

ODEA BANK A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT JUNE 30, 2014 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 Anonim Şirketi
Independent auditor's limited review report for the period ended June 30, 2014**

To the Board of Directors of Odea Bank Anonim Şirketi

We have reviewed the accompanying unconsolidated balance sheet of Odea Bank Anonim Şirketi ("The Bank") as at June 30, 2014 and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent auditors our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 and fair view of the financial position of the Bank as of June 30, 2014, and of the results of its operations and its cash flows, for the period then ended in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements 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, Turkey
August 11, 2014

**THE UNCONSOLIDATED SIX MONTH FINANCIAL REPORT OF
ODEA BANK A.Ş. AS OF JUNE 30, 2014**

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The unconsolidated financial report for the six month period ended 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' REVIEW REPORT

The accompanying unconsolidated financial statements for the six 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 Senior Manager
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:

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

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ODEA BANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2014
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

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

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

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

As of June 30, 2014 and December 31, 2013, the shareholders' structure and their ownerships are summarized as follows:

Name / Commercial Title	Current period		Prior period	
	Share Amount	Share Ratios %	Share Amount	Share Ratios %
Bank Audi sal	1.403.787	93,827%	1.403.787	93,827%
Audi Saradar Private Bank	90.698	6,062%	90.698	6,062%
Raymond Audi	555	0,037%	555	0,037%
Samir Hanna	555	0,037%	555	0,037%
Freddie Baz	555	0,037%	555	0,037%
	1.496.150	100,00%	1.496.150	100,00%

ODEA BANK ANONİM ŞİRKETİ
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2014
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

<u>Title</u>	<u>Name and Surname</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors	Samir HANNA	Chairman	High school
Vice President Of The Executive Board	Marwan GHANDOUR	Member Of The Board Of Directors/Member Of Audit Committee	PHD Degree
Members of the Board of Directors	Raymond AUDI	Member Of The Board Of Directors	High school
	Imad ITANI	Member Of The Board Of Directors	PHD Degree
	Elia SAMAHA(*)	Member Of The Board Of Directors	Bachelor's Degree
	Freddie BAZ	Member Of The Board Of Directors	PHD Degree
	Hatem Ali SADEK	Member Of The Board Of Directors	PHD Degree
	Khalil El DEBS	Member Of The Board Of Directors	Master Degree
	Ayşe KORKMAZ	Member Of The Board Of Directors/Member Of Audit Committee	Bachelor's Degree
Member of the Board of Directors and General Manager	Hüseyin ÖZKAYA	Member of Board of Directors and General Manager	Master Degree
Deputy General Manager	Erol SAKALLIOĞLU	Commercial Banking	Bachelor's Degree
Assistant General Managers	Alpaslan YURDAGÜL	Financial Institutions and Investment Banking	Master Degree
	Aytaç AYDIN	Operations and Support Services	Master Degree
	Cem MURATOĞLU	Retail Banking	Master Degree
	Fevzi Tayfun KÜÇÜK	Business Solutions , Direct Banking , Transactional Banking and Information Technologies	Master Degree
	Gökhan ERKIRALP	Treasury and Capital Markets	Bachelor's Degree
	Naim HAKİM	Finance	Master Degree
	Serkan ÖZCAN	Economic Research and Strategic Planning	Master Degree
	Yalçın AVCI	Corporate Banking	Master Degree

(*) According to the Board of Directors' decision dated 10 July 2014, Elia Samaha, has been appointed as a Member of the Board of Directors starting on 22 July 2014, in lieu of Abdullah İbrahim A Alhobayb, who has resigned from his position in 20 May 2014.

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

Information about the persons and institutions that have qualified shares as of June 30, 2014:

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

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

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

The headquarter of the Bank is located in Istanbul and as of June 30, 2014, there are 45 domestic branches with 1.282 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 JUNE 30, 2014 AND
DECEMBER 31, 2013

(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 30.06.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	I-1	278.852	2.213.688	2.492.540	112.666	1.664.512	1.777.178
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	I-2	28.341	26.138	54.479	4.600	96.583	101.183
2.1 Financial assets held for trading		28.341	26.138	54.479	4.600	96.583	101.183
2.1.1 Public sector debt securities		2.563	148	2.711	2.610	-	2.610
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		25.778	25.990	51.768	1.990	96.583	98.573
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	I-3	300.438	246.712	547.150	515.607	634.237	1.149.844
IV. MONEY MARKET PLACEMENTS		1.350.383	-	1.350.383	460.098	-	460.098
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		1.350.383	-	1.350.383	460.098	-	460.098
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	I-4	595.552	353.964	949.516	942.532	-	942.532
5.1 Share certificates		-	-	-	-	-	-
5.2 Public sector debt securities		595.552	353.964	949.516	942.532	-	942.532
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	I-5	8.605.650	5.721.367	14.327.017	6.968.909	4.375.561	11.344.470
6.1 Loans and receivables		8.550.088	5.721.367	14.271.455	6.931.480	4.375.561	11.307.041
6.1.1 Loans to risk group of the Bank		-	-	-	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		8.550.088	5.721.367	14.271.455	6.931.480	4.375.561	11.307.041
6.2 Non-performing loans		92.958	-	92.958	46.186	-	46.186
6.3 Specific provisions (-)		37.396	-	37.396	8.757	-	8.757
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	I-6	-	276.754	276.754	-	-	-
8.1 Public sector debt securities		-	276.754	276.754	-	-	-
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	I-7	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	I-8	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)	I-9	-	-	-	-	-	-
11.1 Accounted for under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	I-10	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	I-11	-	-	-	-	-	-
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	I-12	109.661	-	109.661	104.438	-	104.438
XV. INTANGIBLE ASSETS (Net)	I-13	48.901	-	48.901	48.246	-	48.246
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		48.901	-	48.901	48.246	-	48.246
XVI. INVESTMENT PROPERTY (Net)	I-14	-	-	-	-	-	-
XVII. TAX ASSET		19.586	-	19.586	30.154	-	30.154
17.1 Current tax asset		3.306	-	3.306	11.834	-	11.834
17.2 Deferred tax asset	I-15	16.280	-	16.280	18.320	-	18.320
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	I-16	5.735	-	5.735	-	-	-
18.1 Held for sale		5.735	-	5.735	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS		100.648	73.562	174.210	48.410	103.243	151.653
TOTAL ASSETS		11.443.747	8.912.185	20.355.932	9.235.660	6.874.136	16.109.796

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2014 AND
DECEMBER 31, 2013

(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 30.06.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	8.629.641	8.212.133	16.841.774	5.881.732	6.490.226	12.371.958
1.1 Deposits from risk group of the Bank		13.058	300.273	313.331	59.552	284.413	343.965
1.2 Other		8.616.583	7.911.860	16.528.443	5.822.180	6.205.813	12.027.993
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	II-2	8.369	69.480	77.849	42.650	60.705	103.355
III. FUNDS BORROWED	II-3	2.401	874.531	876.932	3.008	1.164.365	1.167.373
IV. MONEY MARKET BALANCES	II-4	102.922	-	102.922	221.454	-	221.454
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		102.922	-	102.922	221.454	-	221.454
V. MARKETABLE SECURITIES ISSUED (Net)	II-5	136.517	-	136.517	-	-	-
5.1 Bills		136.517	-	136.517	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		9.143	271	9.414	2.609	139	2.748
VIII. OTHER LIABILITIES	II-6	181.593	11.137	192.730	114.239	13.961	128.200
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	II-7	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	II-8	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	II-9	89.620	48.644	138.264	85.033	35.126	120.159
12.1 General loan loss provisions		72.285	48.644	120.929	55.949	35.126	91.075
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		5.509	-	5.509	3.143	-	3.143
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		11.826	-	11.826	25.941	-	25.941
XIII. TAX LIABILITY	II-10	29.981	-	29.981	24.313	-	24.313
13.1 Current tax liability		29.981	-	29.981	24.313	-	24.313
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	II-11	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	II-12	-	636.690	636.690	-	639.209	639.209
XVI. SHAREHOLDERS' EQUITY	II-13	1.309.779	3.080	1.312.859	1.331.027	-	1.331.027
16.1 Paid-in capital		1.496.150	-	1.496.150	1.496.150	-	1.496.150
16.2 Supplementary capital		1.223	3.080	4.303	(8.546)	-	(8.546)
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		1.223	3.080	4.303	(8.546)	-	(8.546)
16.2.4 Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.)		-	-	-	-	-	-
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		-	-	-	-	-	-
16.3 Profit reserves		-	-	-	-	-	-
16.3.1 Legal reserves		-	-	-	-	-	-
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		-	-	-	-	-	-
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		(187.594)	-	(187.594)	(156.577)	-	(156.577)
16.4.1 Prior years' income/ (losses)		(156.577)	-	(156.577)	(19.572)	-	(19.572)
16.4.2 Current year income/ (loss)		(31.017)	-	(31.017)	(137.005)	-	(137.005)
16.5 Minority shares	II-14	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		10.499.966	9.855.966	20.355.932	7.706.065	8.403.731	16.109.796

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD
ENDED JUNE 30, 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 30.06.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS							
A. (I+II+III)		6.535.191	11.706.430	18.241.621	5.475.947	8.659.546	14.135.493
I. GUARANTEES	III-1	732.061	400.549	1.132.610	622.693	311.640	934.333
1.1. Letters of guarantee		732.011	143.391	875.402	622.693	121.548	744.241
1.1.1. Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3. Other letters of guarantee		732.011	143.391	875.402	622.693	121.548	744.241
1.2. Bank loans		50	43.254	43.304	-	44.079	44.079
1.2.1. Import letter of acceptance		50	43.254	43.304	-	44.079	44.079
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		-	213.904	213.904	-	146.013	146.013
1.3.1. Documentary letters of credit		-	213.904	213.904	-	146.013	146.013
1.3.2. Other letters of credit		-	-	-	-	-	-
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	-	-	-	-	-
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-1	657.161	525.469	1.182.630	827.826	1.321.011	2.148.837
2.1. Irrevocable commitments		657.161	525.469	1.182.630	827.826	1.321.011	2.148.837
2.1.1. Forward asset purchase and sales commitments		259.425	421.849	681.274	553.111	1.102.569	1.655.680
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		145.130	102.134	247.264	97.450	216.951	314.401
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		64.110	-	64.110	37.369	-	37.369
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		187.849	-	187.849	139.816	-	139.816
2.1.10. Commitments for promotions related with credit cards and banking activities		-	-	-	-	-	-
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		647	1.486	2.133	80	1.491	1.571
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		5.145.969	10.780.412	15.926.381	4.025.428	7.026.895	11.052.323
3.1. Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1. Fair value hedge		-	-	-	-	-	-
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		5.145.969	10.780.412	15.926.381	4.025.428	7.026.895	11.052.323
3.2.1. Forward foreign currency buy/sell transactions		321.172	493.386	814.558	396.221	550.815	947.036
3.2.1.1. Forward foreign currency transactions-buy		158.121	251.713	409.834	110.081	368.201	478.282
3.2.1.2. Forward foreign currency transactions-sell		163.051	241.673	404.724	286.140	182.614	468.754
3.2.2. Swap transactions related to foreign currency, and interest rates		2.272.130	4.555.153	6.827.283	1.161.037	3.197.882	4.358.919
3.2.2.1. Foreign currency swaps-buy		1.023.009	1.373.881	2.396.890	627.950	782.572	1.410.522
3.2.2.2. Foreign currency swaps-sell		940.965	1.477.842	2.418.807	221.559	1.218.478	1.440.037
3.2.2.3. Interest rate swaps-buy		154.078	851.715	1.005.793	155.764	598.416	754.180
3.2.2.4. Interest rate swaps-sell		154.078	851.715	1.005.793	155.764	598.416	754.180
3.2.3. Foreign currency, interest rate and securities options		2.552.667	5.731.873	8.284.540	2.468.170	3.278.198	5.746.368
3.2.3.1. Foreign currency options-buy		1.190.323	2.005.329	3.195.652	1.061.601	1.818.770	2.880.371
3.2.3.2. Foreign currency options-sell		1.362.344	1.861.042	3.223.386	1.406.569	1.459.428	2.865.997
3.2.3.3. Interest rate options-buy		-	932.751	932.751	-	-	-
3.2.3.4. Interest rate options-sell		-	932.751	932.751	-	-	-
3.2.3.5. Securities options-buy		-	-	-	-	-	-
3.2.3.6. Securities options-sell		-	-	-	-	-	-
3.2.4. Foreign currency futures		-	-	-	-	-	-
3.2.4.1. Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2. Foreign currency futures-sell		-	-	-	-	-	-
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		15.492.023	9.367.217	24.859.240	9.338.927	5.358.927	14.697.854
IV. ITEMS HELD IN CUSTODY		397.522	202.402	599.924	156.737	144.049	300.786
4.1. Assets under management		203.494	-	203.494	13.612	-	13.612
4.2. Investment securities held in custody		42.255	15.107	57.362	42.579	11.163	53.742
4.3. Checks received for collection		6.363	168.680	175.043	3.304	119.730	123.034
4.4. Commercial notes received for collection		145.410	18.615	164.025	97.242	13.156	110.398
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		15.094.501	9.164.815	24.259.316	9.182.190	5.214.878	14.397.068
5.1. Marketable securities		-	-	-	-	-	-
5.2. Guarantee notes		1.397.690	144.566	1.542.256	772.753	144.126	916.879
5.3. Commodities		-	1.528.246	1.528.246	820.095	-	820.095
5.4. Warrants		-	-	-	-	-	-
5.5. Properties		10.456.322	7.067.769	17.524.091	6.770.374	4.536.391	11.306.765
5.6. Other pledged items		1.712.243	1.952.480	3.664.723	818.968	534.361	1.353.329
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		22.027.214	21.073.647	43.100.861	14.814.874	14.018.473	28.833.347

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD
ENDED JUNE 30, 2014

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

III. STATEMENT OF INCOME

	Note	Reviewed	Audited	Reviewed	Audited
	(Section	Current	Prior	Current	Prior
	Five)	Period	Period	Period	Period
		01.01-	01.01-	01.04-	01.04-
		30.06.2014	30.06.2013	30.06.2014	30.06.2013
I. INTEREST INCOME	IV-1	727.371	220.088	402.702	137.675
1.1 Interest on loans		635.581	150.841	350.784	97.178
1.2 Interest received from reserve deposits		-	-	-	-
1.3 Interest received from banks		20.221	4.148	10.354	1.826
1.4 Interest received from money market placements		28.186	45.921	18.364	25.139
1.5 Interest received from marketable securities portfolio		42.425	19.168	22.526	13.522
1.5.1 Held-for-trading financial assets		100	3.667	27	1.276
1.5.2 Financial assets at fair value through profit and loss		-	-	-	-
1.5.3 Available-for-sale financial assets		41.209	15.501	21.383	12.246
1.5.4 Investments held-to-maturity		1.116	-	1.116	-
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		958	10	674	10
II. INTEREST EXPENSE	IV-2	503.462	194.899	271.069	116.284
2.1 Interest on deposits		471.563	188.260	259.980	112.287
2.2 Interest on funds borrowed		18.563	6.150	4.741	3.508
2.3 Interest on money market borrowings		11.671	489	4.884	489
2.4 Interest on securities issued		1.350	-	1.350	-
2.5 Other interest expense		315	-	114	-
III. NET INTEREST INCOME (I - II)		223.909	25.189	131.633	21.391
IV. NET FEES AND COMMISSIONS INCOME		14.503	704	8.049	250
4.1 Fees and commissions received		19.760	3.163	11.112	1.852
4.1.1 Non-cash loans		6.721	2.057	3.630	1.311
4.1.2 Other	IV-12	13.039	1.106	7.482	541
4.2 Fees and commissions paid		5.257	2.459	3.063	1.602
4.2.1 Non-cash loans		-	-	-	-
4.2.2 Other	IV-12	5.257	2.459	3.063	1.602
V. DIVIDEND INCOME	IV-3	-	-	-	-
VI. NET TRADING INCOME	IV-4	(20.468)	36.041	(8.693)	27.462
6.1 Securities trading gains/ (losses)		7.827	1.692	7.832	2.061
6.2 Gain/(losses) from derivative financial instruments		(92.333)	(15.676)	(69.669)	(25.709)
6.3 Foreign exchange gains/ (losses)		64.038	50.025	53.144	51.110
VII. OTHER OPERATING INCOME	IV-5	1.860	415	346	330
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		219.804	62.349	131.335	49.433
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-6	58.494	49.412	20.326	28.087
X. OTHER OPERATING EXPENSES (-)	IV-7	192.618	98.651	101.032	54.966
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		(31.308)	(85.714)	9.977	(33.620)
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII. PROFIT / (LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD		-	-	-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	IV-8	(31.308)	(85.714)	9.977	(33.620)
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-9	291	7.344	(3.927)	1.324
16.1 Provision for current income taxes		(881)	(2.081)	(881)	(2.081)
16.2 Provision for deferred taxes		1.172	9.425	(3.046)	3.405
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	IV-10	(31.017)	(78.370)	6.050	(32.296)
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income on assets held for sale		-	-	-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-	-	-
18.3 Income on other discontinued operations		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Loss from assets held for sale		-	-	-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-	-	-
19.3 Loss from other discontinued operations		-	-	-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1 Provision for current income taxes		-	-	-	-
21.2 Provision for deferred taxes		-	-	-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	IV-11	(31.017)	(78.370)	6.050	(32.296)

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED
UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED JUNE 30, 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 01.01-30.06.2014	Audited Prior Period 01.01-30.06.2013
I. Additions to marketable securities revaluation differences for available for sale financial assets	16.062	(1.140)
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. Deferred tax of valuation differences	(3.212)	228
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	12.850	(912)
XI. Profit/Loss	(31.017)	(78.370)
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	6.994	-
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	(38.011)	(78.370)
XII. Total Profit/Loss accounted for in the period (X±XI)	(18.167)	(79.282)

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 CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JUNE 30, 2014
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CHANGES IN SHAREHOLDERS' EQUITY		Footnotes (Section Five)	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Marketable Securities Value Increase Fund	Revaluation Fund on Tangible Assets	Securities Value Increase Fund	Hedge Funds	Revaluation Fund on Assets Held for Sale and Discontinued Operations	Total Equity Before Minority Shares	Minority Shares	Total Shareholders' Equity
PRIOR PERIOD																				
Prior Period - 01.01-30.06.2013																				
I.	Balances at the Beginning of Period		533.520	-	-	-	-	-	-	-	(19.572)	-	(133)	-	-	-	-	513.815	-	513.815
	Corrections According to Turkish Accounting Standard No.8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I + II)		533.520	-	-	-	-	-	-	-	(19.572)	-	(133)	-	-	-	-	513.815	-	513.815
	Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Increase / Decrease Related to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Valuation Difference of Available-for-Sale Securities		-	-	-	-	-	-	-	-	-	-	(912)	-	-	-	-	(912)	-	(912)
VI.	Hedging Transactions (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	6.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	6.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation fund on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation fund on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Capital Bonus of Associates,Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes Related to Sale of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes Related to Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of Changes in Equities of Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase		552.990	-	-	-	-	-	-	-	-	-	-	-	-	-	-	552.990	-	552.990
	14.1		552.990	-	-	-	-	-	-	-	-	-	-	-	-	-	-	552.990	-	552.990
	14.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Issuences of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Abolition profit of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Capital Reserves from Inflation Adjustments to Paid-In Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Others		-	-	-	-	-	-	-	-	19.572	(19.572)	-	-	-	-	-	-	-	-
XIX.	Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	(78.370)	-	-	-	-	-	-	(78.370)	-	(78.370)
XX.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	20.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	20.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	20.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period																				
(III+IV+V+.....+XVII+XIX+XX)			1.086.510	-	-	-	-	-	-	-	(78.370)	(19.572)	(1.045)	-	-	-	-	987.523	-	987.523

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 JUNE 30, 2014
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

	Note (Section Five)	Paid-in Capital	Effect Of Inflation Accounting On Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reser- ves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible And Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Sale and Assets from Disc. Op.	Total Equity Before Minority Shares	Minority Shares	Total Equity	
Reviewed																				
Current Period – 01.01-30.06.2014																				
I. Prior period balance		1.496.150	-	-	-	-	-	-	-	(137.005)	(19.572)	(8.546)	-	-	-	-	1.331.027	-	1.331.027	
Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
II. Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	12.849	-	-	-	-	12.849	-	12.849	
IV. Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V. Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. The effect of change in associate's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.2 Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI. Other		-	-	-	-	-	-	-	-	137.005	(137.005)	-	-	-	-	-	-	-	-	
XVII. Period net income/(loss)		-	-	-	-	-	-	-	-	(31.017)	-	-	-	-	-	-	(31.017)	-	(31.017)	
XVIII. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.2 Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing Balance																				
(I+II+III+...+XVI+XVII+XVIII)		1.496.150	-	-	-	-	-	-	-	(31.017)	(156.577)	4.303	-	-	-	-	1.312.859	-	1.312.859	

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED JUNE 30, 2014

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

VI. STATEMENT OF CASH FLOW

	Reviewed Current Period 01.01-30.06.2014	Audited Prior Period 01.01-30.06.2013
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	132.553	(116.694)
1.1.1 Interest received	757.162	106.952
1.1.2 Interest paid	480.514	120.362
1.1.3 Dividend received	-	-
1.1.4 Fees and commissions received	26.361	20.920
1.1.5 Other income	12.521	3.394
1.1.6 Collections from previously written off loans	7.552	-
1.1.7 Payments to personnel and service suppliers	181.654	94.485
1.1.8 Taxes paid	12.022	22.378
1.1.9 Others	3.147	(10.735)
1.2 Changes in operating assets and liabilities	491.820	1.139.058
1.2.1 Net (increase) decrease in financial assets held for trading	(135)	(115.294)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss	21.300	(30.955)
1.2.3 Net (increase) decrease in due from banks and other financial institutions	(548.148)	(902.615)
1.2.4 Net (increase) decrease in loans	(3.011.772)	(4.606.391)
1.2.5 Net (increase) decrease in other assets	(19.261)	(25.477)
1.2.6 Net increase (decrease) in bank deposits	10.488	5.214
1.2.7 Net increase (decrease) in other deposits	4.428.862	5.703.001
1.2.8 Net increase (decrease) in funds borrowed	(406.517)	1.060.283
1.2.9 Net increase (decrease) in matured payables	-	-
1.2.10 Net increase (decrease) in other liabilities	17.003	51.292
I. Net cash provided from banking operations	624.373	1.022.364
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	(303.025)	(1.099.264)
2.1 Cash paid for purchase of jointly controlled entities, associates and subsidiaries	-	-
2.2 Cash obtained from sale of jointly controlled entities, associates and subsidiaries	-	-
2.3 Fixed assets purchases	23.578	26.329
2.4 Fixed assets sales	-	-
2.5 Cash paid for purchase of financial assets available for sale	349.066	1.072.935
2.6 Cash obtained from sale of financial assets available for sale	346.373	-
2.7 Cash paid for purchase of investment securities	276.754	-
2.8 Cash obtained from sale of investment securities	-	-
2.9 Others	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from financing activities	136.517	552.990
3.1 Cash obtained from funds borrowed and securities issued (*)	142.987	-
3.2 Cash used for repayment of funds borrowed and securities issued	6.470	-
3.3 Issued debt instruments	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	-	-
3.6 Others	-	552.990
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(3.147)	10.735
V. Net increase / (decrease) in cash and cash equivalents	454.718	486.825
VI. Cash and cash equivalents at beginning of the period	1.767.934	1.597.161
VII. Cash and cash equivalents at end of the period	2.222.652	2.083.986

(*) According to the Board of Directors' decision and permits taken from the CMB and BRSA, the Bank has decided to issue bills amounting 150.000 TL nominal to be sold for qualified investors in domestic market with six-month term and 10% simple interest rate on 24 May 2014.

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2014

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

SECTION THREE
ACCOUNTING PRINCIPLES

I. Basis of Presentation

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

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

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

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

The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements are determined and applied in accordance with TAS. These accounting policies and valuation principles are explained in Notes II to XXII below.

Additional paragraph for convenience translation into English:

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

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

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank uses financial assets intensely by its nature. The Bank's basic strategy regarding the use of financial assets is intended for ensuring the balance between the profits from and risk levels of assets.

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

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

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

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". As of June 30, 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 JUNE 30, 2014

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

V. Explanations on Fees and Commission Income and Expenses

All fees and commission income/expenses are recognized as income at the time of realization and during the period where the service is provided. Loan related fees and commissions paid to or received from the other institutions are considered as transaction costs and accounted as such fees and commissions received as a result of the service agreements or arising from negotiating or participating in the negotiation of a transaction on behalf of a third party are recognized either in the period when the transaction is realized.

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. After initial recognition held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

Held-to-maturity securities are carried at "amortized cost" using the "effective interest method" after their initial recognition. 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 JUNE 30, 2014

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

VI. Explanations on Financial Assets (continued)

Financial Assets Available for Sale

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

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

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

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

Loans and receivables

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

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

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

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

VII. Explanations on Impairment of Financial Assets

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

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

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

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

As of 30 June 2014, the Bank has specific provision amount to TL 37.396 for its non-performing loans (December 31, 2013: TL 8.757).

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

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

VIII. Explanations on Offsetting of Financial Assets and Liabilities

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

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

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities. These transactions are short-term and consist of domestic public sector debt securities.

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

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

As of June 30, 2014, the Bank has TL 1.350.383 of reverse repo transactions (December 31, 2013: TL 460.098).

As of June 30, 2014, the Bank has TL 102.922 repo transactions (December 31, 2013: TL 221.454).

As of June 30, 2014, the Bank does not have any marketable securities lending transaction (December 31,2013: None).

X. Explanations on Assets Held for Sale and Discontinued Operations

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

As of June 30, 2014, the Bank has TL 5.735 assets held for sale (December 31, 2013: None).

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. The Bank does not have any discontinued operations.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

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

XI. Explanations on Goodwill and Other Intangible Assets

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

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

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

XII. Explanations on Tangible Fixed Assets

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

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

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

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

Normal maintenance and repair cost of the properties are expensed.

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

XIII. Explanations on Leasing Transactions

Tangible fixed assets acquired by financial leases are accounted for in accordance with TAS No:17. In accordance with this standard, the leasing transactions, which consist only foreign currency liabilities, are translated to Turkish Lira with the exchange rates prevailing at the transaction dates and they are recorded as an asset or a liability. The foreign currency liabilities are translated to Turkish Lira with the Bank's period end exchange rates. The increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The financing cost resulting from leasing is distributed through the lease period to form a fixed interest rate.

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

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

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

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 balance sheet date, there is not any case opened against to the Bank.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

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

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

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

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

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

Defined Contribution Plans

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

Short-term Employee Benefits

In accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits"; defined liabilities that arise from unused leave payments are accrued in the related period and are not discounted.

XVI. Explanations on Taxation

Corporate tax:

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

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

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

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

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

As of June 30, 2014, the Bank has TL 881 corporate income tax provision (December 31, 2013: None). Related provisions are offsetted with the prepaid tax payments and reported under the Current Tax Payments Account.

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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

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

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 stated under the deferred tax provision amounting to TL 16.280 in the statement of income. (December 31, 2013 : TL 18.320).

XVII. Additional Explanations on Borrowings

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

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

The Bank has not issued convertible bonds

XVIII. Explanations on Issued Share Certificates

The Bank does not have any issued debt securities.

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 IFRS 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
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

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

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio, the capital adequacy ratio is calculated in accordance with the "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio" (the "Regulation"), "Regulation Credit Risk Mitigation Techniques", "Regulation on calculation of Risk-Weighted Amounts of Securitizations" published in the Official Gazette No. 28337 dated June 28, 2012 ("Regulation") and "Regulation Regarding Banks' Shareholders' Equity" published in the Official Gazette No. 26333 as of November 1, 2006. As of June 30, 2014 the Bank's capital adequacy ratio is 13,62% (December 31, 2013: 15,61%).

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

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

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

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

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

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Explanations Related to the Capital Adequacy Standard Ratio (continued)

I. Information related to the capital adequacy ratio:

	Risk Weights								
	0%	10%	20%	%50	75%	100%	150%	200%	250%
The amount subject to credit risk									
Risk Types	3.134.594	-	683.982	3.626.829	972.039	10.259.126	81.440	465.181	359
Contingent and Non-Contingent Receivables from central governments or central banks	3.042.779	-	-	276.995	-	353.965	-	-	-
Contingent and Non-Contingent Receivables on Regional or Local governments	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables on Multilateral Development Banks	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables on International Organizations	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables on Banks and Capital Market Intermediary	-	-	683.942	106.162	-	17.658	1.228	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	8.604.892	-	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	972.039	24.881	-	-	-
Contingent and Non-Contingent Receivables Secured by Mortgages	-	-	-	3.218.533	-	941.544	263	4.489	-
Past Due Receivables	-	-	-	259	-	19.018	1.832	-	-
Receivables defined in high risk category by Regulator	-	-	-	24.880	-	6.825	78.117	460.692	359
Secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-
Other Receivables	91.815	-	40	-	-	290.343	-	-	-

Summary information related to the capital adequacy ratio:

	June 30, 2014
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	1.119.343
Capital requirement for market risk (II)(Value at Market Risk*0.08) (MRCR)	17.443
Capital requirement for operational risk (III) (ORCR)	19.166
Equity	1.968.071
Tier I Capital/((CRCR+CRMR+CROR)*12,5*100	12,79
Common Equity/((CRCR+CRMR+CROR)*12,5*100	8,65
Equity/((CRCR+CRMR+CROR) * 12.5) * 100	13,62

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

Information related to the components of shareholders' equity:

Common Equity	June 30, 2014
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.496.150
Share premium	-
Share cancellation profits	-
Reserves	-
Gains recognized in equity as per TAS	4.303
Profit	-
Current Period Profit	-
Prior Period Profit	-
Provisions for Possible Risks	-
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-
Minorities' Share	-
Common Equity Before Deductions	1.500.453
Deductions from Common Equity	251.012
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	187.594
Leasehold improvements (-)	53.996
Goodwill or other intangible assets and deferred tax liability related to these items (-)	9.422
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own Common Equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-)	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-)	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Common Equity	251.012
Total Common Equity	1.249.441
ADDITIONAL TIER I CAPITAL	636.690
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)(*)	636.690
Third parties' share in the Tier II Capital	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items defined by BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
Deductions from Tier I Capital	-
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	37.689
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Total Tier I Capital	1.848.442
TIER II CAPITAL	119.629
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/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	120.929
Third parties' share in the Tier II Capital	-
Deductions From Tier II Capital	1.300
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	1.300
Total Tier II Capital	119.629
CAPITAL BEFORE DEDUCTIONS	1.968.071
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 (-)	-
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 (-)	-
Other items to be defined by the BRSA (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
TOTAL CAPITAL	1.968.071
Amounts below the Excess Limits as per the Deduction Principles	-
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-

(*) 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 supplementary capital in the account of additional principal 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 principal capital was approved by BRSA.

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

Information related to the components of shareholders' equity:

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

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

Details on Subordinated Liabilities:

Details on Subordinated Loans		
Lender	Bank Audi sal	Bank Audi sal
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-
Governing law(s) of the instrument	BRSA	BRSA
Regulatory treatment	Principal Capital	Principal Capital
Whether the sub-loan is subject to 10% decrease starting from 1/1/2015	No	No
Eligible at stand-alone / consolidated (*)	Stand Alone	Stand Alone
Instrument type (types to be specified by each jurisdiction) (**)	Tier I-Subordinated Loan	Tier I-Subordinated Loan
Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date)	424.460	212.230
Per value of instrument (Thousand USD)	200.000	100.000
Accounting classification	Liability-Subordinated Loans	Liability-Subordinated Loans
Original date of issuance	24/09/2013	27/12/2012
Perpetual or dated	Perpetual	Perpetual
Original maturity date	-	-
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates and redemption amount	Within first month after 5th year with the condition of new borrowing which is provided same requirements.	Within first month after 5th year with the condition of new borrowing which is provided same requirements.
Subsequent call dates, if applicable	Within first month after 5th year	Within first month after 5th year
Coupons / dividends	-	-
Fixed or floating dividend/coupon	-	-
Coupon rate and any related index	-	-
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
Convertible or non-convertible	Yes	Yes
If convertible, conversion trigger (s)	Regulation of banks on equity which is numbered 7-1-i	Regulation of banks on equity which is numbered 7-1-i
If convertible, fully or partially	Remaining principal and interest	Remaining principal and interest
If convertible, conversion rate	Remaining principal and interest	Remaining principal and interest
If convertible, mandatory or optional conversion	-	-
If convertible, specify instrument type convertible into	Equity	Equity
If convertible, specify issuer of instrument it converts into	Odea Bank A.Ş	Odea Bank A.Ş
Write-down feature	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)	Before the debts which are added to additional capital calculation, after all deposit owners and other creditors	Before the debts which are added to additional capital calculation, after all deposit owners and other creditors
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
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

(*) 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 supplementary capital in the account of additional principal 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 principal capital was approved by BRSA.

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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

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	6.415
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	12
(III) Capital requirement for specific risk in securitisation positions- Standard Method	-
(IV) Capital Requirement to be Employed For Currency Risk – Standard Method	3.746
(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 for counterparty credit risk - Standard Method	378
(VIII) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	6.892
(IX) Capital Requirement to be Employed For Counterparty Risk - Standard Method	-
(X) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VII+VIII)	17.443
(XI) Capital requirement for market risk (12.5 x IX) or (12.5 x X)	218.038

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III. 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 June 30, 2014 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	June 24, 2014	June 25, 2014	June 26, 2014	June 27, 2014	June 30, 2014
USD	2,1312	2,1310	2,1300	2,1269	2,1223
CHF	2,3852	2,3890	2,3799	2,3850	2,3862
GBP	3,6201	3,6212	3,6231	3,6181	3,6192
100 JPY	2,0913	2,0946	2,0982	2,0979	2,0932
EURO	2,9025	2,9063	2,8955	2,8998	2,9002

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before June 30, 2014 are as follows:

	Monthly Average Foreign Exchange Rate
USD	2,1190
CHF	2,3653
GBP	3,5845
100 JPY	2,0771
EURO	2,8814

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III. Explanations Related to Currency Risk (continued)

June 30, 2014	EUR	USD	OTHER	TOTAL
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	22.694	2.190.375	619	2.213.688
Banks	113.101	117.812	15.799	246.712
Financial Assets at Fair Value Through Profit and Loss (****)	-	148	-	148
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	-	353.964	-	353.964
Loans (*)	1.967.418	4.748.643	-	6.716.061
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Held-To-Maturity Investments	-	276.754	-	276.754
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (****)	25.406	48.156	-	73.562
Total Assets	2.128.619	7.735.852	16.418	9.880.889
Liabilities				
Bank Deposits	56.263	244.216	-	300.479
Other Deposits	1.422.055	6.484.982	4.617	7.911.654
Derivative financial liabilities(****)	-	-	-	-
Funds Provided From Other Financial Institutions	188.058	655.447	31.026	874.531
Subordinated Loan	-	636.690	-	636.690
Miscellaneous Payables	49	222	-	271
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities (**)	3.844	7.173	120	11.137
Total Liabilities	1.670.269	8.028.730	35.763	9.734.762
Net Balance Sheet Position	458.350	(292.878)	(19.345)	146.127
Net Off-Balance Sheet Position	(379.893)	406.857	18.771	45.735
Financial Derivative Assets	674.345	4.488.272	(679.979)	4.482.638
Financial Derivative Liabilities	1.035.386	4.090.719	(693.833)	4.432.272
Forward deposit purchase commitments	21.461	171.315	15.833	208.609
Forward deposit sales commitments	40.313	162.011	10.916	213.240
Non-Cash Loans (**)	88.529	308.428	3.592	400.549
December 31, 2013				
Total Assets	1.950.927	5.837.242	19.437	7.807.606
Total Liabilities	1.808.369	6.466.216	33.315	8.307.900
Net Balance Sheet Position	142.558	(628.974)	(13.878)	(500.294)
Net Off-Balance Sheet Position	9.428	459.431	14.163	483.022
Financial Derivative Assets	934.159	2.417.025	216.776	3.567.960
Financial Derivative Liabilities	1.193.962	2.062.183	202.790	3.458.935
Forward deposit purchase commitments	289.038	448.186	1.059	738.283
Forward deposit sales commitments	19.807	343.597	882	364.286
Non-Cash Loans (**)	105.319	205.718	603	311.640

(*) Foreign currency indexed loans amounting to TL 994.694 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 were not included in currency risk calculation.

Foreign currency sensitivity:

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

	Change in currency rate in %	Effect on profit or loss (*)		Effect on equity	
		June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
USD	%10	11.398	(16.954)	11.398	(16.954)
USD	%(10)	(11.398)	16.954	(11.398)	16.954
EUR	%10	7.846	15.199	7.846	15.199
EUR	%(10)	(7.846)	(15.199)	(7.846)	(15.199)

(*) Represents before tax amounts.

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IV. 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
June 30, 2014							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	2,492,540	2,492,540
Banks	300,250	-	-	-	-	246,900	547,150
Financial Assets at Fair Value Through Profit and Loss	2,497	4,915	29,404	12,484	5,179	-	54,479
Money Market Placements	1,350,383	-	-	-	-	-	1,350,383
Available-For-Sale Financial Assets	-	410,844	102,276	82,432	353,964	-	949,516
Loans	2,026,424	2,628,112	4,643,038	3,687,820	1,286,061	55,562	14,327,017
Held-To-Maturity Investments	-	-	-	149,770	126,984	-	276,754
Other Assets	-	-	-	-	-	358,093	358,093
Total Assets	3,679,554	3,043,871	4,774,718	3,932,506	1,772,188	3,153,095	20,355,932
Liabilities							
Bank Deposits	131,824	203,496	8,181	429	-	40	343,970
Customer Deposits	7,758,897	7,693,708	270,422	-	-	774,777	16,497,804
Money Market Borrowings	102,922	-	-	-	-	-	102,922
Miscellaneous Payables	-	-	-	-	-	9,414	9,414
Marketable Securities Issued	-	-	136,517	-	-	-	136,517
Subordinated Loans(*)	-	-	-	-	-	636,690	636,690
Funds Provided From Other Financial Institutions	112,939	304,133	353,541	106,319	-	-	876,932
Other Liabilities (**)	46,486	11,977	8,133	10,881	372	1,673,834	1,751,683
Total Liabilities	8,153,068	8,213,314	776,794	117,629	372	3,094,755	20,355,932
Balance Sheet Long Position	-	-	3,997,924	3,814,877	1,771,816	58,340	9,642,957
Balance Sheet Short Position	(4,473,514)	(5,169,443)	-	-	-	-	(9,642,957)
Off-Balance Sheet Long Position	3,472,049	2,113,911	1,126,276	1,437,257	201,260	-	8,350,753
Off-Balance Sheet Short Position	(3,653,346)	(2,196,318)	(1,142,641)	(1,184,243)	(213,635)	-	(8,390,183)
Total Position	(4,654,811)	(5,251,850)	3,981,559	4,067,891	1,759,441	58,340	(39,430)

(*) 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 supplementary capital in the account of additional principal 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 loan. As of April 1, 2014 including of the both loans to account of additional principal capital was approved by BRSA.

(**) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 1.312.859, TL 29.981 tax liabilities, TL 138.264 provisions and TL 192.730 other liabilities.

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IV. Explanations Related to Interest Rate Risk (continued)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
December 31, 2013							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	1.777.178	1.777.178
Banks	849.884	-	-	-	-	299.960	1.149.844
Financial Assets at Fair Value Through Profit and Loss	2.123	9.755	56.437	29.518	3.350	-	101.183
Money Market Placements	460.098	-	-	-	-	-	460.098
Available-For-Sale Financial Assets	-	328.774	433.278	180.480	-	-	942.532
Loans	1.436.981	1.757.290	3.268.551	3.480.343	1.363.877	37.428	11.344.470
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	334.491	334.491
Total Assets	2.749.086	2.095.819	3.758.266	3.690.341	1.367.227	2.449.057	16.109.796
Liabilities							
Bank Deposits	215.189	106.079	11.629	-	-	95	332.992
Customer Deposits	7.412.677	4.022.548	105.063	24	-	498.654	12.038.966
Money Market Borrowings	221.454	-	-	-	-	-	221.454
Miscellaneous Payables	-	-	-	-	-	2.748	2.748
Subordinated Loans	-	-	-	-	639.209	-	639.209
Funds Provided From Other Financial Institutions	249.002	460.346	351.320	-	106.705	-	1.167.373
Other Liabilities (*)	5.254	26.693	47.738	23.670	-	1.603.699	1.707.054
Total Liabilities	8.103.576	4.615.666	515.750	23.694	745.914	2.105.196	16.109.796
Balance Sheet Long Position	-	-	3.242.516	3.666.647	621.313	343.861	7.874.337
Balance Sheet Short Position	(5.354.490)	(2.519.847)	-	-	-	-	(7.874.337)
Off-Balance Sheet Long Position	1.608.225	1.207.158	1.885.109	782.813	40.045	-	5.523.350
Off-Balance Sheet Short Position	(1.629.713)	(1.203.856)	(1.871.921)	(783.436)	(40.045)	-	(5.528.971)
Total Position	(5.375.978)	(2.516.545)	3.255.704	3.666.024	621.313	343.861	(5.621)

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

Interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
June 30, 2014				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	0,05	-	9,62
Financial Assets at Fair Value Through Profit and Loss	-	4,90	-	8,60
Money Market Placements	-	-	-	9,73
Available-For-Sale Financial Assets	-	6,31	-	8,40
Loans	6,33	5,90	-	13,74
Held-To-Maturity Investments	-	3,50	-	-
Liabilities				
Bank Deposits	2,76	2,85	-	11,14
Customer Deposits	2,65	2,71	-	10,99
Money Market Balances	-	-	-	9,42
Subordinated Loans (Note II.11)	-	-	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	10,00
Funds Provided From Other Financial Institutions	-	-	-	6,22

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IV. Explanations Related to Interest Rate Risk (continued)

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

Nature of interest rate risk resulted from banking book:

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

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

Unit of Currency	Applicable Shock (+ / -) base point)*	Profit/ Loss	Profit / Equity Capital – Loss / Equity Capital
TL	500	(278.664)	(14,17)%
	(400)	266.571	13,56%
EUR	200	(16.012)	(0,81)%
	(200)	2.567	0,13%
USD	200	(57.707)	(2,94)%
	(200)	(3.732)	(0,19)%
Total (For Positive Shock)		265.406	13,50%
Total (For Negative Shock)		(352.383)	(17,92)%

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

V. Explanations Related to Share Certificates Position Risk

The Bank has no outstanding share certificate position.

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VI. Explanations Related to Liquidity Risk

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

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

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

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

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

In accordance with the "Communiqué on the Measurement and Assessment of Liquidity Adequacy of the Banks" published in the Official Gazette dated 1 November 2006 No. 26333, beginning from 1 June 2007, liquidity ratio of the banks on a weekly and monthly basis should not be less than 80% for foreign currency denominated assets and liabilities, and for total assets and liabilities it should not be less than 100%. The Bank's liquidity ratios as at June 30, 2014 is presented below:

	Current Period: June 30, 2014			
	First maturity tranche (weekly)		Second maturity tranche (monthly)	
	FC	TL + FC	FC	TL + FC
Average (%)	211	257	97	117
Maximum (%)	282	325	117	137
Minimum (%)	175	215	85	111

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AS OF JUNE 30, 2014

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VI. Explanations Related to Liquidity Risk (continued)

Presentation of assets and liabilities according to their remaining maturities:

June 30, 2014	Demand	Up to 1 Month	1-3 Month	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	2.492.540	-	-	-	-	-	-	2.492.540
Banks	246.900	300.250	-	-	-	-	-	547.150
Financial Assets at Fair Value Through Profit and Loss	-	2.497	5.004	29.336	12.469	5.173	-	54.479
Money Market Placements	-	1.350.383	-	-	-	-	-	1.350.383
Available-For-Sale Financial Assets	-	-	152.715	102.276	82.432	612.093	-	949.516
Loans	55.562	1.439.321	758.122	3.640.887	5.307.604	3.125.521	-	14.327.017
Held-To-Maturity Investments	-	-	-	-	149.767	126.987	-	276.754
Other Assets	-	-	-	-	-	-	358.093	358.093
Total Assets	2.795.002	3.092.451	915.841	3.772.499	5.552.272	3.869.774	358.093	20.355.932
Liabilities								
Bank Deposits	40	131.824	203.496	8.181	429	-	-	343.970
Customer Deposits	774.777	7.758.897	7.693.708	270.422	-	-	-	16.497.804
Funds Provided From Other Financial Institutions	-	112.939	304.133	353.541	106.319	-	-	876.932
Money Market Borrowings	-	102.922	-	-	-	-	-	102.922
Marketable Securities Issued	-	-	-	136.517	-	-	-	136.517
Subordinated Loans(**)	-	-	-	-	-	-	636.690	636.690
Miscellaneous Payables	-	-	-	-	-	-	9.414	9.414
Other Liabilities (***)	-	45.630	11.977	7.956	11.737	549	1.673.834	1.751.683
Total Liabilities	774.817	8.152.212	8.213.314	776.617	118.485	549	2.319.938	20.355.932
Liquidity Gap	2.020.185	(5.059.761)	(7.297.473)	2.995.882	5.433.787	3.869.225	(1.961.845)	-
Prior period								
Total Assets	2.114.567	2.058.779	720.570	3.058.271	4.921.253	2.901.865	334.491	16.109.796
Total Liabilities	498.749	8.103.576	4.615.666	515.750	23.694	745.914	1.606.447	16.109.796
Liquidity Gap	1.615.818	(6.044.797)	(3.895.096)	2.542.521	4.897.559	2.155.951	(1.271.956)	-

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

(**) The 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 supplementary capital in the account of additional principal 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 principal capital was approved by BRSA.

(***) The other liabilities line in the undistributed column consist of shareholders' equity amounting to TL 1.312.859, TL, 29.981 tax liabilities, TL 138.264 provisions and TL 192.730 other liabilities.

VII. Explanations Related to Securitization Positions

None.

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VIII. 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

June 30, 2014

Risk Types	Current period risk amount(*)	Financial Collateral	Other / Physical Collateral	Guaranties and Credit Derivatives
Contingent and Non-Contingent Receivables from central governments or central banks	3.673.739	-	-	-
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	1.495.838	-	-	-
Contingent and Non-Contingent receivables from corporates	9.667.528	466.636	-	-
Contingent and Non-Contingent Retail Receivables	1.239.361	16.733	-	-
Contingent and Non-Contingent Receivables Secured by Mortgages	4.259.362	-	-	-
Past Due Receivables	21.109	-	-	-
Receivables defined in high risk category by Regulator	583.495	12.622	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporate	-	-	-	-
Investment similar to collective investment funds	-	-	-	-
Other Receivables	382.198	-	-	-
Total	21.322.630	495.991	-	-

December 31, 2013

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

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

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IX. Explanations Related to Risk Management Objectives and Policies

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

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

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

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

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

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

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

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

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

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

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

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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IX. 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:

	June 30, 2014		December 31, 2013	
	TL	FC	TL	FC
Cash in Vault	39.215	46.659	33.100	45.357
Balances with the Central Bank of Turkey	239.637	2.167.029	79.566	1.619.155
Other	-	-	-	-
Total	278.852	2.213.688	112.666	1.664.512

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

	June 30, 2014		December 31, 2013	
	TL	FC	TL	FC
Unrestricted demand deposits	239.637	241	79.566	515
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	2.166.788	-	1.618.640
Total	239.637	2.167.029	79.566	1.619.155

c) Explanations related to reserve deposits:

The Banks operating in Turkey , according to Communiqué on Amendments to be made on Communiqué on Required Reserves" of Central Bank provide reserve requirements for TL, foreign currency liabilities in the rates for TL liabilities vary between 5% and 11,5% for TL deposits and other liabilities according to their maturities as of balance sheet date and for foreign currency liabilities vary between 6% and 13% for deposit and other foreign currency liabilities according to their maturities as of balance sheet date. The reserve requirements can be maintained as TL, USD, EUR and standard gold. Interest received from TL and foreign currency reserve deposits has been abolished.

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:

	June 30, 2014		December 31, 2013	
	TL	FC	TL	FC
Classified as unrestricted deposit	2.563	148	2.610	-
Subject to repurchase agreements	-	-	-	-
Given as collateral/blocked	-	-	-	-
Total	2.563	148	2.610	-

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

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:

	June 30, 2014		December 31, 2013	
	TL	FC	TL	FC
Forward Transactions	2.938	3.233	392	14.051
Swap Transactions	21.094	8.495	1.379	10.199
Futures Transactions	-	-	-	-
Options	1.746	14.262	219	72.333
Other	-	-	-	-
Total	25.778	25.990	1.990	96.583

3. a) Information on banks:

	June 30, 2014		December 31, 2013	
	TL	FC	TL	FC
Banks				
Domestic	300.438	-	515.607	334.438
Foreign	-	246.712	-	299.799
Branches and head office abroad	-	-	-	-
Total	300.438	246.712	515.607	634.237

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

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

	June 30, 2014		December 31, 2013	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	239.780	-	244.163	-
Other	-	-	-	-
Total	239.780	-	244.163	-

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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 June 30, 2014, available-for-sale financial assets subject to repurchase agreements nominal amount to TL 101.829 (31 December 2013: TL 227.987).

b) Information on financial assets available for sale portfolio:

	June 30, 2014	December 31, 2013
Debt securities	949.516	942.532
Quoted on a stock exchange	949.516	942.532
Not quoted	-	-
Share certificates	-	-
Quoted on a stock exchange	-	-
Not quoted	-	-
Value Decrease (-)	-	-
Total	949.516	942.532

5. Information on loans:

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

	June 30, 2014		December 31, 2013	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	1.300	16.086	-	11.000
Corporate shareholders	1.300	16.086	-	11.000
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	3.345	-	2.578	-
Total	4.645	16.086	2.578	11.000

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	13.937.017	-	-	231.480	102.958	-
Discount notes	-	-	-	-	-	-
Export loans	940.075	-	-	-	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	-	-	-	-	-	-
Foreign loans	116.359	-	-	-	-	-
Consumer loans	1.107.060	-	-	50.700	313	-
Credit cards	130.157	-	-	8.370	6	-
Precious metals loans	-	-	-	-	-	-
Other	11.643.366	-	-	172.410	102.639	-
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	13.937.017	-	-	231.480	102.958	-

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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	-	102.958
Extended by 3,4 or 5 times	-	-
Extended by more than 5 times	-	-

Extension periods	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	-	9.314
6 - 12 Months	-	2.654
1 - 2 Years	-	63.519
2 - 5 Years	-	27.471
5 Years and over	-	-

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	58.000	1.093.455	1.151.455
Housing Loans	2.967	525.162	528.129
Car Loans	272	18.643	18.915
General Purpose Loans	54.666	549.650	604.316
Other	95	-	95
Consumer Loans -Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	135.292	1.626	136.918
With Installments	32.791	1.626	34.417
Without Installments	102.501	-	102.501
Individual Credit Cards-FC	29	-	29
With Installments	11	-	11
Without Installments	18	-	18
Personnel Loans-TL	284	2.767	3.051
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	284	2.767	3.051
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	273	21	294
With Installments	155	21	176
Without Installments	118	-	118
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL(Real Persons)	3.567	-	3.567
Overdraft Accounts-FC(Real Persons)	-	-	-
Total	197.445	1.097.869	1.295.314

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

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

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	74.761	1.837.478	1.912.239
Business Loans	-	98	98
Car Loans	2.280	25.186	27.466
General Purpose Loans	72.481	1.403.388	1.475.869
Other	-	408.806	408.806
Commercial loans with installment facility - Indexed to FC	7.423	272.193	279.616
Business Loans	-	-	-
Car Loans	-	9.856	9.856
General Purpose Loans	7.423	262.337	269.760
Other	-	-	-
Commercial loans with installment facility –FC	-	415.280	415.280
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	143.873	143.873
Other	-	271.407	271.407
Corporate Credit Cards-TL	1.292	-	1.292
With Installments	-	-	-
Without Installments	1.292	-	1.292
Corporate Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL(Legal Entities)	158.955	-	158.955
Overdraft Accounts-FC(Legal Entities)	-	-	-
Total	242.431	2.524.951	2.767.382

f) Distribution of domestic and foreign loans:

	June 30, 2014	December 31, 2013
Domestic loans	14.155.096	11.243.566
Foreign loans	116.359	63.475
Total	14.271.455	11.307.041

g) Loans granted to subsidiaries and associates: None.

h) Specific provisions provided against loans:

	June 30, 2014	December 31, 2013
Specific provisions		
Loans and receivables with limited collectability	5.495	6.594
Loans and receivables with doubtful collectability	26.292	1.939
Uncollectible loans and receivables	5.609	224
Total	37.396	8.757

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

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

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

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
December 31, 2013 balance	9.608	57.606	1.477
Additions (+)	31.188	530	101
Transfers from other categories of non-performing loans (+)	-	9.273	7.804
Transfers to other categories of non-performing loans (-)	9.512	7.565	-
Collections (-)	2.434	4.875	243
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Indexation difference (-)	-	-	-
Other	-	-	-
June 30, 2014 balance	28.850	54.969	9.139
Specific provision (-)	5.495	26.292	5.609
Net Balances on Balance Sheet	23.355	28.677	3.530

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
June 30, 2014 (Net)	23.355	28.677	3.530
Loans to Real Persons and Legal Entities (Gross)	28.850	54.969	9.139
Specific provision (-)	5.495	26.292	5.609
Loans to Real Persons and Legal Entities (Net)	23.355	28.677	3.530
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
December 31, 2013 (Net)	32.007	5.422	-
Loans to Real Persons and Legal Entities (Gross)	38.601	7.361	224
Specific provision (-)	6.594	1.939	224
Loans to Real Persons and Legal Entities (Net)	32.007	5.422	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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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 June 30, 2014 The bank has calculated provision amounting to TL 3.530 for loans and other receivables which are evaluated as loss (December 31, 2013: TL 224).

- k) Explanations on write-off policy:

As of June 30, 2014 there is no write-off amount evaluated according to decision of the Board of Directors.

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 276.754 TL held-to-maturity investments as of June 30, 2014. (December 31, 2013: None)
- d) Movement of held-to-maturity investments: None.

	June 30, 2014	December 31, 2013
Beginning Balance	-	-
Foreign Currency Differences on Monetary Assets	-	-
Purchases during year	276.754	-
Disposals Through Sales and Redemptions	-	-
Impairment Provision	-	-
Change in Amortized Cost	-	-
Total	276.754	-

7. Information on associates (Net):

The Bank has no associates in the current period

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period.

9. Information on jointly controlled entities:

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

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period.

11. Information on derivative financial assets for hedging purposes:

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

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

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

12. Information on tangible assets (Net):

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

13. Information on intangible assets:

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

14. Investment Property (Net): None.

15. Explanations on deferred tax assets:

- a) As of June 30, 2014 The Bank has calculate deferred tax asset amounting to TL 16.280 and other deductible temporary differences through taxable profit in future periods to recover such amounts is probable. (31 December 2013: TL 18.320).
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.

	June 30, 2014		December 31, 2013	
	Tax base	Deferred tax	Tax Base	Deferred tax
Reserve for Employee Benefits	5.509	1.102	3.143	629
Other provisions	11.622	2.324	25.000	5.000
Net Book Value and Tax Value Differences of Financial Assets:	89.784	17.957	119.165	23.833
Deferred Commissions	47.975	9.595	34.128	6.826
Other	-	-	27.982	5.596
Tax losses	11.998	2.400	4.160	832
Deferred Tax Assets	166.888	33.378	213.578	42.716
Net Book Value and Tax Value Differences of Financial Liabilities:	58.805	11.761	98.573	19.715
Amortization Differences	25.744	5.149	23.238	4.648
Other	941	188	167	33
Deferred tax liability (-)	85.490	17.098	121.978	24.396
Deferred Tax Asset (Net)	81.398	16.280	91.600	18.320

- 16.** As of June 30, 2014 The Bank has assets held for sale and discontinued operations amounting to TL 5.735 (December 31, 2013: None).

17. Information on other assets

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

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(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) June 30, 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	26.492	-	95.286	4.662.745	41.383	33.035	11.243	-	4.870.184
Foreign currency deposits	471.472	-	779.716	6.315.096	222.942	106.754	16.091	-	7.912.071
Residents in Turkey	467.222	-	778.295	6.249.026	211.369	106.109	14.816	-	7.826.837
Residents abroad	4.250	-	1.421	66.070	11.573	645	1.275	-	85.234
Public sector deposits	71.844	-	-	1.000	-	-	-	-	72.844
Commercial deposits	204.690	-	429.589	2.464.852	179	14.250	27	-	3.113.587
Other institutions deposits	279	-	23.292	426.080	51.414	28.053	-	-	529.118
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	40	-	343.930	-	-	-	-	-	343.970
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	36.255	-	-	-	-	-	36.255
Foreign Banks	40	-	307.675	-	-	-	-	-	307.715
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	774.817	-	1.671.813	13.869.773	315.918	182.092	27.361	-	16.841.774

December 31, 2013

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

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

i. Information on saving deposits:

Saving deposits (*)	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Saving deposits	802.803	543.258	4.067.381	1.315.620
Foreign currency saving deposits	143.538	73.452	3.712.284	98.774
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	946.341	616.710	7.779.665	1.414.394

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

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

ii. Deposit amounts not under the guarantee of saving deposit

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

	June 30, 2014	December 31, 2013
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman, members of the Board of Directors and assistant general managers and their close families	7.474	11.308
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities

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

	June 30, 2014		December 31, 2013	
	TL	FC	TL	FC
Forward Transactions	447	910	4.470	2.184
Swap Transactions	7.732	45.078	38.125	4.868
Futures Transactions	-	-	55	53.653
Options	190	23.492	-	-
Other	-	-	-	-
Total	8.369	69.480	42.650	60.705

3. Information on borrowings:

a) Information on banks and other financial institutions

	June 30, 2014		December 31, 2013	
	TL	FC	TL	FC
From Domestic Banks and Institutions	2.401	7.145	3.008	1.926
From Foreign Banks, Institutions and Funds	-	867.386	-	1.162.439
Total	2.401	874.531	3.008	1.164.365

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II. Explanations and Disclosures Related to the Liabilities

- b) Maturity analysis of borrowings

	June 30, 2014		December 31, 2013	
	TL	FC	TL	FC
Short-term	2.401	522.915	3.008	1.040.561
Medium and long-term	-	351.616	-	123.804
Total	2.401	874.531	3.008	1.164.365

4. Information on funds provided from repurchase agreement transactions

- a) Funds Provided Under Repurchase Agreements

	June 30, 2014	December 31, 2013
Funds Provided Under Repurchase Agreements	102.922	221.454
Total	102.922	221.454

5. Marketable Securities Issued (Net)

	June 30, 2014	December 31, 2013
Bank Bills	136.517	-
Total	136.517	-

According to the Board of Directors' decision and permits taken from the CMB and BRSA, the Bank has decided to issue bills amounting 150.000 TL nominal to be sold for qualified investors in domestic market with six-month term and 10% simple interest rate on 24 May 2014.

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: Bank has operational lease agreements for some branches.
- c) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

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

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

9. Information on provisions

a) Information on general provisions

	June 30, 2014	December 31, 2013
General Provisions	120.929	91.075
I. Provisions for First Group Loans and Receivables	113.617	86.703
- Additional provision for intentioned loans		
II. Provisions for Second Group Loans and Receivables	4.630	2.427
- Additional provision for intentioned loans	5.148	1.434
Provisions for Non-cash Loans and Derivative Financial Instruments	2.682	1.945
Total	120.929	91.075

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TL 9.147 on the foreign currency indexed loans are netted off from loans on the balance sheet.

c) Provisions for non-cash loans that are not indemnified or converted into cash: None.

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

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

	June 30, 2014	December 31, 2013
Employee termination benefit provision	1.662	905
Unused vacation provision	3.847	2.238
Total of provision for employee benefits	5.509	3.143

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

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

f) Liabilities on pension rights: None.

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

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

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

(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 June 30, 2014, the Bank has TL 881 corporate income tax provision (December 31, 2013: None). Related provisions are offsetted with the prepaid tax payments and reported under the Current Tax Payments Account.

a.2) Explanations on taxes payable:

	June 30, 2014	December 31, 2013
Payroll Tax	2.632	2.260
Taxation on securities	14.224	10.887
BSMV	10.204	7.287
Property Tax	254	126
Value Added Tax Payable	310	1.563
Stamp Tax	-	-
Corporate Tax Payable	-	-
Foreign Exchange Transaction Tax	-	-
Other	272	517
Total	27.896	22.640

a.3) Information on premiums:

	June 30, 2014	December 31, 2013
Social Security Premiums-Employer	1.007	795
Social Security Premiums-Employee	889	724
Unemployment Insurance-Employer	126	102
Unemployment Insurance-Employee	63	52
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Other	-	-
Total	2.085	1.673

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

	June 30, 2014	December 31, 2013
From domestic banks	-	-
From foreign banks	636.690	639.209
Total	636.690	639.209

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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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 supplementary capital in the account of additional principal 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 principal capital was approved by BRSA.

13. Information on Shareholders' Equity

- a) Presentation of Paid-in capital:

As of June 30, 2014 the Bank's paid in capital consists of 14.961.500,00 shares which nominal value is TL 0,10.

TL	June 30, 2014	December 31, 2013
Common stock(*)	1.496.150	1.496.150
Preferred stock	-	-
Total	1.496.150	1.496.150

(*) Nominal Capital

- b) The Bank does not apply registered share capital system.
- c) Information on share capital increases and their sources: None
- d) Information on share capital increases from revaluation funds in the current period: None.
- e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.
- f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The Bank takes timely action to strengthen its equity in accordance with previous indicators of the Bank's income, profitability and liquidity taking into consideration of previous periods and evaluations in the frame of changes in accounting policies.

- g) Information on preferred shares: None.
- h) Information on marketable securities value increase fund:

	June 30, 2014	December 31, 2013
Valuation Difference	4.303	(8.546)
Foreign Exchange Difference	-	-
Total	4.303	(8.546)

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

14. Information on minority shares: None.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

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

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

1. Information on off-balance sheet liabilities:

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

	June 30, 2014	December 31, 2013
Forward asset purchase and sales commitments	681.274	1.655.680
Loan granting commitments	247.264	314.401
Commitments for checks	64.110	37.369
Credit card limit commitments	187.849	139.816
Other irrevocable commitments	2.133	1.571
Total	1.182.630	2.148.837

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

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

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

	June 30, 2014	December 31, 2013
Other guarantees and collaterals	875.402	744.241
Letters of credit	213.904	146.013
Bank acceptance loans	43.304	44.079
Total	1.132.610	934.333

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

	June 30, 2014	December 31, 2013
Definite letter of guarantees	664.108	514.316
Temporary letter of guarantees	38.257	75.010
Other letter of guarantees	173.037	154.915
Total	875.402	744.241

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

	June 30, 2014	December 31, 2013
Non-cash loans given to cover cash loans		
With maturity of 1 year or less than 1 year	1.067	240
With maturity of more than 1 year	-	-
Other non-cash loans	1.131.543	934.093
Total	1.132.610	934.333

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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.)

IV. Explanations and Disclosures Related to the Statement of Income

1. a) Information on interest on loans:

	June 30, 2014		June 30, 2013	
	TL	FC	TL	FC
Interest on loans (*)				
Short term loans	231.371	13.822	59.621	10.169
Medium and long term loans	250.548	139.840	49.378	31.673
Interest on non-performing loans	-	-	-	-
Total	481.919	153.662	108.999	41.842

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

b) Information on interest received from banks:

	June 30, 2014		June 30, 2013	
	TL	FC	TL	FC
The Central Bank of Republic of Turkey (CBRT)	-	-	995	-
Domestic banks	19.947	274	2.959	194
Foreign banks	-	-	-	-
Branches and head office abroad	-	-	-	-
Total	19.947	274	3.954	194

c) Interest received from marketable securities portfolio:

	June 30, 2014		June 30, 2013	
	TL	FC	TL	FC
Trading securities	100	-	3.667	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	33.038	8.171	15.501	-
Held-to-maturity securities	-	1.116	-	-
Total	33.138	9.287	19.168	-

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

2. a) Information on interest on funds borrowed:

	June 30, 2014		June 30, 2013	
	TL	FC	TL	FC
Interest on funds borrowed				
Banks	84	18.479	1	6.149
The Central Bank of Turkey	-	-	-	-
Domestic banks	84	33	1	-
Foreign banks	-	18.446	-	6.149
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	84	18.479	1	6.149

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)

- b. **Information on interest expense to associates and subsidiaries:** None.
- c. **Information on interest expense to marketable securities issued:** None.
- d. **Distribution of interest expense on deposits based on maturity of deposits:**

June 30, 2014								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TL								
Bank deposits	-	1.557	-	-	-	-	-	1.557
Saving deposits	-	6.687	226.050	750	996	659	-	235.142
Public sector deposits	-	-	92	-	-	-	-	92
Commercial deposits	-	10.169	86.662	284	161	4	-	97.280
Other deposits	-	200	17.610	125	117	-	-	18.052
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	18.613	330.414	1.159	1.274	663	-	352.123
Foreign Currency								
Foreign currency deposits	-	11.754	99.132	2.531	970	146	-	114.533
Bank deposits	-	4.907	-	-	-	-	-	4.907
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	16.661	99.132	2.531	970	146	-	119.440
Grand Total	-	35.274	429.546	3.690	2.244	809	-	471.563

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

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

	June 30, 2014	June 30, 2013
Income	1.125.417	525.665
Gains on capital market operations	7.903	184.124
Gains on derivative financial instruments	155.641	199.729
Foreign exchange gains	961.873	141.812
Losses (-)	1.145.885	489.624
Losses on capital market operations	76	182.432
Losses on derivative financial instruments	247.974	215.405
Foreign exchange losses	897.835	91.787
Net Amount	(20.468)	36.041

5. **Information on other operating income:** As of June 30, 2014; The bank has other operating income amounting to TL 1.860.

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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:

	June 30, 2014	June 30, 2013
Specific provisions for loans and other receivables	28.640	462
III. Group Loans and Receivables	6.157	350
IV. Group Loans and Receivables	17.468	112
V. Group Loans and Receivables	5.015	-
General loan loss provision expenses	29.854	48.950
Provision expenses for possible losses	-	-
Marketable securities impairment losses	-	-
Financial assets at fair value through profit and loss	-	-
Investment securities available for sale	-	-
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Jointly controlled entities	-	-
Investments held to maturity	-	-
Other	-	-
Total	58.494	49.412

7. Information on other operating expenses:

	June 30, 2014	June 30, 2013
Personnel expenses	71.257	38.872
Unused vacation provision	1.609	1.322
Taxes and duties	-	-
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	11.500	4.140
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	5.939	1.950
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	102.313	52.367
Rent expenses	18.142	8.814
Maintenance expenses	435	52
Advertisement expenses	16.226	12.012
Other expenses (*)	67.510	31.489
Loss on sales of assets	-	-
Total	192.618	98.651

(*) As of June 30, 2014, other operating expenses include IT expenses amounting to TL 8.435, outsource services amounting to TL 8.655, premium for deposit fund amounting to TL 3.434 and others.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

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

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 June 30, 2014, the Bank's loss before tax from continued operations is TL 31.308.

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

As of June 30, 2014, The Bank has deferred tax income amounting to TL 1.172 through temporary differences and taxable losses amounting to TL 881. As of June 30, 2014, The Bank does not have current tax income. (June 30, 2013: TL 9.425)

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

As of June 30, 2014 the Bank's net loss from continued operations is TL 31.017.

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
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AS OF JUNE 30, 2014

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

V. Explanations on the Risk Group of the Bank

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

a) **June 30, 2014:**

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	-	11.000	-	-
Balance at end of period	-	-	1.300	16.086	-	-
Interest and commission income	-	-	-	-	-	-

December 31, 2013:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	11.000	-	-
Interest and commission income	-	-	-	-	-	-

b.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	June 30, 2014		June 30, 2014		June 30, 2014	
Deposits						
Balance at beginning of period	-	-	-	-	-	343.965
Balance at end of period	-	-	-	-	-	313.331
Interest on deposits	-	-	-	-	-	2.964

December 31, 2013:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	December 31, 2013		December 31, 2013		December 31, 2013	
Deposits						
Balance at beginning of period	-	-	-	-	-	9.109
Balance at end of period	-	-	-	-	-	343.965
Interest on deposits	-	-	-	-	-	856

The Bank has obtained Subordinated Loan amounting to TL 636.690, short term loans amounting to 244.065 and deposit amounting to TL 304.091 from the risk group and realized interest expense amounting to TL 8.699.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

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

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

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

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities	Direct and indirect shareholders of the Bank	Other entities included in the risk group
Financial assets at fair value through profit and loss	June 30, 2014	June 30, 2014	June 30, 2014
Balance at beginning of period	-	198.695	-
Balance at end of period	-	-	-
Total Loss/ Profit	-	-	-

December 31, 2013

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities	Direct and indirect shareholders of the Bank	Other entities included in the risk group
Financial assets at fair value through profit and loss	December 31, 2013	December 31, 2013	December 31, 2013
Balance at beginning of period	-	821.874	-
Balance at end of period	-	198.695	-
Total Loss/ Profit	-	1.728	-

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

Gross payment made to the executive management as of June 30, 2014 is TL 11.900.

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AS OF JUNE 30, 2014

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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	45	1.282			
			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.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2014

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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 June 30, 2014 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 August 11, 2014 is presented preceding the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor:

None.