund:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Valuation Difference	(53.544)	(2.669)
Foreign Exchange Difference	-	-
<b>Total</b>	<b>(53.544)</b>	<b>(2.669)</b>

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

**14. Information on minority shares:**

None.

**ODEA BANK ANONİM ŞİRKETİ**  
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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:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Forward asset purchase and sales commitments	49.370	585.464
Loan granting commitments	272.574	250.945
Commitments for checks	94.064	81.805
Credit card limit commitments	304.230	216.925
Other irrevocable commitments	7.323	7.962
<b>Total</b>	<b>727.561</b>	<b>1.143.101</b>

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

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

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

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Other guarantees and collaterals	1.741.060	1.005.914
Letters of credit	767.284	431.685
Bank acceptance loans	58.488	54.686
<b>Total</b>	<b>2.566.832</b>	<b>1.492.285</b>

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

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Definite letter of guarantees	992.816	720.177
Temporary letter of guarantees	50.150	58.567
Other letter of guarantees	698.094	227.170
<b>Total</b>	<b>1.741.060</b>	<b>1.005.914</b>

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

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Non-cash loans given to cover cash loans		
With maturity of 1 year or less than 1 year	44.086	14.383
With maturity of more than 1 year	-	-
Other non-cash loans	2.522.746	1.477.902
<b>Total</b>	<b>2.566.832</b>	<b>1.492.285</b>

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**IV. Explanations and Disclosures Related to the Statement of Income**

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

	September 30, 2015		September 30, 2014	
	TL	FC	TL	FC
Interest on loans (*)				
Short term loans	453.898	34.609	354.109	21.789
Medium and long term loans	531.964	408.238	403.194	230.240
Interest on non-performing loans	-	-	-	-
<b>Total</b>	<b>985.862</b>	<b>442.847</b>	<b>757.303</b>	<b>252.029</b>

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

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

	September 30, 2015		September 30, 2014	
	TL	FC	TL	FC
The Central Bank of Republic of Turkey (CBRT)	5.319	1.830	-	-
Domestic banks	65.589	594	29.713	322
Foreign banks	-	170	-	55
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>70.908</b>	<b>2.594</b>	<b>29.713</b>	<b>377</b>

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

	September 30, 2015		September 30, 2014	
	TL	FC	TL	FC
Trading securities	1.812	-	162	12
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	29.305	27.503	45.926	13.886
Held-to-maturity securities	-	9.986	-	3.755
<b>Total</b>	<b>31.117</b>	<b>37.489</b>	<b>46.088</b>	<b>17.653</b>

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

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

	September 30, 2015		September 30, 2014	
	TL	FC	TL	FC
Interest on funds borrowed				
Banks	<b>379</b>	<b>49.974</b>	<b>153</b>	<b>24.271</b>
The Central Bank of Turkey	-	-	-	-
Domestic banks	379	231	153	90
Foreign banks	-	49.743	-	24.181
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
<b>Total</b>	<b>379</b>	<b>49.974</b>	<b>153</b>	<b>24.271</b>



**ODEA BANK ANONİM ŞİRKETİ**  
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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 September 30, 2015; The bank has interest expense to marketable securities issued amounting to TL 14.531 (September 30, 2014: TL 6.355).

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

Account Name	September 30, 2015							Accumulating Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year			
<b>TL</b>									
Bank deposits	-	1.973	-	-	-	-	-	-	1.973
Saving deposits	-	25.417	376.442	11.884	9.130	1.295	-	-	424.168
Public sector deposits	-	-	2.043	-	-	-	-	-	2.043
Commercial deposits	-	21.210	141.141	7.137	4.002	63	-	-	173.553
Other deposits	-	1.196	39.536	2.976	3.910	-	-	-	47.618
7 days call accounts	-	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>49.796</b>	<b>559.162</b>	<b>21.997</b>	<b>17.042</b>	<b>1.358</b>	<b>-</b>	<b>-</b>	<b>649.355</b>
<b>Foreign Currency</b>									
Foreign currency deposits	-	25.218	211.409	11.025	3.250	1.456	-	-	252.358
Bank deposits	-	13.780	-	-	-	-	-	-	13.780
7 days call accounts	-	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>38.998</b>	<b>211.409</b>	<b>11.025</b>	<b>3.250</b>	<b>1.456</b>	<b>-</b>	<b>-</b>	<b>266.138</b>
<b>Grand Total</b>	<b>-</b>	<b>88.794</b>	<b>770.571</b>	<b>33.022</b>	<b>20.292</b>	<b>2.814</b>	<b>-</b>	<b>-</b>	<b>915.493</b>

**3. Information on Dividend Income:** None.

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

	September 30, 2015	September 30, 2014
<b>Income</b>	<b>6.500.624</b>	<b>1.534.107</b>
Gains on capital market operations	4.773	13.417
Gains on derivative financial instruments	1.437.586	248.896
Foreign exchange gains	5.058.265	1.271.794
<b>Losses (-)</b>	<b>6.655.674</b>	<b>1.547.441</b>
Losses on capital market operations	7.422	253
Losses on derivative financial instruments	943.536	288.568
Foreign exchange losses	5.704.716	1.258.620
<b>Net Amount</b>	<b>(155.050)</b>	<b>(13.334)</b>

**5. Information on other operating income:** As of September 30, 2015; other operating income includes the adjustment account for previous years' expenses and other operating income.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**IV. Explanations and Disclosures Related to the Statement of Income (continued)**

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

	September 30, 2015	September 30, 2014
Specific provisions for loans and other receivables	155.458	70.183
III. Group Loans and Receivables	38.531	4.605
IV. Group Loans and Receivables	55.075	15.575
V. Group Loans and Receivables	61.852	50.003
General loan loss provision expenses	41.539	40.799
Provision expenses for possible losses	-	-
Marketable securities impairment losses	-	-
Financial assets at fair value through profit and loss	-	-
Investment securities available for sale	-	-
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Jointly controlled entities	-	-
Investments held to maturity	-	-
Other	-	-
<b>Total</b>	<b>196.997</b>	<b>110.982</b>

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

	September 30, 2015	September 30, 2014
Personnel expenses	182.485	108.725
Unused vacation provision	1.830	525
Taxes and duties	-	-
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	26.332	18.232
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	13.047	8.962
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	33	8
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	159.157	160.440
Rent expenses	38.886	27.576
Maintenance expenses	1.762	719
Advertisement expenses	25.025	22.124
Other expenses (*)	93.484	110.021
Loss on sales of assets	-	-
<b>Total</b>	<b>382.884</b>	<b>296.892</b>

(\*) As of September 30, 2015, other operating expenses include IT expenses amounting to TL 19.289, outsource services amounting to TL 12.136, communication expenses amounting to TL 7.591, premiums for saving deposit insurance fund amounting to TL 7.396 and other expenses.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**IV. Explanations and Disclosures Related to the Statement of Income (continued)**

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

As of September 30, 2015, the Bank's profit before tax from continued operations is TL 56.383.

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

As of September 30, 2015, The Bank has deferred tax expense amounting to TL 11.822 through temporary difference and The Bank has current tax expense TL 7.389 (September 30, 2014: TL 7.655 deferred tax expense).

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

As of September 30, 2015, the Bank's net profit from continued operations is TL 36.722.

**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.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**V. Explanations on the Risk Group of the Bank**

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

a) **September 30, 2015:**

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Loans and other receivables</b>						
Balance at beginning of period	-	-	-	18.221	53	787
Balance at end of period	-	-	-	20.985	55	530
<b>Interest and commission income</b>	-	-	-	-	-	-

**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
<b>Loans and other receivables</b>						
Balance at beginning of period	-	-	-	16.119	-	-
Balance at end of period	-	-	-	18.221	53	787
<b>Interest and commission income</b>	-	-	7	-	-	-

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	
	September 30, 2015		September 30, 2015		September 30, 2015	
<b>Deposits</b>						
Balance at beginning of period	-	-	12.737	-	570.736	-
Balance at end of period	-	-	311.540	-	727.290	-
<b>Interest on deposits</b>	-	-	798	-	13.646	-

**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	
	December 31, 2014		December 31, 2014		December 31, 2014	
<b>Deposits</b>						
Balance at beginning of period	-	-	10.847	-	333.118	-
Balance at end of period	-	-	12.737	-	570.736	-
<b>Interest on deposits</b>	-	-	-	-	3.155	-

The Bank has obtained Subordinated Loan amounting to TL 908.820 TIER I, TL 454.492 TIER II and short term loans amounting to TL 302.940 from the risk group and realized interest expense amounting to TL 23.133.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**V. Explanations on the Risk Group of the Bank (continued)**

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

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>	<b>Direct and indirect shareholders of the Bank</b>	<b>Other entities included in the risk group</b>
<b>Financial assets at fair value through profit and loss</b>	<b>September 30, 2015</b>	<b>September 30, 2015</b>	<b>September 30, 2015</b>
Balance at beginning of period	-	-	-
Balance at end of period	-	-	-
Total Loss/ Profit	-	-	-

**December 31, 2014**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>	<b>Direct and indirect shareholders of the Bank</b>	<b>Other entities included in the risk group</b>
<b>Financial assets at fair value through profit and loss</b>	<b>December 31, 2014</b>	<b>December 31, 2014</b>	<b>December 31, 2014</b>
Balance at beginning of period	-	198.695	-
Balance at end of period	-	-	-
Total Loss/ Profit	-	1	-

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

Gross payment made to the executive management as of September 30, 2015 is TL 19.850.

**ODEA BANK ANONİM ŞİRKETİ**  
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**VI. 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	54	1.506			
			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.

**VII. Explanations And Disclosures Related To Subsequent Events**

None.

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

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**SECTION SIX**

**OTHER EXPLANATIONS**

**I. Other Explanations on the Operations of the Bank**

None.

**SECTION SEVEN**

**INDEPENDENT AUDITOR'S REVIEW REPORT**

**I. Explanations on the Independent Auditor's Review Report**

The unconsolidated financial statements for the period ended September 30, 2015 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited). The independent auditor's review report dated November 11, 2015 is presented preceding the unconsolidated financial statements.

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

None.