

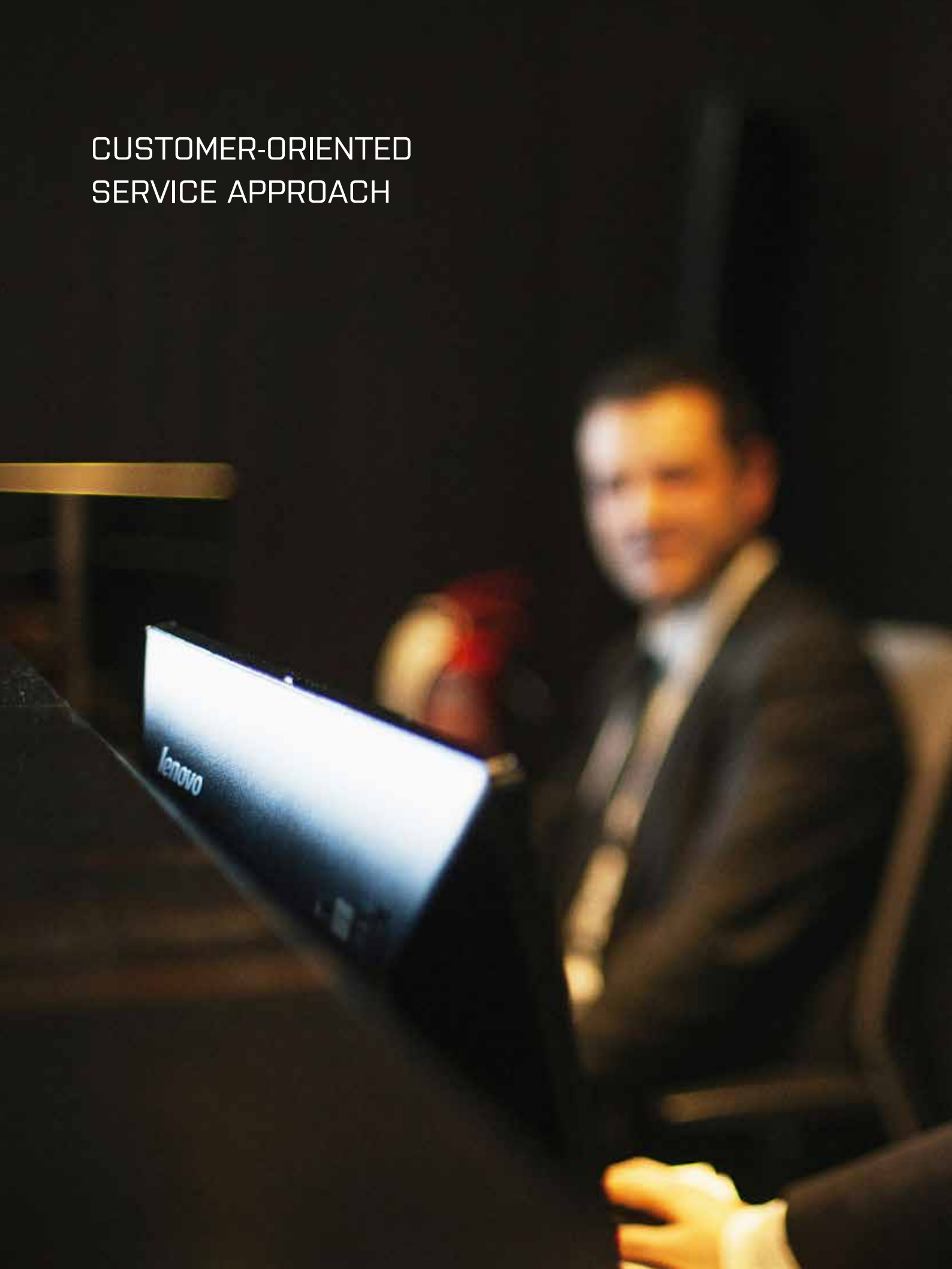


odeabank

odeabank

ANNUAL REPORT 2015

CUSTOMER-ORIENTED SERVICE APPROACH





CONTENTS

SECTION I: GENERAL

| | |
|----|--|
| 04 | Odeabank in Brief |
| 05 | Capital and Shareholder Structure |
| 06 | About Bank Audi Group |
| 10 | Mission, Vision and Values |
| 12 | Strategic Targets |
| 14 | Key Highlights |
| 16 | Prominent Developments |
| 20 | Awards |
| 26 | Chairman's Statement |
| 30 | Message from the General Manager |
| 38 | Banking Sector and Odeabank in 2015 |
| 40 | Corporate Banking |
| 42 | Commercial Banking |
| 44 | Retail Banking |
| 52 | Direct Banking |
| 58 | Business Solutions |
| 62 | Transactional Banking and Merchant Services |
| 64 | Information Technologies |
| 70 | Finance |
| 73 | Treasury and Capital Markets |
| 74 | Financial Institutions and Funding |
| 76 | Trade Finance |
| 77 | Project and Structured Finance |
| 78 | Economic Research and Strategic Planning |
| 79 | Operations |
| 81 | Organization, Process Development and Performance Management |
| 86 | Internal Services and Banking Support |
| 88 | Construction, Real Estate and Expertise Operations |
| 89 | Corporate Communications and Marketing |
| 90 | Legal |
| 92 | Corporate Social Responsibility Policy |

SECTION II: INFORMATION REGARDING MANAGEMENT AND CORPORATE MANAGEMENT PRACTISES

| | |
|-----|---|
| 94 | Board Members, Senior Management and Auditors |
| 104 | Managers of the Units in Internal Systems |
| 105 | Committees |
| 107 | Information on the Participation of the Board of Directors and Committee Members at the Respective Meetings |
| 108 | Committee Meetings |
| 109 | Transactions of Odeabank with the Related Risk Group |
| 111 | Information on Outsourced Operations and the Individuals, Organizations Supplying the Outsourced Services |
| 114 | Executive Board Summary Report Presented to the General Assembly |
| 116 | Human Resources |

SECTION III: FINANCIAL INFORMATION

| | |
|-----|---|
| 120 | Evaluations of the Audit Committee on the Operation of Internal Control, Internal Audit and Risk Management Systems and Assessment of Their Activities in the Accounting Period |
| 124 | Information on Odeabank's Financial Status, Profitability and Solvency |
| 125 | Statement Concerning the 2015 Annual Report of Odea Bank A.Ş. |
| 126 | Information and Content on Ratings Provided by Rating Agencies |
| 127 | Unconsolidated Financial Statements and Related Disclosures at December 31, 2015 |
| 129 | Independent Auditor's Report |

HAVING ENTERED THE TURKISH
BANKING INDUSTRY IN 49TH PLACE
THREE YEARS AGO AS THE FIRST BANK
TO BE FOUNDED FROM SCRATCH IN
TURKEY IN THE LAST 15 YEARS,

**WE NOW RANK 8TH IN THE SECTOR
AMONG PRIVATE DEPOSIT BANKS AND
9TH IN TOTAL ASSETS THANKS TO
OUR COMPETITIVE EDGE.**

WE ACHIEVED SUCCESS WITH
OUR EFFICIENT TECHNOLOGICAL
INFRASTRUCTURE, OUR EFFECTIVE
RISK MANAGEMENT PRINCIPLES, OUR
EXPERIENCED SUCCESS-DRIVEN
HUMAN CAPITAL AND OUR CUSTOMER-
ORIENTED SERVICE APPROACH.

ODEABANK IN BRIEF

**THANKS TO ITS
SUCCESSFUL
BUSINESS MODEL,
ADVANCED
TECHNOLOGY
INFRASTRUCTURE
AND EFFECTIVE
HUMAN RESOURCE
STRATEGIES,
ODEABANK
HAS QUICKLY
DISTINGUISHED
ITSELF IN THE
BANKING SECTOR.**

Turkey's young and dynamic bank, Odeabank closed 2015 ranked among the most successful players in the industry. Thanks to our strong primary shareholder, efficient technological infrastructure, effective risk management principles, experienced success-driven human capital and our customer-oriented service approach, our Bank capitalized on its competitive strength to rank 8th among private deposit banks and 9th in total assets.

As a result of the outstanding performance demonstrated during the year, Odeabank's asset size increased 25% to TL 32.1billion, total loans jumped 21% to TL 21.8 billion, and deposits rose 20% to TL 25.3 billion, compared to the previous year.

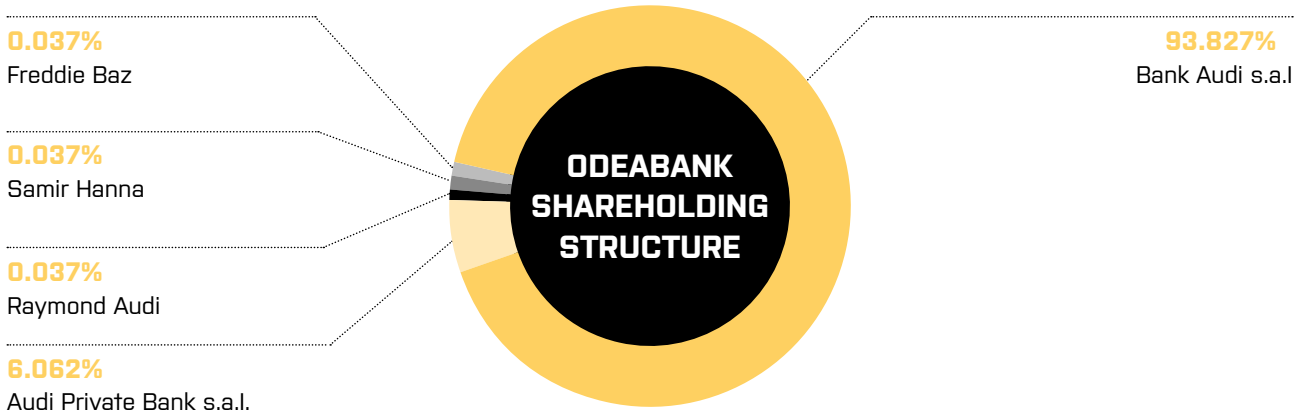
Having expanded to 55 branches in 15 cities in 2015, Odeabank's workforce increased to 1,538 employees. Furthermore, our Bank has been highly successful in improving key performance indicators despite significant ongoing investment expenses, closing the year with net profit of TL 50.3 million.

The year-end figures and the solid results are clear evidence that Odeabank achieved remarkable success in such a short time. The international awards our Bank won in 2015 also prove that we are well placed on our road map to the future and we are moving forward in the right direction.

We keep moving forward thanks to the invaluable support of our dynamic team that is passionate about banking; the backing of Bank Audi Group, the largest and the most reputable financial institution in Lebanon and one of the leading banks in the Middle East; and with the trust and the support of our customers. Odeabank plans to achieve even greater successes in 2016.

CAPITAL AND SHAREHOLDING STRUCTURE

| SHAREHOLDER | NUMBER OF SHARES | SHARE PRICE (TL) | SHAREHOLDING [%] |
|--------------------------|----------------------|----------------------|------------------|
| Bank Audi s.a.l. | 1,403,787,018 | 1,403,787,018 | 93.827 |
| Audi Private Bank s.a.l. | 90,698,400 | 90,698,400 | 6.062 |
| Raymond Audi | 554,861 | 554,861 | 0.037 |
| Samir Hanna | 554,861 | 554,861 | 0.037 |
| Freddie Baz | 554,861 | 554,861 | 0.037 |
| TOTAL | 1,496,150,000 | 1,496,150,000 | 100 |



THE ARTICLES OF ASSOCIATION

Pursuant to the license numbered 20008792.84.115704 of the Banking Regulation and Supervision Agency of Turkey (BDDK) dated June 21, 2013, the Bank's paid-in capital was increased to TL 1,086,510 thousand via cash injection and pursuant to the license numbered 20008792.84.131580 of the BDDK dated December 19, 2013, it was increased to TL 1,496,150 thousand. As of December 04, 2014, the Bank's paid-in capital is comprised of 1,496,150,000 registered shares with a nominal value of TL 1 each.

BRANCH NETWORK AND PERSONNEL INFORMATION

The Bank's Headquarter is located in Istanbul and as of December 31, 2015, all operations are organized and allowed within the framework of Banking Law Article 4 in corporate, commercial and retail banking fields with its 55 branches in Turkey and 1,538 employees. The Bank does not have any direct subsidiaries in the financial sector.

BANK INFO

Trade Name

Odea Bank Anonim Şirketi

Head Office Address

Levent 199, Büyükdere Caddesi No: 199 Kat: 33-39 34394 Şişli-İSTANBUL

Phone Number

+90 212 304-8444

Fax Number

+90 212 304-8445

Website

www.odeabank.com.tr

E-mail Address

info@odeabank.com.tr

ABOUT BANK AUDI GROUP

AS OF YEAR-END 2015, BANK AUDI GROUP HAS 82 BRANCHES COVERING THE GREATER BEIRUT AREA AND OTHER STRATEGIC REGIONS IN LEBANON, AS WELL AS A NETWORK OF 135 BRANCHES OUTSIDE LEBANON.

Bank Audi Group is a full-fledged regional bank with a presence in 12 countries. Based on a diversified universal model, it operates principally in Lebanon and the Middle East and North Africa ("MENA") region and offering a full range of products and services that cover principally commercial and corporate banking, retail banking, on-line brokerage, private banking and investment banking.

As of end-December 2015, based on unaudited financial statements, the Bank's total assets reached US\$ 42.3 billion, shareholders' equity US\$ 3.3 billion, customers' deposits US\$ 35.6 billion, loans and advances US\$ 17.9 billion and profit US\$ 403 million. Bank Audi Group is ranked first among Lebanese banks in terms of total assets, shareholder's equity, customers' deposits and loans. Based on rankings of top Arab banking groups operating in the MENA region, Bank Audi Group is also positioned among top regional banking institutions. In addition to its historic presence in Lebanon, Switzerland and France, the Group is currently present in Jordan, Syria, Egypt, Sudan, Saudi Arabia, Monaco (through a representative office), Abu Dhabi, Turkey and in a short time period in Iraq.

As of December 31, 2015, Bank Audi Group had one of the largest branch networks in Lebanon, with 82 branches covering the Greater Beirut area and other strategic regions in Lebanon, as well as a network of 135 branches outside Lebanon. The Bank has three principal subsidiaries in Lebanon, three principal subsidiaries in Europe and six principal subsidiaries in the MENA region outside Lebanon and one in Turkey.

Founded in 1830, the Bank was incorporated in its present form in 1962 as a private joint stock company with limited liability (société anonyme libanaise) with duration of 99 years. The Bank is registered on the Beirut Commercial Registry under number 11347 and on the Lebanese List of Banks as number 56. The initial shareholders of the Bank were members of the Audi family, together with Kuwaiti investors. Since 1983, the shareholder base has expanded. The shareholders' base encompasses nearly 1,500 holders of common shares and / or holders of Global Depositary Receipts (GDRs), representing common shares. The Bank's GDRs are listed on both the Beirut Stock Exchange and the London Stock Exchange and its Common Shares are listed on the Beirut Stock Exchange.

YOUNG, DYNAMIC AND
INNOVATIVE BANKING

odeabank
Member of Bank Audi Group





38th Floor

Team Building
General Training
English Communication
Training

odrabara

AS A TEAM, WE ARE READY
FOR A PRODUCTIVE FUTURE

MISSION, VISION AND VALUES

OUR MISSION

To invest in the best, aim for the total satisfaction of our stakeholders and offer them a concept of banking that places their lives as the center of our operations.

OUR VISION

To be the first bank that comes to mind regarding the banking needs of everyone who cares about how they spend their lives and their time.

OUR VALUES

PASSION TO SUCCEED

Our core objective is to work with superior performance, passion and enthusiasm; to attain the best outcome at all times; and to attain and sustain success in order to please our clients.

This passion increases the motivation of all of us and reinforces our engagement.

We work with superior performance

- » We provide the best working conditions
- » We focus on success
- » We accomplish challenging tasks

We are enthusiastic

- » We break new ground
- » We work with passion
- » We strive to attain the best outcome

We want to regenerate ourselves constantly

- » We work with high motivation and corporate loyalty
- » We see success
- » We are poised
- » We feel part of and participate in success

EMPLOYEE SATISFACTION

We value our employees, treat them fairly at all times, and establish open communication with all employees. We motivate our employees through recognition, training and rewarding.

We treat employees fairly

- » We take code of ethics seriously
- » We believe in performance management
- » We provide fair feedback

We value our employees

- » We take development and training seriously
- » We motivate our employees
- » We recognize and reward our employees
- » We make decisions collectively
- » We keep team spirit alive
- » We listen effectively
- » We empower and delegate
- » We get to know our employees

We establish open communication

- » We provide bilateral feedback
- » We take heed of being transparent

CUSTOMER FRIENDLY

We think about and focus primarily on our customers in every business move we make; we identify their needs with a holistic approach and become their solution partner. We work with each client in accordance with the "tailor model"; convince them that "if it cannot be done at Odeabank, it just cannot be done" and establish trust.

We establish trust

- » We act with integrity and ethics
- » We believe in mutual open communication
- » We are consistent

We are customer-oriented

- » We listen to and understand our client
- » We generate solutions quickly
- » We put "customer first"

We become a solution partner

- » We develop tailor-made solutions for customers and client demands
- » We display an expedient and flexible approach
- » We have an all-encompassing perspective

WE ARE INNOVATIVE AND DIFFERENCE-MAKER

We always stay a step ahead of our rivals by using advanced, state-of-the-art technology and creating effective business processes. We encourage our employees to be creative and think out of the box; we cut across all boundaries.

We use advanced technology

- » We find solutions independent of time and location
- » We are a pioneer

We create effective business processes

- » We work productively
- » We generate plain and quick solutions
- » We develop simple and analytical processes

We cut across all boundaries

- » We offer creative solutions
- » We think differently
- » We reject stereotypes
- » We break the routines

WE ARE HIGH-QUALITY AND UNIQUE

We always invest in the best of everything (e.g. personnel, location, branch, decoration). We dare to be different, pioneer the industry and display our assertiveness.

We invest in the best

- » We invest in the highest quality human capital
- » We get established in the best locations
- » We provide the best environmental factors

We dare to be different

- » We are a pioneer, not a follower
- » We create models suitable for us
- » We are assertive

We value continuity

- » We shape quality standards
- » We ensure quality control
- » We implement sustainability criteria for all stakeholders

STRATEGIC TARGETS

**FOR THE SECTOR:**

To become a bank that has sustainable return on equity on sound fundamentals in the medium and long term, serving 95% of the Turkish economy in all segments of banking.

**FOR THE BANK:**

To be able to activate an efficient service infrastructure that can offer all products as mandated by competition in all segments of banking;

To act as mediator in trade projects particularly with the Middle East and North Africa region; to be the leading bank of Turkey for this region.

To become a bank providing expeditions service via its technology infrastructure and experienced human resources, contributing to the quality of life of customers and being an indispensable part of their lives.

**FOR OUR CUSTOMERS:**

To ensure that customers are aware and convinced that they are able to receive quality service in all segments of banking;

Leveraging on the strength and credibility of our shareholder Bank Audi Group in the region to raise funds from international markets and making these resources available for the real sector.

**FOR OUR EMPLOYEES:**

To be an organization in which every employee is proud to be a part of and works with a high level of fulfillment and satisfaction;

To make employees feel the sense that they have chosen the right organization, they are valued, rewarded, appreciated, are able to self-improve and have the opportunity to reach their career goals.

**FOR THE SOCIETY:**

To be a bank that manages to transfer what it earns to the society and that is sensitive towards the needs of the society in which it exists, undertaking efforts to improve the well-being of the society by way of corporate social responsibility projects and responsible business conduct.

STRATEGIC TARGETS



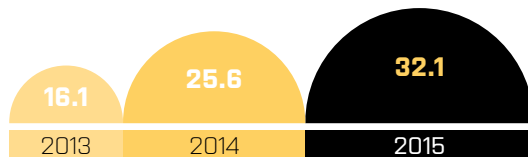
NEW HORIZONS IN BANKING

KEY HIGHLIGHTS

TOTAL ASSETS (TL BILLION)

Total Assets were increased by 25%

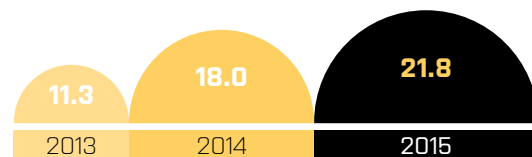
25%
INCREASE



LOANS (TL BILLION)

Total Loans were increased by 21%

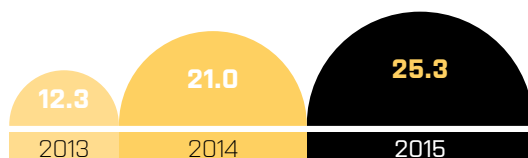
21%
INCREASE



DEPOSITS (TL BILLION)

Total Deposits were increased by 20%

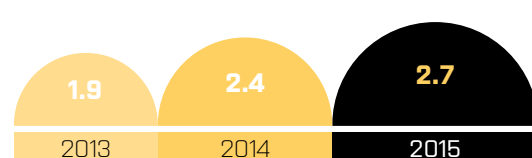
20%
INCREASE



SHAREHOLDERS' EQUITY (TL BILLION)

Total Shareholders' Equity was increased by 11%

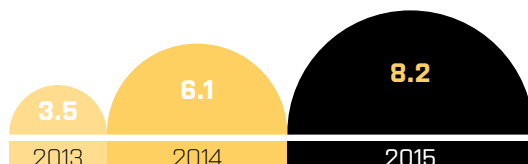
11%
INCREASE



LIQUID ASSETS (TL BILLION)

Total Liquid Assets were increased by 35%

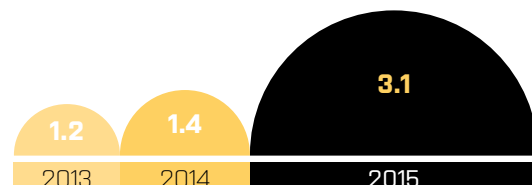
35%
INCREASE



BANK BORROWINGS (TL BILLION)

Total Bank Borrowings were increased by 122%

122%
INCREASE





PROMINENT DEVELOPMENTS



FEBRUARY 2015

Odeabank's New Arts Platform O'Art Launches with a Group Exhibition

On February 19, 2015, Odeabank launched its colorful platform O'Art. The Bank's new arts center in Etiler, O'Art hosted a group exhibition which featured works by leading figures of modern art. The inaugural exhibition included works by Ahmet Elhan, Balkan Naci İslimyeli, Bubi, Burhan Doğançay, Cem Sağbil, Devrim Erbil, Ergin İnan, Güngör Taner, Halil Akdeniz, Kemal Önsoy, Koray Arış, Mehmet Günyeli, Mehmet Uygun, Meriç Hızal, Mithat Şen, Müfide Aksoy, Osman Dinç, Utku Varlık, Yusuf Taktak and Yüksel Arslan.

Beşiktaş GC & Odeabank Inks Sponsorship Agreement in Basketball

Odeabank signed a sponsorship agreement with the oldest Turkish sports club, Beşiktaş GC. A signing ceremony took place at Integral Arena and was attended by Fikret Orman, Chairman of Beşiktaş GC; Hakan Özköse, Executive Board Member in Charge of the Basketball Department and Fans Associations; Beşiktaş GC Women's Basketball Team members Gülşah Akkaya, Frida Eldebrink, Tuğba Taşçı, Ziomara Morrison and Begüm Dalgalar; Ayşe Korkmaz, Member of the Board of Directors; and Cem Muratoğlu, Assistant General Manager at Odeabank. Committed to supporting basketball, Odeabank became the jersey front sponsor of the Beşiktaş GC Women's Basketball Team, which will compete in the quarter finals at the European Cup.

MARCH 2015

Odeabank Becomes Fenerbahçe Ülker's New Jersey Sponsor

Aiming to provide significant support to Turkish basketball, Odeabank signed a 1.5-year agreement as the sponsor for the back of the jerseys for Fenerbahçe Ülker Basketball Team. A signing ceremony was held at Fenerbahçe Ülker Sports Arena and was attended by Ömer Onan, Assistant General Manager of Fenerbahçe Ülker; Zeljko Obradovic, Head Coach of Fenerbahçe Ülker; Emir Predzic and Oğuz Savaş, team captains of Fenerbahçe Ülker; Alpaslan Yurdagül and Yalçın Avcı, Assistant General Managers at Odeabank.

ODEABANK SIGNED A EUR 60 MILLION LOAN AGREEMENT WITH THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD).



Assets Up 39% in First Quarter

Odeabank's total assets increased 39% in first quarter 2015 compared to the same period a year earlier, climbing to TL 26.3 billion.

Demonstrating a strong performance just two years after its founding, the Bank's net profit rose to TL 11.7 million as of end-March 2015 compared to the same period of the previous year, thus reversing a loss and in effect achieving a net increase of TL 48.8 million.

The first bank to receive an operating license in 15 years in Turkey, Odeabank commenced operations in 2012 and has maintained healthy growth since that time despite fluctuations in foreign currency exchange rates and uncertainties in global markets.

JUNE 2015

Net Profit Rises TL 51.4 million with Assets Up 42.5% in First Half of the Year

Odeabank's total assets increased 42.5% to TL 29 billion for the first half of 2015. At end-June, the Bank posted net profit of TL 20.4 million, thus reversing its net loss of TL 31 million in the same period of 2014 and entering positive territory with an increase of TL 51.4 million thanks to a strong performance.

JULY 2015

Odeabank Signed EUR 60 million Loan Agreement with EBRD

Odeabank signed a loan agreement worth EUR 60 million with the European Bank for Reconstruction and Development (EBRD). The Bank reported that the entirety of the loan, which has a 5-year term with a 2-year grace period, will be lent to finance the investment needs of small and medium sized enterprises.

PROMINENT DEVELOPMENTS



AUGUST 2015

O'Art Stages Summer Group Exhibition: "Art Âlem"

Odeabank's vibrant arts platform O'Art welcomed art lovers with captivating works by 22 artists for the whole summer period. The summer group exhibition featured extraordinary sculptures by Ahmet Özparlak, Bahadır Yıldız, Çağdaş Erçelik, Derya Özparlak, Eda Taşlı and Serdar Kaynak; and paintings by Ayşegül Kırmızı, Cömert Doğru, Esmâ Sürücü, Ezgi Bilgin, Günsel Kamışlı, Leyla Emadi, Mehmet Çevik, Mustafa Üzbakır, Özlem Üner, Pemra Aksoy, Seher Yılmaz and Serdar Akkılıç. The exhibition "Art Âlem" also included digital and photography works by Burcu Orhon, Hande Göksan, Işıl Arısoy Kaya and İpek Yeğinsu.

Odeabank: "Bank of the Year"

Odeabank was named "Bank of the Year" at the Stevie Awards, one of the most prestigious competitions of the international business world. Continuing to gain recognition in the global arena with its rapid growth, private banking services, advanced technology investments and strong corporate governance, Odeabank received a total of 11 "Stevies": one gold, five silver and four bronze awards as well as a "People's Favorite" designation. With this accomplishment, Odeabank won more awards than any other Turkish bank at the Stevie Awards 2015.

SEPTEMBER 2015

Odeabank's Growth Outpaced the Sector as of Third Quarter!

As of third quarter 2015, Odeabank's assets rose 28% to TL 32.8 billion compared to a year earlier. In the same period, the Bank's deposits increased 24% to TL 26.2 billion while loans were up 21%, to TL 21.9 billion. Outperforming the banking sector as a whole, Odeabank continued to contribute to the national economy in spite of uncertainties in domestic and international markets, closing the first nine months period with net profit of TL 36.7 million.

ODEABANK WAS PRESENTED WITH 11 AWARDS AT THE STEVIE AWARDS WHERE IT WAS ALSO NAMED "BANK OF THE YEAR."



OCTOBER 2015

O'Art Features Cem Sağbil's "İç Dökmek (Confide)"

One of the newest art centers in Istanbul, O'Art presented visitors with sculpture and painter Cem Sağbil's "İç Dökmek (Confide)" exhibition featuring works consisting of sketches on paper bags the artist made during his flights and narrations on how these works came to be sculptures. Capturing the artist's 15 years of experience, the exhibition also included the starting point of the story, namely, the previous states of the works before they evolved into sculptures. In addition to 400 sketches, the exhibition displayed the ideas the artist had in mind that were transformed, or are waiting to be transformed, into sculptures. Thus, visitors were invited to journey into the inner world of this fascinating artist.



DECEMBER 2015

Support for Micro Enterprises and Renewable Energy

Odeabank obtained a EUR 20 million loan from the EFSE, which was established by the European Commission to foster economic development in southeastern Europe, and a EUR 11 million loan from GGF Fund. The Bank plans to support micro and small enterprises with the EFSE facility and use the loan from GGF to provide support to renewable energy projects.



Famous Tango with Şefika Kutluer's "The Magic Flute"

World-renowned flutist Şefika Kutluer performed a concert accompanied by the Virtuosi di Praga Orchestra in support of the scholarship fund for SEV schools. Organized with the sponsorship of Odeabank, the concert took place on the Turkcell Stage at Zorlu Performing Arts Center on December 21, 2015.

AWARDS



GLOBAL PAYMENTS AWARDS

- » Mobile Money & Digital Payments Awards - Best Retail Innovation awards



EUROPEAN FINANCIAL MARKETING ASSOCIATION

- » Innovation Awards Digital Distribution category second place with Odeabank Mobile Application



DAVEY AWARDS

- » www.odeabank.com.tr - Visual Appeal - Silver Award
- » Odeabank Mobile Application - Best Practices - Silver Award
- » Odeabank Mobile Application - Best Use of GPS/Location Technology - Silver Award
- » Odeabank Mobile Application - Best Visual Design - Aesthetic - Silver Award
- » Odeabank Mobile Application - Best Visual Design - Function - Silver Award
- » Odeabank Mobile Application - Integrated Mobile Experience - Silver Award



ODEABANK MOBILE APPLICATION - INTERNATIONAL FINANCE MAGAZINE FINANCIAL AWARDS

- » Odeabank Mobile Application - "Most Innovative Bank Turkey 2015" Awards



WEB AWARD 2015

- » www.odeabank.com.tr - Bank - Standard of Excellence
- » www.odeabank.com.tr - Financial Services - Standard of Excellence
- » www.odeabank.com.tr - Mobile - Standard of Excellence
- » www.bankocard.com.tr - Bank - Standard of Excellence
- » www.bankocard.com.tr - Financial - Services Standard of Excellence
- » www.bankocard.com.tr - Mobile - Standard of Excellence

AN AWARDS-FILLED YEAR



12. STEVIE AWARDS GOLD AWARDS

- » Odeabank AS /Company of the year - Banking



12. STEVIE AWARDS SILVER AWARDS

- » Odeabank AS credit Cards marketing Team / Best marketing team of the year
- » Odeabank Facebook Fan page / Best Facebook Fan page or Group
- » Odeabank AS / Most Innovative Company of the Year - in Europe
- » Odeabank AS / Fastest-Growing Company of the Year - in Europe
- » Odeabank AS Integrated Mobile Experience / Integrated Mobile Experience



12. STEVIE AWARDS BRONZE AWARDS

- » Bank'O Card Web Site / Best Interface Design
- » Odeabank AS Project "Unique" / Odeabank Mobile Application / Best New Product or Service of the Year - Financial Services
- » Tayfun Küçük, CTO [in charge of IT, Business Solutions, Direct Banking and Transactional Banking] / Innovator of the Year
- » Tayfun Küçük, CTO [in charge of IT, Business Solutions, Direct Banking and Transactional Banking] / IT Executive of the Year



GLOBAL BANKING& FINANCE REVIEW

- » Global Banking & Finance Review Awards 2015 'Best Internet Bank' Award
- » Global Banking & Finance Review Awards 2015 'Best Mobile Banking Application' Award
- » Global Banking & Finance Review Awards 2015 'Best ATM Experience Award'



ALTIN ÖRÜMCEK 2015

- » www.odeabank.com.tr - Altın Örümcek / People's Choice

AWARDS

THE MANY AWARDS ODEABANK WON IN THE INTERNATIONAL ARENA IN 2015 IS PROOF OF ITS RESOUNDING SUCCESS.



INTERACTIVE MEDIA AWARDS 2015

- » www.odeabank.com.tr - Best in Class
- » www.bankocard.com.tr - Best in Class



GLOBAL FINANCE

- » 2015 World's Best Digital Banks Awards Best Online Treasury Services
- » 2015 World's Best Digital Banks Awards Best Social Media
- » 2015 World's Best Digital Banks Awards Best Bill Payment & Presentment



COMMUNICATOR AWARDS 2015

- » Odeabank Mobile App - Communicator Awards 2015 / Finance category – Award of Excellence
- » www.odeabank.com.tr - Communicator Awards 2015 / Websites – Corporate Communications - Award of Distinction



55 BRANCHES IN 15 CITIES

BRANCHES DESIGNED WITH
INNOVATIVE INSIGHT





CHAIRMAN'S STATEMENT



Continuing on our journey in the Turkish banking industry, which we entered in 49th place in 2012, we proudly announce that Odeabank now ranks 8th in deposits and 9th in assets among all private deposit banks as of year-end 2015.

Dear Stakeholders,

In 2015, we continued to grow bigger and stronger, as we have since October 2012 when we first set out on our journey in the Turkish banking industry. Having entered the sector in 49th place as the first bank to receive an operating license in 15 years in Turkey, Odeabank proudly announces that it now ranks 8th in deposits and 9th in assets among all private deposit banks. Currently, we boast total assets of TL 32.1.

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

In terms of financial performance, as of December 2015, Bank Audi Group's total assets amounted to US\$ 42.3 billion, with deposits of US\$ 35.6 billion, loans of US\$ 17.9 billion, and shareholders' equity of US\$ 3.3 billion. As a result of this superior performance, we posted a net profit of US\$ 40.3 million.

Launched in Turkey in 2012 with a significant investment from Bank Audi Group, Odeabank achieved great national and international success in 2015. We did so by integrating technological advancements of the new information age into our banking operations, incorporating professional, young, dynamic, and success-oriented employees into the Bank's staff and by focusing on customer satisfaction at all times. As one of the young, fast-growing and important players of the sector, Odeabank has been a source of pride for our Group with the success it has achieved in Turkey. We are happily keeping a close watch over the Bank's achievements in Turkey and proudly observing the difference Odeabank makes in the banking industry with the right business model, advanced technology infrastructure and excellent human resource strategies that we have implemented from the very beginning. We have great confidence that these achievements will continue in the future.

CHAIRMAN'S STATEMENT

At this point I'd like to share my views about the global economy. Throughout 2015, the global economy maintained a volatile course marked by a high degree of uncertainty. The extent and timing of anticipated changes, including China's shifting of its economic growth model and the Fed's efforts to end its expansionary monetary policy, created fluctuations in financial markets. Although the changes in question were seen as necessary for the long term sustainability of global economic growth, in the short term they are expected to negatively impact numerous economies around the world in terms of trade and financing channels. During the year, some developing countries in need of substantial amounts of foreign financing have been adversely affected by diminished capital flows. In addition, geopolitical risks have remained high enough to stall the recovery in the global economy. Low commodity prices helped inflation rates in the most developed countries remained below the targets of their central banks, while sharp drops in currency values in emerging markets have stoked inflation in these economies. The priority of macroeconomic policy with near-zero policy interest rates in the most industrialized countries was to reduce risks caused by extremely low inflation on economic activity and to address the lack of long term demand. Against this backdrop, macro prudential policies were actively used to counteract the risks that jeopardized financial stability. Complementary monetary policy buffers are seen as a key element to support the re-balancing of the global economy.

Additionally, the need for structural reforms to sustain demand remains necessary to improve productivity and to increase investments. Meanwhile, the US Central Bank (Fed) raised interest rates for the first time in a very long while towards the end of the year. The Fed signaled that successive increases will be gradual, which served to reduce the uncertainty in the financial markets.

Over the last five years, the Turkish economy has remained as one of the fastest-growing among the G20 thanks to its well capitalized banking sector and the country's success in balancing out its economic growth composition. However, with the geopolitical risks and uncertainty weighing on the global economy, volatility remained high in Turkey in 2015 as in other emerging markets. Despite rising uncertainty and a weakening Turkish lira, the country managed to sustain its moderate growth path, one of the most important criteria in the long run for investors. Given the country's long term, solid macroeconomic fundamentals, it is possible to say that in recent years Turkish financial assets have remained undervalued due to eroding investor confidence. With structural reforms expected to be implemented in the coming year and an anticipated rebound in investor confidence, we believe that this negative differentiation will rapidly reverse and Turkish financial assets will reflect the true value indicated by the strong economic fundamentals.

The current account deficit, the soft spot of the Turkish economy, fell to sustainable levels during the year thanks to positive macro trends, namely decreasing oil prices and the re-balancing of the economy. However, inflation dynamics have not really improved due to the steep decline in the value of the Turkish lira in 2015. In the coming months, we anticipate that a recovery in domestic demand will occur with improvements in consumer purchasing power spurred by the low oil price environment and that foreign demand will rise with the upturn of the country's foreign trade partners. Thus, we expect that the Turkish economy will grow at faster pace than in 2015, approaching the 4.0% level.

WITH THE STRONG SUPPORT OF OUR PRIMARY SHAREHOLDER, EFFECTIVE RISK MANAGEMENT AND STRATEGIES, ODEABANK WILL CONTINUE MAKING SIGNIFICANT CONTRIBUTIONS TO THE TURKISH ECONOMY.

Turkey's banking sector remained strong in 2015 in the face of challenges stemming from foreign and domestic risk factors. As a result of the increase in risk premium and tighter monetary conditions, loan and deposit interest rates swiftly rose in 2015. Despite the slowdown in lending and the sharp drop in the Turkish lira, the asset quality of the sector remained strong and overdue receivables remained limited. We believe that the banking sector will have a better year in 2016 with risks significantly reduced and an economy that is picking up pace.

Having entered the banking sector at 49th place and jumping up to rank 12th among other deposit banks in a short time, Odeabank is moving forward with confidence to become the financial services provider of choice for major projects that will keep the Turkish economy driving ahead. Moving up every year both in terms of profits and sector rankings, Odeabank plans to keep growing with its customer-oriented service approach and with the faith it has in the Turkish economy, despite challenging economic and financial conditions.

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

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

Having adopted breaking new ground in the Turkish banking industry as one of its core principles, Odeabank strives to improve its technological systems infrastructure and to recruit the most experienced and skilled professionals in the sector. Guided by a forward-looking vision and mission, Odeabank worked to solidify its achievements in 2015 and will continue taking firm steps into the future.

With our faith in the Turkish economy, we plan to continue strengthening our capital, ramping up our investments, and thus contributing more to the Turkish economy.

On behalf of the Board of Directors, I would like to express my gratitude to all our staff who has helped move Odeabank forward to the point where we stand now, and to all our customers who honor us with their confidence and trust.

Respectfully yours,

SAMİR HANNA

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

MESSAGE FROM GENERAL MANAGER



As a young and dynamic bank, while we take each and every step forward with great enthusiasm, it makes us happy to see that the solid foundation we have established is growing stronger and yielding positive results in a sustainable way.

As a young and dynamic bank that places great importance on establishing long-term customer relationships based on mutual trust, we bolstered our position in the sector during the year; differentiated and expanded our service offerings; and created added value for the Turkish economy despite the uncertain and volatile global environment. After completing our third year in Turkey, I am very pleased to present you with our 2015 annual report which shows that we exceeded all the targets we set at the beginning of the year.

With Odeabank, founded from scratch in 2012 with investment from Bank Audi Group which operates principally in Lebanon, we introduced a new and different service approach to the sector. In parallel with the opportunities that the Turkish economy provided to us, we continued our operations aiming to become one of the first banks that come to mind for all banking needs and demonstrated growth far above the sector average in 2015.

With our customer-oriented and innovative banking approach, we continued to climb up the sector rankings this year. After entering the Turkish banking industry in 49th place in 2012, we proudly announce that we now rank 9th in total assets and 8th in deposits among all private deposit banks as of year-end 2015. More importantly, in only three years, we have become a bank operating 55 branches in 15 cities and staffed by more than 1,500 employees; and we are still expanding. I would like to underscore the fact that this level of performance and commitment in the highly competitive Turkish banking industry is considered a success story not only in this market but also internationally.

Thanks to our successful performance in all areas of banking in 2015, our assets increased to TL 32.1 billion, our loan portfolio expanded to TL 21.8 billion, and our deposits climbed to TL 25.3 billion. We outpaced the sector average especially in deposits and loans, which clearly demonstrates the extent to which we contribute to the Turkish economy.

As a young and dynamic bank, while we take each and every step forward with great enthusiasm, it makes us happy to see that the solid foundation we have established is growing stronger and yielding positive results in a sustainable way. Our current position shows that – thanks to our innovative service model, our advanced technology infrastructure, and our well-experienced human resources – we distinguished ourselves in the banking sector and to our stakeholders.

MESSAGE FROM GENERAL MANAGER

Through nearly the entirety of 2015, the trend of avoiding risks in global financial markets continued. Uncertainties regarding the US Central Bank (Fed)'s normalization of its monetary policy, declining growth in the Chinese economy and worldwide and high-level geopolitical risks were all instrumental in keeping financial markets volatile. In the first half of the year, the US economy looked more promising compared to the rest of the globe. However, by the third quarter, the possibility that an economic slowdown in China and elsewhere in the world might also negatively affect the US grew stronger; in fact, this became a factor that delayed the Fed's decision to hike interest rates. Toward the end of the year, the Fed raised interest rates for the first time in some years while the risks to the world economy and the US stabilized.

Ongoing growth concerns surrounding the global economy coupled with domestic political uncertainties resulted in a weak year for Turkish financial assets in 2015. While the Turkish lira continued to lose value in both real and nominal terms, interest rates soared. Despite tightening monetary conditions, in the first half of the year domestic demand significantly contributed to growth. While the Turkish economy expanded 3.1% in the first half of 2015 compared to the same period of 2014, domestic demand led by private sector consumption, excluding stocks, and investment expenses, went up 5.2%.

While domestic demand lost pace in the second half of the year, foreign demand started to rise with the recovery in Turkey's trading partners, especially the EU. We think that the Turkish economy will wind up with a growth rate above 3% for 2015. However, we see the pace of economic expansion picking up in 2016, closer to the country's potential. While low energy prices in 2015 helped narrow the current account gap, problems in the region and security concerns are adversely affecting the nation's tourism revenues. This situation has a negative effect on the current account balance excluding energy. Even so, we expect that, with both balanced growth and low energy prices, the current account deficit will close 2016 at a sustainable level.

With regard to the inflation, a rebound in domestic demand together with increases in foreign exchange rates hindered Turkey from fully benefiting from declining energy prices during the year. We anticipate that inflation will close the year above the 2015 target despite a more stable Turkish lira in recent months; thus, any improvement in inflation in 2016 will likely be limited. In the coming period, we believe that against the background of stronger growth, much needed additional structural reforms will be carried out in order to keep inflation in line, which in turn will strengthen macroeconomic stability. Holding the second general election in 2015 was a key factor that delayed the reform process while also increasing uncertainties. We believe that the government will swiftly focus on instituting reforms in 2016 and provide room to step up Turkey's potential growth in the coming years.

While the economic expansion has remained relatively robust, we see recent growth in the banking industry as rather slow. According to the BRSA's numbers, banking sector assets increased by 18.2% YoY to TL 2.4 trillion in 2015. Loan grew by 19.7% to TL 1.5 trillion, while total deposits rose by 18.3% to TL 1.2 trillion in the same period. The sector's profits have been greatly affected by the challenging financial conditions although asset quality has remained strong.

During the year, while low oil prices caused the current accounts deficit – Turkey's vulnerable spot – to fall to sustainable levels, the low-inflation, low-interest rate environment globally indicates valuable room for maneuvering to increase the growth potential via structural reforms. With market volatility high, it is clear that risks still remain. In our view, the main problem plaguing the Turkish economy since mid-2013 is that the investor perception of Turkey has significantly deteriorated. We see this as causing foreign currency exchange rates to fluctuate and inflation and interest rates to remain high domestically despite positive commodity price developments globally. If reforms are adopted and implemented, investor sentiment will turn positive once again. Then we expect that capital flows into Turkey will recover and financial asset prices will correctly reflect the country's strong economic fundamentals.

WE DEMONSTRATED THE ODEABANK DIFFERENCE IN THE SECTOR THANKS TO OUR SUCCESSFUL ROADMAP AND ADVANCED TECHNOLOGY INFRASTRUCTURE.

We, as Odeabank, demonstrated our difference in the sector thanks to our roadmap developed foreseeing all these conditions and our modern technological infrastructure.

In Corporate and Commercial Banking segments, we expanded our cash loan volume significantly in 2015 by providing financing to our clients from a variety of industries, including energy, real estate development, iron and steel, telecom, retail, construction and contracting.

Despite the period in the second half of 2015 when risk concerns began to soar and the labor market contracted, Odeabank exceeded all its performance targets for the year in Corporate Banking.

As a leading corporate bank, we strive to make sure that our customer relationships, which we have diligently fostered since our founding, are long-term relations. We are moving ahead toward the goal of figuring among the banks that first come to mind in the areas of investments, projects, acquisitions and privatizations in parallel with the opportunities the Turkish economy presents. In the years to come, Odeabank Corporate Banking is expected to achieve growth above the sector average as it gradually consolidates its position in the market and gains in importance. Our goal at Corporate Banking is to capture the largest market share possible. We are keeping a close watch for client needs that arise in parallel with changing market conditions and that favor our competitive strengths. In addition, our business plan includes a focus on creating and deepening cross-selling opportunities with our corporate clients, and ranking among the top three banks in their portfolio.

In the Commercial Banking segment, we combined Odeabank's advanced technology with our marketing systems in 2015. Thus, we consolidated our goal to become the main bank for customers and to be the preferred bank with our fast and flexible solutions to meet each customer's financial need. During the year, we increased the number of branches to 31 where we provide SME and commercial banking customers with exceptional service delivered by dedicated customer representatives.

Since our founding, SMEs have been one of our target customer groups and we have structured the Bank to serve this key segment. We now play a major role in meeting the needs of small and medium enterprises. In 2015, we made contact with SMEs of all sizes and offered effective solutions for these enterprises. We have also provided resources that SMEs find difficult to access. Thanks to the loan agreement we signed with EBRD (The European Bank for Reconstruction and Development), we provided SMEs with support totaling more than TL 100 million in December alone.

Without compromising our "Personalized Banking" philosophy, we believe that SMEs can be served not only by opening branches, but also by providing 24/7 direct banking services. As a result, our planned capital investments are direct channel-oriented and we will work to continually improve them.

In the Retail Banking segment, we signed "Consumer Financing" agreements with several important chain stores in Turkey. With our special retail loan product "Ready-Cash" and loan proposals tailored to the needs of our customer base, we have achieved effective segment management. As a result of these campaigns, the number of our loan customers increased by 40%.

In 2015, while putting the everyday savings of our retail banking customers to good use and offering high interest rates, we launched the Oxygen Account (Oksijen Hesap), which provides customers with advantages in their daily lives. Featuring interest rate yields two points above the sector average for savings amounts up to TL 50,000 and providing active users free banking services as well as movie tickets, the Oxygen Account significantly increased demand TL volume. In addition, we boosted customer numbers and customer loyalty. Marketing efforts especially in digital media significantly bolstered customer awareness of our brand and the Bank in a short time.

With the Remote Account Opening (Uzaktan Hesap Açılış) process in 2015, we started to bring account openings to our customers' doorstep, joining our branch network and other direct banking channels. We are able to offer our products to customers all across Turkey, particularly the Oxygen Account, via our Direct Sales representatives or with contracted courier teams.

MESSAGE FROM GENERAL MANAGER

At Odeabank, we offer our customers not merely deposit accounts for their savings, but a rich variety of savings options under our Wealth Management services, such as Private Pension, Mutual Funds Deposit Account, Multi-Currency Deposit Account all of which aim to meet present-day needs.

To that end, Odeabank blazed a trail in investment banking by cooperating with leading portfolio management companies of Turkey. By executing non-TEFAS and TEDAS active marketing and distribution agreements with 12 portfolio management companies, we had the opportunity to provide many diversified fund types for our customers. Recognized for our success, we took pride in receiving the "Best Investment Fund Distribution Channel – 2015" award from the Turkish Institutional Investment Managers' Association (TKYD). We aim to deliver competitive yields via general investment recommendations we formulate based on market conditions and model portfolios we present on a risk group basis. During this process, we keep our customers updated about their investments with daily and/or weekly briefing reports.

During the year, Odeabank obtained funding worth USD 1 billion in various structures and maturity terms from prestigious international financial institution (IFI) s. Some 25% of this funding consists of resources from IFIs (International Financial Institutions) with five or more years maturity. We signed an agreement with IFC (International Finance Corporation) worth USD 81 million with a 5-year maturity to finance environment-friendly buildings and mortgage loans. Our agreement with EBRD (The European Bank for Reconstruction and Development) secured a facility worth EUR 60 million with a 5-year term while EFSE (European Fund for Southeast Europe) provided us with funding of EUR 20 million with a 5-year maturity for SMEs. An agreement with GGF (Green for Growth Fund) worth USD 11 million will finance renewable energy and energy efficiency loans. The above-referenced loans were provided to support the private sector in the related fields. Our efforts to finance foreign trade with competitive resources provided by foreign institutions and IFIs (International Financial Institutions) continued apace in 2015.

The Bank continued to issue bonds in the domestic market in 2015. Since 2014, we have provided funding worth TL 700 million with five bond issuances directed only to qualified investors.

In Direct Sales channels, Odeabank's mobile application launched in February 2015. We put customer experience at the forefront and started to provide our customers at all Direct Banking channels – the Internet Branch, Mobile Branch, ATMs, 444 8 444 Contact Center – with the same user experience, menu structure, design and business process flows. Some 400 thousand customers were served via Direct Banking channels with 9.5 million financial transactions worth TRL 6.7 billion in 2015. During the year, our ATM network grew to 66 ATMs. While the videos featuring our mobile application hit more than 3 million views, the app was downloaded by more than 100 thousand users.

In addition, I also want to underline another key point: guided by our mission, with which we place great importance on creating added value not only in banking, but also in all aspects of life, we are more than pleased to provide support to sports and the arts in Turkey. As one of the young players in the industry, we think that basketball closely corresponds to our own dynamic organization. In 2015, you witnessed Odeabank's support for the "Three Major Teams" of basketball. We assumed the name sponsorship of Galatasaray Men's Basketball Team and also became the sponsor for the jersey fronts of Beşiktaş Women's Basketball Team. Furthermore, you will note Odeabank's sponsorship on the jerseys of Fenerbahçe Ülker Men's Basketball Team and Galatasaray Women's Basketball Team. Last but not least, we also became one of the sponsors for the FootGolf tournament, a new and burgeoning sport. We are more than happy to support sportsmen and sportswomen or teams, whom we believe, have represented or will represent our country successfully in international competitions.

Meanwhile, the Bank has its own successful team competing in the corporate league. With the leadership of this team, in 2015 we started to give basketball training for the children of our employees. Basketball is valuable to us since team work and collective success are critical

to overall success in the sport. If we want our country to be more influential in the international arena, we think that we should support our sports clubs and give a hand to young, talented athletes.

As the young and innovative player in the banking sector, thanks to our personalized private banking services and investments in technology, we continued to win awards in 2015 at both national and international events. At the Stevie Awards held for the 12th time in 2015, we were presented with awards in 11 different categories; in addition, we were named the best company of the year in the banking category, leaving the rest of the competition behind. At the Communicator Awards 2015, we won the award of excellence with our mobile application in the finance category, and the award of distinction with our website in the corporate communication category. At the Global Finance – Best Digital Banks Awards, Odeabank received Western Europe's "Best Online Treasury Services," "Best Bill Payment & Presentment" and "Best Social Media" awards. At the Global Banking & Finance Review Awards 2015, garnered the "Best Internet Bank," "Best Mobile Banking Application" and "Best ATM Experience" designations. We were also named "Turkey's Most Innovative Bank" by International Finance Magazine. At the Innovation Awards organized by EFMA, Odeabank's Mobile Application was honored to take second place in the digital distribution category; meanwhile, the Omnichannel Project by Direct Banking received the "Best Retail Innovation Award" within the Mobile Money & Digital Payments Awards at the Global Payment Awards. At the Altın Örümcek Awards, one of most prestigious competition of the digital world held in Turkey for many years, Odeabank's website received the "People's Choice" award.

Esteemed Stakeholders;

As Odeabank, we have successfully closed our second operating year in every aspect. The most important factors underlying this achievement are our effective risk management, our ambitious and experienced employees, efficient technology infrastructure, and our customers who show great interest in our customer-oriented service approach.

In 2016, we will continue to operate in all segments of banking. To date, we have always tried to find the most suitable solutions to meet the needs of our customers in the Retail Banking segment. In 2016, we will be offering new products and opportunities to our customers. In 2015, we reached more than 275 thousand cards issued by focusing on effective product sales and promotional offers differentiated by customer needs. In 2016, we plan to launch new credit card products that will appeal to various segments with brand new product features.

We will also offer our retail customers various deposit and investment products supported with technology. Thanks to digital applications, we will enable wider access to the advantages we have been offering in deposit accounts since the establishment of our Bank. Our investment fund distribution channel, established in Turkey for the first time and which has grown steadily ever since, aims to create satisfaction in yields in this competitive market by offering customers both the most familiar and most diversified funding types with the involvement of numerous portfolio management companies. Under new the CMB legal and regulatory framework, we plan to capture an increasing market share by offering intermediary operations for order flows on the stock market via our solution partner institution.

While our investment offerings are on the rise thanks to mobile projects scheduled for launch in the years to come, we will provide our customers with a variety of services such as risk evaluation, advisory, purchase and sales of investment products. In Commercial Banking and SME Banking, we will maintain our growth rate in 2016, continue to expand the customer base, grow our balance sheet, and lead the competition with products designed to meet the needs of our customers.

We will continue to work closely with SMEs in 2016 with an increased focus on micro and small-scale enterprises. We aim to maintain our growth rate by utilizing technology more efficiently in our ever-expanding branch network, credit processes, and daily cash transactions. Next year, we will deepen our business relationships with SME clients by engaging direct banking solutions.

At Odeabank, our aim is to further improve our service quality and make our customer-oriented banking services available to the broader society. As we realize our objectives without compromising our principles, we will achieve better results in terms of key performance indicators. As we always mention, our main goal is to "join the giants' league" and provide more resources to the economy.

By this means, I would like to express my sincere thanks to our dynamic team, who are passionate to achieve superior performance in our third operating year our shareholder, who have always been with us through their support, and most importantly, to our valuable customers who trust us and empower with their support. May next year bring health, happiness and success for everybody.

Respectfully yours,

HÜSEYİN ÖZKAYA

General Manager and Board Member

A professional office setting with a man in a dark suit and tie sitting at a desk, looking down at his work. In the background, other office workers and computer monitors are visible, creating a busy corporate atmosphere.

A PROFESSIONAL TEAM
CREATING THE FUTURE



THE BANKING SECTOR AND ODEABANK IN 2015

IN 2015, MACRO PRUDENTIAL MEASURES SOMEWHAT SQUEEZED CONSUMER LENDING IN THE TURKISH BANKING INDUSTRY WHILE RELATIVELY STRONG GROWTH CONTINUED IN COMMERCIAL LENDING.

In addition to enduring the global crisis and the subsequent recovery efforts, the world economy has transformed in several significant ways. While China has tried to find a balance between domestic and foreign demand, the US experienced a rise in interest rates for the first time in many years. Uncertainties regarding the pace of developments caused global capital flows to fall under duress in 2015. Besides these external pressures, with the domestic political uncertainty lasting longer than expected and growing geopolitical risks, volatility remained high. Despite these global challenges, we continued to render our personalized banking services to our customers in accordance with their needs and therefore increased our market share. More importantly, in spite of low interest rate margins and high volatility, we proved that it is possible to achieve profitability in sustainable achievements could be obtainable.

The strong support of our shareholder as well as our effective use of technology, our employees who are among the finest of the sector and our customers' interest and belief in our Bank, played a critical role in this great achievement. Another pillar of this success was of course the flexible structure of the Turkish economy. As a result of the persistent negative investor perception over the last two and a half years, the Turkish economy was expected to grow below 3% in 2015; however, we have seen that stronger results can be achieved thanks to

buoyant domestic demand in spite of all manner of challenging financial conditions.

While in the first nine months of the year Turkey's economy expanded 3.4% compared to the same period in 2014, annual growth likely came in at 3.3%. Although the volatility in the financial markets will continue, we anticipate that Turkey will enter a more positive period in 2016 in terms of macroeconomic stability, especially in comparison to the last two years. A good assessment of this opportunity by policymakers will yield much better results despite all global and geopolitical challenges.





In 2015, macro-prudential measures put some pressure on consumer loans in the Turkish banking industry while strong growth continued in commercial loans. Total loan volume sector-wide expanded 20% over year-end 2014 and we expect a further expansion of 16-18% in 2016. Deposits grew 16.7% for the year, and we forecast 15% growth for 2016. We expect that the loss in value of the Turkish lira will be more limited in the coming year, which will be a key contributing factor in the sector's slowdown. In the end, the industry is likely to

achieve sustainable growth of 15% in 2016, similar to 2015, excluding the currency impact. Despite the volatility in foreign currency exchange rates, loan quality did not deteriorate significantly in 2015; we expect that this trend might also continue in the next year. However, we forecast that the profitability squeeze will continue due to both regulatory and macroeconomic developments. If the recovery toward the year-end is stronger than we expect, and with volatility decreases, we think that profitability will also gain strength.

In 2015; we took firm steps toward our goal of "joining the giants' league". At Odeabank, our goal for 2016 is to further improve our service quality and make our personalized banking services available to the broader society. As we realize our objectives without compromising our principles, we will achieve better results in terms of key performance indicators.

CORPORATE BANKING

ODEABANK CORPORATE BANKING HAS WORKED TIRELESSLY SINCE DAY ONE TO INCREASE ITS SERVICE QUALITY AND EXPAND ITS PRODUCT RANGE WITH ITS CUSTOMER-ORIENTED, WELL-EXPERIENCED STAFF.



Benefiting from the regional strength and strong network of Bank Audi Group primarily in Middle East and North Africa, Odeabank aims to serve as intermediary in commercial activity between Turkey and MENA – and to be Turkey's leading bank in this area. Guided by this vision, Odeabank continually improves the quality of the services it provides to corporate clients, with innovative products designed to meet customer demands and needs coupled with the Bank's talented human capital.

SECTOR- AND CUSTOMER-ORIENTED APPROACH

Odeabank Corporate Banking has worked tirelessly since day one to increase its service quality and expand its product range with its customer-oriented, well-experienced staff. Corporate Banking intermediates other banking transactions of customers, including deposit transactions, trade finance transactions, project financing, cash management and various derivative

products. Corporate Banking's loan portfolio is expanding with the growing customer base. The client portfolio includes the construction and contracting, iron and steel, textiles, telecommunications and retail industries, in addition to sectors that have a high growth potential, such as healthcare, education, real estate development and investment, and energy.



As a result of its intensive marketing efforts conducted via 66 branch employees and an overall staff of 76 professionals since it was founded in October 2012, the Bank reached TL 6.3 billion of corporate deposits and TL 10.1 billion of cash loans as of year-end 2015.

Corporate Banking exceeded all its targets in 2015 despite growing risk concerns and contracting business potential, especially in the second half of the year.

2016 GOALS

Odeabank Corporate Banking, which is gaining more and more ground in the sector, is expected to grow above the sector average in the coming year. Additionally, Odeabank aims to rank among the top banks that come to mind in the corporate banking segment in financing privatizations, investment

projects and acquisitions. Aiming to better serve existing clients by fully understanding their needs and offering them the most appropriate products and services, Corporate Banking plans to continue prioritizing sector diversification in the coming period.

COMMERCIAL BANKING

COMMERCIAL BANKING AIMS TO POSITION ODEABANK AS ONE OF THE LEADING AND MOST PREFERRED COMMERCIAL BANKING PROVIDERS IN THE INDUSTRY.

Serving clients with over 100 sales representatives in seven Commercial Centers in Istanbul, Ankara, İzmir, Adana and Bursa along with 31 branches, Commercial Banking delivers services in accordance with Odeabank's "Personalized Banking" philosophy.

In 2015, Commercial Banking played a fundamental role in the realization of many projects with the funding it provided for clients in a wide variety of sectors. In line with its fast customer-oriented approach, Commercial Banking continued to strengthen its long-term relations with existing clients and to contribute to the Bank's overall growth momentum.

Operating with the vision to position Odeabank as one of the leading and most preferred commercial banking providers in the industry, Commercial Banking increased its cash loans by 11% while growing its deposits by 7% to TL 4.1 billion.

Aiming to make Odeabank one of the most preferred banks by customers in terms of investment appreciation, Commercial Banking served 12,790 clients in 2015, up 35% over the prior year.

Providing services for SMEs of all sizes as well as small business owners, Commercial Banking's strategy for this segment is to target even the smallest (micro) enterprises and to offer customized solutions that meet their needs. In 2015, Commercial Banking played a significant role in closing the funding gap in this segment by providing SMEs with financing via convenient loans with favorable terms and conditions. For example, Commercial Banking provided micro-sized SME customers with new support loans totaling TL 50 million during the year.



**2016 GOALS**

In the coming year, Commercial Banking plans to maintain its current growth rate, expand the customer base, grow its balance sheet, and lead the competition with innovative products designed to meet the needs of commercial clients.

Odeabank will expand its commercial banking services with a focus on micro and small size enterprises in 2016. Services for SMEs will be delivered via both new branches and direct banking channels, non-stop 24/7. As a result, investments in the coming year are expected to focus on direct banking channels.

Commercial Banking will also integrate the Bank's advanced technology and marketing systems in 2016; continue to provide customized, fast and flexible solutions to meet each customer's needs; and conduct its operations with the aim of becoming the most preferred bank of commercial clients.

RETAIL BANKING

**DESPITE BEING
A NEWCOMER
IN A FIERCELY
COMPETITIVE
SECTOR,
ODEABANK
GAINED
SIGNIFICANT
MOMENTUM
IN REACHING
OUT TO RETAIL
CUSTOMERS
DURING THE YEAR.**

Having commenced operations with its first branch in 2012, Odeabank has steadily moved forward with the "Not Everyone's Bank, But Yours" vision since day one. Operating with an approach that values the lives of our customers and their time, Odeabank made a successful entry into Retail Banking in line with its vision of "Not Everyone's but Yours" and reached 55 branches in 2015 with its growing team of dynamic and experienced professionals.

Odeabank set its 2015 target as expanding its customer base and laying the groundwork for a long-winded relationship with customers through exclusive services and extensive product range, achieving significant momentum in retail customer acquisition despite being a newcomer and the fierce competition in the sector. The bank has reached nearly 700 thousand customers and around TRL nearly 14.6 billion retail deposit volume thanks to its innovative and solution-oriented strategy.

Odeabank Retail Banking is comprised of three main businesses including Wealth Management, Debit and Credit Cards, and Consumer Loans.

WEALTH MANAGEMENT

Wealth Management is comprised of products and services aimed at protecting and growing savings. Customers' savings are put to good use commensurate with their respective risk and income expectations through fixed income investment tools such as time deposits, bonds/Eurobonds as well as alternative investment products such as mutual funds, stocks, and derivatives.

Odeabank aims to make a difference in asset management and become the first bank to come to mind with "investments", striving to help with the management of savings and investments of any amount in line with a professional approach in international standards.

Its Wealth Management approach includes five basic elements:

- » Knowing the customer well,
- » Hedging the customer against risks in line with the risks defined by them,
- » Providing the most diverse and innovative investment opportunities in the market,
- » Management by a certified team of experienced professionals,
- » Creating an investment strategy through a planned process independently from fluctuations.



The wealth management process at Odeabank starts with the customer representatives at the branch, after which the Wealth Management, Treasury and Economic Research & Strategy Departments at the head office become involved. During this process, the Bank provides premium services through one-on-one transactions and substantial market reports. These departments are staffed by managers with 13 to 24 years of banking experience; more than 50% of some units are comprised of CMB-certified personnel with graduate degrees. These teams of employees blend experience from 15 domestic and international banks and boast qualifications unparalleled in the sector.

ODEABANK WEALTH MANAGEMENT SERVICE STRUCTURE

Branch Manager Representative

- » Account Follow-up
- » Daily Transactions
- » Deposit Management

Odeabank Treasury Department

- » Complex and Large Scale Market Transactions

Wealth Management Investment Team

- » Investment Strategies
- » Forex and Derivative Transactions
- » Customized Product Designs

Odeabank Bank Audi Research Reports

- » Domestic Economic Research
- » Periodical Analyses
- » Global Market Reports
- » Middle East Market Reports

Thanks to its differentiated Wealth Management services, Odeabank had more than 50,000 time deposit and investment clients, TL 14.6 billion in retail deposits and TL 44 billion in retail investment transactions as of end-2015.

RETAIL BANKING

**WITH ITS
INNOVATIVE
AND SOLUTIONS
ORIENTED
STRATEGY,
ODEABANK
BOASTS NEARLY
700 THOUSAND
RETAIL BANKING
CUSTOMERS AND
TL 14.6 BILLION IN
RETAIL DEPOSITS.**

MULTIPLE FUND PLATFORMS

Breaking new ground with innovative offerings and projects since it was founded, Odeabank achieved a first in Turkey in 2013 with the multiple fund platform it created featuring 11 mutual funds managed by AkPortföy, Finans Portföy, İşPortföy, TEB Portföy, and Yapı Kredi Portföy. In 2014, Ata Portföy was added to the platform; as a result, the offering expanded to include 18 funds managed by six different portfolio management companies on a single platform.

With the Takasbank fund platform launched in 2015, we stepped up our cooperation efforts and signed agreements with 12 different portfolio management companies by year's end. Plans are also underway to activate in 2016 the infrastructures and services necessary for customers who wish to trade stocks in Turkish and international stock exchanges.

DEPOSIT PRODUCTS

Upon launching the Oxygen Account in 2015, Odeabank started to become known for offering distinctive yielding opportunities primarily for high value deposits. A savings account product, the Oxygen Account played a significant role in boosting demand TL deposits, expanding the client base and fostering customer loyalty. At the same time, this innovative account contributed to the Bank's name recognition and brand awareness via marketing efforts on digital platforms. The Oxygen Account's introductory video hit 7 million views in a very short time, breaking a record among financial services providers.

At Odeabank, savings account holders are not limited to a daily deposit account only. For customers, who wish to make medium- or long-term savings, we offer various alternatives that befit present-day conditions, such as Fund Deposit Account Linked to Fund Distribution Channel, Future Savings Account, Multi-Currency Deposit Account with the flexibility to move between currencies, and Savings Account with the flexibility of making withdrawals/deposits.





INSURANCE AND INDIVIDUAL PENSIONS

Embracing its mission of meeting all customer financial needs via a single channel, Odeabank also operates in bancassurance via collaborations with AvivaSA Emeklilik ve Hayat A.Ş., AXA Sigorta A.Ş., and MetLife Emeklilik ve Hayat A.Ş.

In the non-life and life insurance branches, having completed its work on its system infrastructure, Odeabank is set to provide its customers with the most effective and fastest solutions, and continued to add new products to its portfolio through product development activities. Additionally, it reached

its customers through telesales year round to provide them with innovative insurance products. Our Bank continues to meet product demands received through the Contact Center.

Odeabank has also stood by its customers through its individual pension plan, offered to help them live the retirement of their dreams in line with their savings targets. Within the framework of its technology and customer oriented approach, it strives to provide its customers with products that are accessible via all delivery channels in 2015 as well.

DEBIT AND CREDIT CARDS

Focusing on effective product sales and diversified promotional offers designed to address customer needs, Odeabank boasted more than 275 thousand card holders during the year. Crowned on international platforms for its exceptional efforts, Odeabank's Credit Card Marketing team won the "Silver Stevie" award at the International Business Awards in 2015.

RETAIL BANKING

**SINCE DAY ONE,
ODEABANK HAS
MOVED FORWARD
WITH ITS
VISION OF "NOT
EVERYONE'S, BUT
YOURS."**

Delivered to the customers at their addresses, Bank'O Debit Cards, launched in 2013, continue to develop in line with the 'Customer first' approach as a product that allows customers withdraw and deposit money from and to their accounts anytime they wish, and can be used as money while also providing access to their overdraft accounts.

In their 2016 strategies, Bank'O Debit Cards are planned to take an important role in the collaborations led by credit card products with their newly added features. In 2016, the Bank plans to launch new products that will appeal to different segments with new features.

CONSUMER LOANS

In 2015, Odeabank started to offer easily accessible and practical consumer loan solutions in order to meet the financial needs of the consumers. Adding a significant new distribution channel, Odeabank commenced providing its services to customers across Turkey via more than 1,200 PTT Branches.

While Odeabank customers can visit us at our branches for their cash needs, they can also make loan applications with the "Ready Cash" loan product via SMS, Web or ATM. In addition, customers can collect loans without having to go to the branch thanks to the Direct Sales team or contracted couriers.

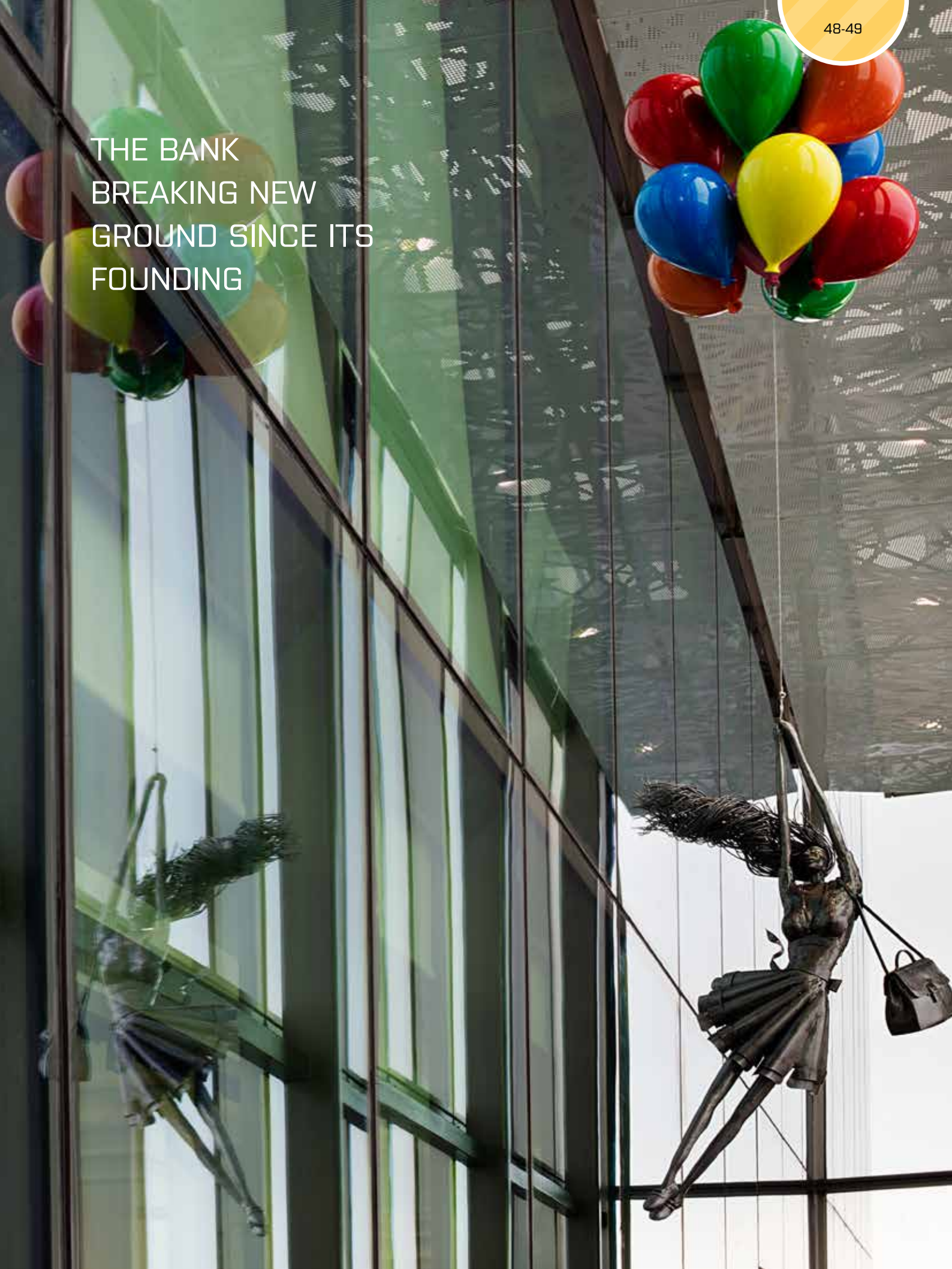
In mortgages, Odeabank offers long terms and low payment options, preparing the best payment plans for the budgets of the individuals. Odeabank made a strong entrance into the mortgage market and financed off plan property purchases of its customers through exclusive deals with development projects, and continued to grow its mortgage portfolio by also offering special payment plans for completed development projects as well.

Aiming to reach out to consumers during the car purchase process via agreements with automobile dealers, Odeabank plans to launch an instant loan facility at car dealer points in January 2016.

CONSUMER FINANCE

Introduced in March 2013, Odeabank's instant loan facility is available in selected chain retail stores across Turkey with a focus on targeting diversified sectors. Having a leading position in consumer financing, Odeabank signed important cooperation agreements with retail chains in the electronics, furniture and other sectors. Developed to quickly and completely meet customer needs and to create an alternative channel, the Bank's "Trink'O" instant loan product continues to be widely popular.

THE BANK
BREAKING NEW
GROUND SINCE ITS
FOUNDING







FAST DECISIONS,
CUSTOMIZED SOLUTIONS

DIRECT BANKING

IN 2015, ODEABANK REVAMPED ITS DIRECT BANKING CHANNELS AND STARTED TO DELIVER THE SAME USER EXPERIENCE ACROSS ALL THE BANK'S DIRECT BANKING CHANNELS, MARKING A FIRST IN TURKEY.

Closely monitoring developments in technology, Direct Banking delivers advanced solutions to customers and ensures that their transactions are carried out quickly and easily. Direct Banking also helps the Bank achieve a high level of efficiency in terms of work load and costs. Its operations focus on providing customer satisfaction by breaking new ground in creating efficient delivery channels.

In 2015, Odeabank revamped its Direct Banking channels and started to deliver the same user experience across all the Bank's alternative distribution channels, marking a first in Turkey. Differentiating in terms of advanced technology use since its founding, Odeabank launched its mobile banking application in 2015. In addition, the Bank renewed its ATM, Internet Banking and Contact Center menus, interfaces and business flows. Aiming to provide customer satisfaction, meet user needs and unify the whole service offering, Odeabank provided the same look and feel across all channels to facilitate customer use.

Odeabank's mobile app offers a variety of features not only for the Bank's customers but also for non-customer users. It delivers an enjoyable user experience with the opportunity to win points and prizes while conducting banking transactions.

OUR WEBSITE

Odeabank.com.tr presents the latest information about the Bank, its products and services, promotional campaigns and more to online users. In 2015, the Bank's website welcomed 3 million visitors while ever expanding the services and features it provides to users. During the year, the website launched a video-call function with the Contact Center and a query functionality to track an application's status. Following a user experience analysis, the Bank made improvements to the website to ensure that potential customers complete their forms in an easier and more streamlined way. Recognizing the exponential growth of mobile devices, Odeabank updated its mobile site to simplify and facilitate access to the information that users need.

INTERNET AND MOBILE BRANCH

Launched in February 2015 on iOS, Android and Windows Phone platforms, Odeabank's mobile application has been downloaded 100 thousand times to year-end.. With this launch, the Internet and Mobile Branch welcomed about 50 thousand monthly visitors on average, who conducted some 500,000 financial transactions worth TL 5.8 billion.



Mobile Banking user base has rapidly increased and surpassed Internet Banking users in 2015.

Thanks to the Odeabank Kazandiriy'O gaming platform on the mobile application, 2 thousand customers won prizes in competitions or benefitted from special advantages on offer.

444 8 444 CONTACT CENTER

Aiming to ensure that customers have the best experience 24/7, the Contact Center consists of 152 personnel in total, nearly all of which hold an undergraduate degree and 127 of which are customer representatives. Making sure of good use of technology, Odeabank Contact Center provides video call services for its customers via Mobile Banking and branch kiosk channels.

Non-financial and financial banking services such as Credit card, debit card, account transactions, bond and mutual fund transactions, loan and credit card applications, bill and tax payments, information updates and money transfers are provided via the Contact Center.

Aiming to provide services in the fastest and simplest way possible by taking advantage of various technologies in order to ensure high customer satisfaction, the Contact Center receives 15 thousand calls on average daily. While 50% of these call prefers to use fast and simple self-service via interactive voice response system, the other half prefers to reach the Customer Representatives and carry out their transactions or convey their questions, problems or requests.

In accordance with business priorities and without compromising on quality, the outbound team, business conducts sales operations such as instalment cash advance, credit card sales, instalments of expenses, renewal of insurances with a high rate of success. In order to increase the efficiency of these activities, the automatic data transfer project was launched in 2015.

DIRECT BANKING

WITH AN AIM TO PROVIDE THE FASTEST AND EASIEST SERVICE FOR ITS CUSTOMERS BY MAKING USE OF VARIOUS TECHNOLOGIES TO ENSURE HIGH CUSTOMER SATISFACTION, THE CONTACT CENTER RECEIVES 15 THOUSAND CALLS ON AVERAGE DAILY.

In certain periods, the number of customer service representatives at the outsourced call center reaches 250, and yet all operations are carried out in a cost-conscious and effective manner, and in accordance with quality standards. In 2015, the Center continued to update customer information and sell credit cards and oxygen account sales. In order to increase the efficiency of outbound calls, the automatic data transfer project was launched. With this project, 2 minutes after loan applications come to the outbound pool, they are transferred to the outsourced company and the customer are contacted in 10 minutes, thus an increase in positive customer experience is expected.

In line with the compact management approach at the Contact Center, customer notification management was also placed under the same roof. Demands, complaints, questions and suggestions submitted by existing and potential customers via all communication channels are handled and resolved in 2 days on average in full compliance with laws and regulations. With regards to the improvement points, root cause analyses are made to develop long-lasting solutions, thus halting the increase in complaints despite rising the number of customers.

Voice Analysis technology whereby all call recordings are analyzed and evaluated was developed in 2015 and customers who choose not to wait on the interactive voice response system are re-contacted with an aim to bring customer satisfaction to perfection and to increase efficiency.

The Contact Center will continue its growth by further improving service quality and developing solutions that meet customers' needs in 2016.

ODEABANK ATMS AND SELF-SERVICE BANKING

Rolling out its first ATMs in October 2012, Odeabank expanded its ATM network to 66 ATMs as of year-end 2015, and upgraded all ATMs to Windows 7 platform.

Customers can withdraw cash from their TL, US dollar and euro accounts; deposit cash into their accounts with or without a card; view their account activity; buy and sell foreign exchange; and perform money transfers and registered EFT using any Odeabank ATM which has touch pad. ATM services were enriched with the addition of credit card and loan applications, credit card transactions, company payments, mutual fund transactions, giving back change in bill payments, showing news during waiting screens, and transmission of transaction receipt via SMS and e-mail.



In 2015, Odeabank focused more on sales-oriented projects and added other features such as opening deposit and current account, ordering automatic credit card and bill payments, applications for internet banking and supplementary card to the existing features. Furthermore in 2015, the Bank put into operation ATMs which have the feature to use cashed-in money for cash withdrawals, which will decrease cash costs.

SELF-SERVICE CONCEPT

As part of the Self-Service concept, customers can access our Internet branch or call the contact center through the kiosks located at the branches in addition to ATMs which they have access to with their own cards; they can also follow the news via the tablets placed in the waiting areas and teller queue tablet PC application was launched at the branches. This app allows

customers to be informed about bank campaigns by following the Bank's social media platforms while waiting for their transactions to be completed, and view the transaction being executed by the teller as well as the transaction receipt and the bill info on their tablet PCs.

In 2015, login function was added to the tablets in the waiting areas, the teller queue application was rendered more interactive by enabling bill choices at the bill payments. The software and the hardware of the kiosks located at the branches were updated with additional features such as credit card and loan applications. The same year, one of its kind in the sector, out-branch kiosk project was also launched. Via this project, customers or non-customers are able to obtain loan without going to branches by applying for a need loan and then getting confirmation. Another one of

its kind in Turkey, via age and sex recognition system located in the signboard screens at the branches, we launched campaign system which is personalized according to the on-looker.

SOCIAL MEDIA

Odeabank has an active presence in social media. Sharing its banking products as well as its non-financial sector notifications on Facebook, Twitter, Google+, YouTube and LinkedIn pages, Odeabank interacts with all users who "follow" the Bank on these social media platforms. The Bank responds to customer questions and requests submitted through these social channels, requests contact information of the users regarding matters important for customer satisfaction, and gets in touch with them. As of year-end 2015 Odeabank has 175,000 followers on Facebook, 3,000 on Twitter and 6,500 on LinkedIn.





THE BANK ENRICHING ALL
ASPECTS OF LIFE

BUSINESS SOLUTIONS

BUSINESS SOLUTIONS UNIT IS DEVELOPING SOLUTIONS BY ANALYZING ALL TECHNOLOGICAL NEEDS OF ODEABANK'S UPPER MANAGEMENT, BUSINESS BRANCHES AND SUPPORT UNITS.

In 2015 the Business Solutions Unit served as a bridge between information technologies and the end-users to provide the most appropriate and secure technological service to all employees and customers in an efficient, effective and uninterrupted manner.

Within the scope of the banking legislation as well as other legal and regulatory obligations, the Business Solutions Unit is responsible for designing processes based on efficiency, operational risk and prevailing market conditions; ensuring the highest level of efficiency at all times; and developing solutions to accomplish those tasks. The Unit examines the business intelligence products-related needs of the Bank's senior management, business lines and support units and develops solutions to cater to those needs.

90 MAJOR PROJECTS

The Business Solutions Unit implemented 90 major projects suitable for Odeabank's objectives and needs during this period.

CORE BANKING

- » In retail loans issued by the Direct Sales representatives, improvements were made to enable signatures needed for loan agreement, customer information form and payment scheme via tablet computers.
- » Efforts to install a new version of the application used as Business Flow system were finalized and new flows were implemented to improve the service speed of the processes on Collections,

Collaterals, Checks, Lien Inquiry and Collateral Transactions.

- » Integration works were completed in order to ensure more customer security in Credit Card Application flows thanks to the technological solution which will prevent and detect fraud applications.
- » Within the scope of improving Commercial Loan Processes, CIR (Company Introduction Report) (FTR) and Commercial Loan Flows to increase service speed and quality were implemented.
- » Lien Demand and Monitoring system was implemented to enable following appraisal and lien processes on the same platform.
- » Ensuring the automation of the



Bank's foreign currency exchange rate coverage, Rate Publisher application was put into use.

- » Integration works with the Tabbis system enabling online inquiries on the Land Registry and Cadastre System about real estate properties shown as collaterals were completed and the system was put into use.
- » Newly developed integrated solutions were implemented to improve Document Management and Difference follow-up processes.

CREDIT CARDS AND MEMBER MERCHANTS

- » To enable automated mobile signatures on Odeabank's system for corporate company payments, integration works with the partner company systems were performed.
- » Odeabank credit cards were registered on BKM Express, thus enabling a safe shopping environment for e-commerce websites via this platform.
- » By evaluating Odeabank credit card holders, a new business flow was implemented to present offers to customers eligible of a credit limit increase via SMS, the Contact Center, Internet Branch and ATM channels, to get response and increase limits.
- » The suggested limits to credit card holders were offered via the Contact Center, Internet Branch and ATM channels. Limit increase function integrated with the Contact Centre and ATM channels was provided for customers.
- » Odeabank POS software was installed and put into use on the other bank POS terminals compatible with common POS feature
- » Necessary infrastructure works were carried out to enable new generation cash register POS terminals to be used at Odeabank's member merchants

BUSINESS SOLUTIONS

LAUNCHED IN 2015, ODEABANK MOBILE APPLICATION SERVES CUSTOMERS ON IOS, ANDROID AND WINDOWS PHONE PLATFORMS.

DIRECT BANKING

- » Odeabank mobile application was launched in February 2015 on iOS, Android and Windows Phone platforms.
- » For those who want to be an Odeabank customer without having to go to a branch, the feature to open an account via Mobile, Website, ATM and SMS was launched in April 2015 and presented for use. The end-to-end process is completed via delivering documents and debit card to the address designated by the customer without going to a branch.
- » Thanks to distant account opening opportunity, customers were

presented with an offer which will enable them to use their deposit accounts which feature advantageous pricing as current accounts.

- » With the gaming platform Odeabank Kazandiriy'O located on our mobile application, our customers started to win prizes at competitions and to benefit from special offers.
- » At ATMs Odeabank focused more on sales-oriented projects and added other features such as opening deposit and current account, ordering automatic credit card and bill payments, applications for internet banking and supplementary card to the existing features.
- » The Bank put into operation ATMs which have the feature to use cashed-in money for cash withdrawals.
- » In a way to ensure simpler data access by visitors, Odeabank's mobile website was updated in consideration with the high mobile device use.
- » Features enabling making video calls with the Contact Center and inquiring application status on our website were introduced.
- » Various technological developments which will enable secure customer transactions were implemented, and in addition to SMS and E-mail channels, out-calls and integrated voice mails were also introduced.
- » Login function was added to the tablets in the waiting areas, the teller queue application was modified to enable bill choices at the bill payments.

- » The software and the hardware of the kiosks located at the branches were updated with additional features such as credit card and loan applications.
- » The same year, one of its kind in the sector, out-branch kiosk project was also launched and customers or non-customers were provided with the opportunity to obtain loan without going to branches.
- » Another one of its kind in Turkey, via age and sex recognition system located in the signboard screens at the branches, we launched campaign system which is personalised according to the on-looker.

BUSINESS INTELLIGENCE

- » The Business Intelligence Applications, which are used for analysis and reporting by all levels throughout Odeabank reached a capacity of 28 different Dashboards and 141 analyses as of end-2015. Currently serving 309 individual users with 530 user licenses as a result of differentiation in analyses, the use of Business Intelligence Applications increased 45%* in 2015.
- » For performance and business follow-up management, over 800 analysis reports were sent based employees at branches, RM and the Head Office. As of April 2015, in order to monitor the shop performances, shops are sent weekly reports on sales performance.
- » In 2015, customized data marts



were prepared for business units, the analytical needs of business units were met with Business Intelligence Applications via self-service platforms. Business units customer management and campaign analyses are prepared in a more cost-effective and faster way via self-service applications.

- » As of 2015, Odeabank's new products such as Oxygen Account, Salary Customers and Micro Loans were included in the Scorecards where the performance of branch and portfolio managers are assessed, and the system got new updates.

2016 GOALS

In 2016 the Business Solutions Unit will continue to identify the tactical projects and implement them under most favorable conditions in accordance with the Bank's strategic goals.

Major projects in 2016;

- » Presenting needed regulations on the systems and process of insurance sales activities to the service of the business unit with a plan and functionality in line with competition conditions in the market,
- » Implementing systemic regulations in order to increase Micro (Enterprises) segment customers and loan portfolio; to ensure that flexible loan issue points provided as retail customers are offered also for the Micro segment customers,
- » Finalizing the systemic works on issues that are manual and creating inefficiencies on Loan Follow-up and Collection, implementing system improvements that will augment the Banks performance on loan and credit card collections,

- » Introducing the mobile tablet application which will enrich the customer communication of Portfolio Managers, enable meeting customers regardless of temporal and logistical constraints, compare all banking products particularly complex investment products with customers, and enable assessment and decision-making,
- » Developing a new credit card for the retail segment which will enable collecting miles and purchasing advantageous tickets from airline company in agreement,
- » Expanding the POS brand network that Odeabank's merchant system,
- » Establishing "Data Lab Platform" for all the analytical needs of the Bank which include functions such as Data Mining, "Machine Learning", Optimization, Real Time Decision Mechanism.

TRANSACTIONAL BANKING AND MERCHANT SERVICES

TRANSACTIONAL BANKING LISTENS TO CUSTOMERS AND OFFERS SUITABLE PRODUCTS IN LINE WITH THEIR NEEDS AND BUSINESS CONDUCT.

Focusing on successfully sustaining customer-oriented banking and creating client-based sources of income, Transactional Banking take on a very prominent role in operational costs and cash flow planning in financial management. Margins continue to shrink and commission income becomes ever more significant, which renders the significance of Transactional Banking.

With the mission to serve the needs of customers in all segment via state-of-the-art technology, Transactional Banking unit continued its operations via new products, applications and channels in 2015. Conducting its activities in

accordance with the strategy of lowering the operating costs of customers, reducing their collection risks, and assist them in gaining a cost advantage, Odeabank Transactional Banking made a major contribution to the Bank's business volume, profitability and demand deposit-based income. In addition, Odeabank Transactional Banking aims to develop customized solutions for its clients by utilizing its information technology capabilities to the maximum extent. While listening to its customers and rendering products compatible with their needs and business conduct, Odeabank Transactional Banking aims to implement alternative financing solutions encompassing the entire supply chain with an innovative perspective and to offer innovative products, superior service and flexible solutions as part of this effort.

PAYMENT MANAGEMENT SERVICES

With the Payment Management Services mediating domestic payments of clients, multiple EFT and money transfer transactions at once can be processed. Furthermore, with the "Foreign Currency Bulk Payment System", the Bank offers customers domestic and overseas bulk foreign exchange money transfer services.

COLLECTION MANAGEMENT SERVICES

Providing integrated solutions for the supply chain by handling its customers and suppliers as a whole, Odeabank plans to develop and deepen its customer portfolio in 2016 with the Supplier Financing product

which was completed and launched in 2015.

COMPANY AND BILL COLLECTIONS

Having introduced its new tax structure in 2015, Odeabank started to mediate for tax offices on tax collection. Continuing to introduce innovations to the Turkish banking sector, thanks to the supplier payment project with Turkcell, Odeabank rendered all TL and foreign currency payments automated, thus marking a first in Turkey. Furthermore, the infrastructure enabling the obliged to pay their SGK premium debts on sgk.gov.tr via the SGK Payment Transfer was completed and launched as of 2015.

CORPORATE CREDIT CARDS

The Bank's efforts to integrate company expenses of the Corporate and Commercial clients with their corporate accounting systems were finalized in 2015 and process optimization was achieved.

Furthermore Odeabank's corporate credit cards joined in Akbank's corporate credit card Axxess program partnership in 2015. In addition to all these, Odeabank joined the common payment platform BKM Express application which is joined by 18 banks enables secure shopping on the Internet. Ahicard (Ahikart), which offers discounts and advantageous prices in retail purchases of all restaurants and cafés that are under the roof of the Federation of Restaurant and Pastry Shop Owners, and its extension National Food Card (Milli Yemek Kartı) - Gusto Card projects were launched in 2015.



MEMBER MERCHANTS

Having completed the infrastructure for transactions by member merchants; accordingly, virtual POS and physical POS terminals began operations as of October 2014, Transactional Banking operates in the field with Mobile POS, Partner Bank POS and Cash Register POS Terminals. In accordance with the changes in regulations, Odeabank's POS terminals were all updated with POS terminals with contactless feature, with their integration of the E-Commerce Law No.6493 implemented in June 2015, they have become fully in line with the related provision.

In 2016, within the scope of Payment Recording Devices communiqué No.3100, all POS terminals will gradually have Cash Register POS terminal feature.

Odeabank's first software development was completed with MT-Vera company, and software works to integrate with Beko Cash Register POS terminals continue. In 2016, integration works with Profilo, Hugin and Ingenico companies are expected to finalise.

2016 GOALS

In 2016, Odeabank Transactional Banking will focus on projects regarding the Card Collection Systems that is intended to facilitate financial flow by mediating the collection system between the producer-main company and the distributor-dealer as well as on Supplier and Inventory Financing products.

In 2016, among Odeabank Transactional Banking's goals is to accelerate the growth trend by increasing the number of corporate credit cards and their activity to increase its market share in interbank fund transfers as well as swift and check clearing transactions, and to sustain its commission income and cost-free resources from demand deposits.

INFORMATION TECHNOLOGIES

**INFORMATION
TECHNOLOGIES
UNIT AS IN-BANK
AND OUT-BANK
UNIT RESPONDED
20,467 CALLS
ANNUAL AND
PROVIDED
SOFTWARE
ASSISTANCE.**

Responsible for Odeabank's hardware, software, communication network components, data centers and its outsourcing services, as well as keeping the systems 24/7 up and running, and updated, Information Technologies Unit acts in line with the Bank's strategies and carries out operations according to annual approved technology plans.

The following deliverables constitute the major accomplishments by IT in 2015:

- » Within the scope designated to meet the Bank's current and future needs, a global application product that has a flexible and growing structure, IFRM (Integrated Financial Resource Management) project was given a start.
- » On the Murex system where treasury transactions are carried out, additional product, financial reporting, price automation projects were taken to production environment in a way to be integrated with banking main softwares.
- » Project started to enable the use of global application product which is used in decision support systems and analytical solutions also in SME loans following credit cards and retail loan products.
- » Within the scope of software version management, 8 planned transfers were carried out, over 300 additional improvement requests were put in production phase. Test Automation project was given a start to detect the functional errors before software was put into production environment; The development of functional test scenarios of Main Banking, Internet Branch and Mobile Banking applications was finalised.
- » Within the scope of the integration and adaptation works of the product selected by the Risk Management Department on asset-liability and market risk management, phase 1 was put into use and phase 2 work was commenced.
- » Projects were carried out in partnership with the Bank Audi Group
- » Adaptation efforts with regard to the integration of the product, which was selected for application fraud, into the banking systems continue.





- » Due to the change in the location of Bank's Istanbul Data Center, the Bank's all servers, network infrastructure, security components and communication link structure were moved in February with minimum disruptions.
- » Before the Head Office's moving operation, the technological infrastructure of the building and the new system room were installed with fast products with back-ups. Furthermore, within the framework of the designated plan, the computers and printers of the Head Office users were transferred and put to function without any problems. Meanwhile all technology infrastructures of the Contact

Center, Help Desk and Loan Follow-up units were installed on point at Olive Plaza and moved without any problems.

- » The capacities of the disk units located at the Bank's Data Centers were upgraded, a new brand was chosen and the data transfer was carried out without any problems. Furthermore, the speed of two Data Centers located in Istanbul and Ankara was upgraded and its span was rendered almost real-time.
- » The Main Banking database was upgraded from SQL 2008 to SQL 2014 with a successful cooperation with the producer company.

- » The network backbone of the main data center was renewed with high capacity technology products.
- » The capacity of the Bank's security systems was increased and the new security infrastructure was strengthened with new systems.
- » The Contact Center and the Branch IVR systems were enriched with numerous new voice technologies and Direct Banking technologies were bolstered.
- » The Bank's Off-Site ATM and Off-Site Kiosk networks were put into practice with back-ups and room to expand.

INFORMATION TECHNOLOGIES

ODEABANK'S SECURITY INFRASTRUCTURE IS REINFORCED WITH NEW SYSTEMS AND THE CAPACITY OF THE SECURITY SYSTEMS WAS INCREASED.

- » As a support, 20,467 in-bank and out-bank (DSF, PTT, etc.) calls were responded annually and hardware support was given. In addition to 62 ATMs by the Direct Banking equipments, 400 terminal management and follow-ups were conducted at branches.

The 2016 goals of the Information Technologies Department are as follows:

- » IFRM (Integrated Financial Resource Management) project will be continued.
- » Within the scope of Project and Portfolio management, product selection and adaptation project will start to systematically meet the Bank's needs under the titles of Demand Management, Quota Management, Resource and Time Management,.
- » In the Murex system where treasury transactions are carried out, Limit control structure and Phase 2 product works will continue.
- » In regard to money laundering, efforts to use the global application will continue. First modules will be put into use in the first months of 2016.
- » The capacity of infrastructure components located in the Bank's Main Data Center will be increased in line with the Bank's projects.
- » New generation security investments and projects will be continuing.
- » To improve customer satisfaction, smart systems will be implemented. IT support will be provided to design systems which will increase the efficiency and the effectiveness of the Contact Center.
- » All approved projects will be supported for technical infrastructure, product and architecture.
- » In the middleware project conducted in cooperation with the Bank Audi Group, preparations for product selection and route map will be continued.
- » Within the framework of software version management works, 6 planned transfer works will be carried out in 2016 in 2-month periods.
- » In order to create a common database for system components located in IT inventory, to model business services, and to efficiently monitor these services end-to-end, Configuration Management (CMDB) project will be carried out.
- » The automatization of test scenarios will continue for critical banking applications to increase the scope of functional test. Multi-scanner for Internet and Mobile Banking applications will be provided and on-device tests will be performed simultaneously.
- » Application performance management project will be commenced with the aim of measuring user experience instantaneously, ensuring early diagnoses of the problems and respond accordingly.



THE CAPACITY OF INFRASTRUCTURE COMPONENTS LOCATED IN THE BANK'S MAIN DATA CENTER WILL BE INCREASED IN LINE WITH ODEABANK'S PROJECTS.

- » The Microsoft Exchange infrastructure used as the mailing system will be updated with the new version Exchange 2016.
- » Consultancy and efficiency review services with Global Software companies will continue.
- » The Data Warehouse infrastructure SQL will be upgraded to SQL 2014 and will also be harnessed for the High End servers.
- » End-user computers will continue to be enriched by up-to-date applications such as Windows 10 and Office 2016.
- » The infrastructure of the Contact Center will acquire numerous new features with a major software update.
- » Technical infrastructure of the Contact Center will be continue to be equipped with advanced voice technologies.
- » In order to ensure a more efficient use of voice technologies, a new generation voice recording system particularly developed for the Bank will be put in use.
- » With the efficiency, performance checks and software updates, our Network and Security systems will be ensured to work in a stabile way.
- » The Bank's special network is intended to reach more than 30 new locations with new branches, DFS offices, off-site ATMs and Kiosks.
- » By establishing a new connection between the main data center and the back-up data center with a speed of 10Gbps, preliminary preparations will be carried out to improve the geographical redundancy levels.
- » Research and testing will be done on Software Defined Networking (SDN) and network virtualisation.
- » The project enabling real-time analyzing of the data in different databases and rendering this data to actions that will affect customers is intended to be implemented.





FAST AND RELIABLE RISE TO THE
GIANTS' LEAGUE IN THE SECTOR

FINANCE

ODEABANK FINANCE DEPARTMENT CONSISTS OF "LEGAL REPORTING", "ACCOUNTING & TAX" AND "BUDGET, PLANNING & MANAGEMENT REPORTING" UNITS.

Responsible for the management and reporting of the Bank's all financial data and managing sustainable financial performance, Odeabank Finance Department consists of "Legal Reporting", "Accounting & Tax" and "Budget, Planning & Management Reporting" units.

The main functions and responsibilities of the units are as follows.

LEGAL REPORTING

Legal Reporting unit is responsible for preparing daily, weekly and monthly legal reports to governing bodies like Banking Regulatory and Supervision Agency (BRSA), Central Bank of Turkey (CBT), Capital Markets Board, Credit Bureau and Undersecretary of Treasury. Legal Reporting is charged with responding to ad-hoc questions and requests received from legal authorities and transferring all information and data necessary on a timely and accurate basis.

Legal Reporting responds to the financial reporting demands of BRSA and CBT auditors; in addition, the Unit performs documented financial controls on the balance sheet and calculates general loan loss reserves on at the end of each month.

Odeabank Legal Reporting coordinates the external audit process at quarter-ends, leading the data, information flow and reporting needs of our auditors. In addition, the

unit is using the SAP consolidation system to submit all financial data to the mother-company in Lebanon for the consolidation of the results of the Group.

Thanks to Legal Reporting's advanced technology systems, its approach to automation and high-quality human resources, Odeabank outperforms the sector in terms of minimizing the number of errors in report submissions; resolving errors quickly; and modifying reports as needed upon submission, according to BRSA data.

ACCOUNTING & TAX

The Accounting & Tax Unit is responsible for executing payments to service providers, suppliers and the Bank's employees. It also ensures the recognition of these in line with the Tekdüzen Account Plan. The Unit is staffed by four personnel. Additionally, Accounting & Tax is charged with improving processes related to the fully Interxnet-integrated Odeaforms system as the Bank's needs evolve or in the event of changes in the legal and regulatory environment. In 2015, Accounting & Tax processed more than 28 thousand transactions totaling TL 318 million via Odeaforms.

Accounting & Tax checks, declares and pays operational taxes for the Bank. The Unit also closely monitors legal and regulatory changes and has necessary modifications made to the core banking system in real-time by updating systems parameters.



Accounting & Tax coordinates independent tax audits at the end of reporting periods; provides data to tax auditors; monitors the Bank's fixed assets in harmony with accounting standards; calculates and recognizes amortizations in line with BRSA and tax legislation.

The Unit works in coordination with the Bank's business segments and operates with a "business partnership" approach. It supports business segments on accounting and tax legislation, new product development and other relevant areas. The Unit also provides support during the testing process of modifications made to the main banking system.

Pursuant to changes in applicable legislation in 2015, Accounting & Tax started keeping branch and HQ legal books electronically, thus contributing to the Bank's efficient work flow in

line with the goals of automating business processes and minimizing paper expenses.

During the year, Odeaforms started receiving electronic bills from suppliers and service providers via the integrator; addressing the bill to the owner according to the content and the amount for the completion of the approval process; and automatically managing post-approval accounting and payment processes.

BUDGET, PLANNING & MANAGEMENT REPORTING

The financial planning and analysis function is crucial for the Bank in order to translate the strategy, business models and targets into financial results. Budget, Planning & Management Reporting ensures that the Bank's senior management is provided with sufficient financial data and serves as a supportive tool in the decision making processes.

The Unit's activities and responsibilities fall under three main categories, detailed below.

Budgeting

The annual budgeting process starts in late third quarter of the reporting year and is completed in the last month of the year upon the final approval of the Board of Directors. Budget, Planning & Management Reporting runs this process with widespread coordination throughout the Bank, making sure that all planned activities of profit centers and cost centers are taken into account, are reflected properly in the budgeted financial statements and are aligned with the overall strategy of the Bank and the Group. The budget is closely monitored and rolling-forecasts are maintained throughout the following year in order to keep the financial planning of the Bank up-to-date with the changing conditions of local and international financial markets.

FINANCE

**ODEABANK
BUDGET,
PLANNING &
MANAGEMENT
REPORTING
PROVIDES
THE ASSET
AND LIABILITY
COMMITTEE
AND SENIOR
MANAGEMENT
WITH FINANCIAL
DATA THEY NEED
WHILE MANAGING
THE BANK ON A
DAILY BASIS.**

Budget, Planning & Management Reporting implements a strong cost budget control process and serves as a critical tool in assuring effective cost management in line with the financial planning of the Bank. It also makes detailed budget controls before proceeding with each purchasing and invoicing activity.

ALCO Reporting

In addition to providing daily, weekly and monthly reports on the evolution of the Bank's balance sheet and income statement, Budget, Planning & Management Reporting provides the Asset and Liability Committee [ALCO] and senior management with in-depth information on the Bank's financial outlook to help in their management of the Bank on a daily basis. This information pack includes data on asset yields, liability costs and the resulting balance sheet spread at the Bank level as well as by business line and major product.

Budget, Planning & Management Reporting serves in the secretariat role for ALCO and keeps the minutes at weekly ALCO meetings. It also manages the transfer pricing of banking products in line with ALCO decisions.

Profitability Management

Effective profitability management methodologies and tools are critical in assessing and analyzing the contribution of banking products and the organizational units to the overall performance of the Bank. These methods and tools help the Bank's senior management make a thorough

assessment of business activities and performance, and support them in managing the Bank in the most efficient way to achieve the strategic goals of the Bank.

Budget, Planning & Management Reporting shapes the Bank's profitability management methodologies to meet the demands of senior management and develops appropriate tools to run the methodologies. The contribution of business lines and products to the Bank's performance are measured in the details of net profit/income from branch transaction mechanisms, non-interest income from banking services and operating expenses as a result of cost distribution methodology.

In 2016, Budget, Planning & Management Reporting plans to establish Integrated Finance and Risk Systems (IFRS) where all these assessment methods will be combined in a highly efficient advanced technology solution. Having started in October 2015, the project is moving forward quickly and has already completed a significant portion of the analysis process. With this advanced solution scheduled for implementation before year-end 2016, an integrated, multifaceted profitability reporting and monitoring tool will launch. This solution will allow the results of the process-based cost allocation methodology developed in coordination with the relevant unit to see information detailed at the customer level.

TREASURY AND CAPITAL MARKETS

ODEABANK COMPLETED THE SYSTEMS INFRASTRUCTURE RELATED WORK ON MUREX TO A GREAT EXTENT IN 2015.

The Treasury and Capital Markets Group are structured under three units namely, Balance Sheet Management Unit, Markets Unit and Treasury Sales Unit.

THE BALANCE SHEET MANAGEMENT UNIT

The Balance Sheet Management Unit is responsible, within the framework of the general policies of the Bank, for ensuring that the TL and FX liquidity of the Bank is maintained in a sustainable and healthy way and for meeting the obligations (balance sheet ratios, required reserves etc.) as stipulated by regulations and legislations. It manages the Bank's positions stemming from excess liquidity or the lack of it that might arise in the short or long term. It is under the responsibilities of this Unit to manage the balance sheet items of the Bank such as the assets, liabilities and equity, considering maturity and interest rate risks and to take the necessary positions.

THE MARKETS UNIT

The Markets Unit trades in interbank markets in line with the profit goals

and within the limits determined by the Board of Directors of the Bank. These transactions include derivatives such as spot and forward foreign exchange transactions, arbitrage, FX / interest rate swaps, Treasury Bills, Government bonds, Eurobonds, Cross Currency Swaps and options. The Markets unit also provides price quotations for all products it trades through the Treasury Sales unit for branch and direct Treasury customers. It disseminates prices to the Bank's branches and to the alternative distribution channels for such products as the Bank provides pricing services to customers, the foreign exchange buying/selling, arbitrage, Treasury bills, Government Bonds, Eurobonds.

Odeabank completed the infrastructure related work on Murex to a great extent in 2015. The Bank plans to complete the remaining phases in 2016, which will enable Murex to provide service with a wider range of products.

THE TREASURY SALES UNIT

The Treasury Sales Unit has basically the functions of pricing transactions like spot FX, forward FX, arbitrage, forward arbitrage, FX / interest rate swaps, Treasury bills, Government bonds, Eurobonds, Cross Currency Swaps for bank customers; designing and offering customers of structured products for managing foreign exchange, and interest rate risks or yield enhancement. Along with the portfolio representatives working in the branch, the Unit identifies the needs of customers for Treasury products in a healthy way and provides them with the best fit products to manage their foreign exchange and interest rate risks in the competitive market. Odeabank Treasury Sales visits branch

locations and customers regularly; updates Bank customers and branch personnel on current trends and developments in the financial markets; explains the technical features of and provides other information on the Bank's financial products.

Having directly served a growing customer base via the expanding branch network since its founding, Treasury Sales identifies individual customer needs for Treasury products and provides them with the "best fit" products that effectively manage their foreign exchange and interest rate risks in today's competitive market.

Continuously improving the quality of its services with its competitive pricing strategy, rich product range and close relationships with customers, Treasury Sales Unit makes sure Corporate and Commercial Banking customers are provided with information in risk management topics; and structures necessary products as it offers its customers solutions for balance sheet management and potential financial risks.

Thanks to the regularly updated systems infrastructure, products that have a competitive advantage in terms of pricing are ensured to be offered to customers in parallel with conventional products. Cooperative efforts are ongoing to make sure that Murex takes hold and develops into further phases.

In 2015, in line with the amended Capital Markets Board Law No.4342, the Bank renewed its banking licenses and reorganized the entire procedure in line with the law and communiqué on work flow, agreements and documentation. Furthermore, all Capital Markets transaction systems and infrastructure, and documentation to sign with customers were revamped and our services continued accordingly.

FINANCIAL INSTITUTIONS AND FUNDING

THANKS TO COOPERATION AGREEMENTS WITH CORRESPONDENT BANKS, ODEABANK INTERMEDIATES IN THE FOREIGN TRADE TRANSACTIONS OF ITS CUSTOMERS.



CORRESPONDENT BANKING

Responsible for establishing and maintaining relationships with financial institutions, Correspondent Banking has boosted Odeabank's reputation among international financial institutions via bank visits in various countries since 2012. As a result of these efforts, the Bank obtained needed credit facilities to borrow and intermediate in foreign trade transactions by establishing correspondent relations with 450 banks globally.

FUNDING SOURCES

- » Some 25% of the USD 1.030 million in funding obtained from 35 different institutions in 2015 consists of funds with a 5-year maturity or more.
- » A syndicated loan of USD 81 million in A/B structure was provided in June for the financing "green construction" in cooperation with IFC (International Finance Corporation). The Chinese Central Bank and CTF (Clean Technology Fund) also participated in the lending transaction.
- » In July, a loan agreement worth EUR 60 million with 5-year maturity was signed with EBRD (The European Bank for Reconstruction and Development) to provide financing to SMEs.
- » In November, a loan totaling USD 11 million with a 10-year maturity was obtained from GGF (Green Growth Fund) to finance renewable energy and energy efficiency projects



- » In December, a EUR 20 million loan agreement with a maturity of 5 years was signed with EFSE to provide financing to micro enterprises and SMEs.
- » In Turkish lira borrowings, the Bank issued bonds with up to a 6-year maturity, depending on the market conditions. Having issued its first bond in 2014, the Bank has issued bonds totaling TL 700 million to date.

FOREIGN TRADE FUNDING

Thanks to cooperation agreements with correspondent banks, Odeabank intermediates in the foreign trade transactions of its customers and provides funding in foreign currency with a product range having varying maturity terms.

As Odeabank is a recently established institution, the Bank has moved forward aiming to establish alternative structures in foreign trade funding; to this end, the Bank signed a GTFP (Global Trade Finance Program) agreement with IFC.

2016 GOALS

Odeabank plans to further expand its current network of correspondent banks by visiting banks in different countries in 2016, and continue to diversify its foreign borrowing activities.

TRADE FINANCE

ODEABANK DELIVERS AN EXTENSIVE RANGE OF TRADE FINANCE PRODUCTS STRUCTURED AROUND CLIENTS' BUSINESS NEEDS AND CHANGING MARKET DYNAMICS.

In 2015, Odeabank's Trade Finance department carried out its activities in increasing penetration with existing customer base and acquiring new customers by providing full range of product, sales and marketing support and coordination for its corporate, commercial and SME clients through its branch network.

With the aim of new customer acquisition and increasing existing customer penetration, Trade Finance department actively pays client visits together with the Branches, organizes trainings for the network, monitors the trends, market requirements and trade corridors, pro-actively participates in trade events and sponsors global and local trade organizations also serves traditional and structured products in line with the changing market dynamics and customer needs.

EXTENSIVE PRODUCT SUITE

Odeabank has a wide range of trade finance products for import and export financing. Odeabank has a special focus in Middle East and North Africa region in line with Bank Audi Group. Bank Audi Group's experience, strong existence, deep knowledge and ongoing long-established relationships in the region provides a major value-add for Odeabank's customers' trade businesses in these countries through secure solutions compliant with the laws and regulations within those countries.

Middle East and North Africa Region which continuously increases its share in Turkey's total trade volume and exports, is playing a strategic role and having a priority in the growth targets of Odeabank in line with the expertise over the region which differentiates Odeabank from the local competition. In addition to Middle East and North Africa region, all other developed and emerging markets also play a crucial role for Odeabank.

In 2015, Odeabank introduced the CBT Rediscount Loan product for corporate and commercial customers. This product is designed to meet the financing post-forwarding needs of exporting customers conducting export letter of credit and cash against documents transactions.

PRIMARY FOCUS ON COMMODITY TRADE FINANCE

The primary industries targeted by Odeabank in its trade finance business are the sectors that shape the commodities trading such as iron & steel and its raw materials, petroleum and petroleum products, chemicals, coal and agricultural products. Additionally, infrastructure is also an important business line where the Odeabank actively serves for its clients' needs by issuing letter of guarantees in favor of overseas contracting businesses and infrastructure projects.

Intermediating in the transactions of nearly 3,000 trade finance customers to more than 50 countries, Odeabank reported a total trade finance volume of US\$ 3 billion as of end-2015. The Bank forecasts 50% growth in trade finance commissions in 2016 via new customer acquisitions, an increased trade finance volume, new products and new funding sources.

PROJECT AND STRUCTURED FINANCE

**PROJECT AND
STRUCTURED
FINANCE
DEPARTMENT
HAS COMPLETED
22 DEALS AT
VARIOUS SIZES
AND SECTORS
WITH A TOTAL
LOAN BOOK OF
OVER USD 1
BILLION IN 2015.**

Odeabank Project and Structured Finance strives to establish long-term relationships with clients by delivering world class long-term financing solutions that meet the needs of corporate and commercial customers as well as private equity funds with a results-oriented, expeditious and innovative approach.

Since the Bank's founding, Odeabank Project and Structured Finance has supported the sustainable growth of Turkey with its extensive product range in Project Financing, Acquisition Financing, Privatization Financing, Syndications and Long-Term Structuring. It has reviewed more than 300 deals to date, in a range of sectors, including energy, commercial real estate, services, and manufacturing.

Project and Structured Finance Department has completed 22 deals at various sizes and sectors with a total loan book of over USD 1 billion so far.

These deals consist of eight energy projects financing that are mostly renewable (four hydro power plants, one geothermal power plant, one wind power plant, one solar power plant, one thermal power plant), six syndications by Turkey's leading industry, service sector companies and conglomerates, four acquisition financing transactions, two real estate financing, one long term industrial growth financing and one restructuring deal.

In line with the Bank's growth strategy and fast growing demand, Odeabank's support to Project and Structured Finance clients will continue to expand in 2016 thanks to its project financing experience in a wide range of sectors.

In particular, the Bank plans to focus on:

- » Renewable energy projects (Primarily geothermal, wind and hydroelectric power plants)
- » Thermal power plants
- » Corporate Acquisitions (Private Equity Funds deals)
- » Infrastructure Projects
- » Privatizations
- » Commercial real estate projects (Shopping mall, hotel and office projects)
- » Long-term investments of industrial companies
- » Restructuring deals

ECONOMIC RESEARCH AND STRATEGIC PLANNING

ODEABANK ECONOMIC RESEARCH & STRATEGIC PLANNING ANALYZES THE BANK'S PERFORMANCE PERIODICALLY IN COMPARISON WITH COMPETITOR BANKS.

Odeabank Economic Research & Strategic Planning is responsible for developing the Bank's balance sheet, investment and corporate strategies. It formulates the proper strategies and conducts the economic research required in order to assist Odeabank in reaching its profitability and growth performance targets. By conducting macroeconomic research, Economic Research & Strategic Planning generates forecast sets, and analyzes their impacts on the banking industry and on Odeabank.

By conducting Turkish banking sector analyses, identifying market tendencies, and generating forecasts and projections, Economic Research & Strategic Planning analyzes the Bank's performance periodically in comparison with competitor banks; briefs senior management on economic and industry developments via regular reports; and informs senior management about domestic and international developments that may prompt a change in strategy. It also provides content support in press releases issued by the senior management as well as in corporate branding efforts. By sharing legal, regulatory and rule changes that will affect business flows with analyses and assessing business development projects planned by the Bank's business lines, Economic Research & Strategic Planning

provides support to the Bank's key decision makers with analyses on initiatives that require financial consultancy. It is also charged with evaluating strategic corporate initiatives under different scenarios and presenting its findings to decision makers.

As one of the rare institutions in Turkey's banking industry that publishes its economic research reports in both Turkish and English, Odeabank Economic Research & Strategic Planning provides support to requests for reports, analyses, data, interviews and presentations by both internal and external customers. As a result, it helps the Bank provide a value added service to its domestic and foreign clients. Economic Research & Strategic Planning represented the Bank on a series of domestic and international platforms with this approach in 2015. This exposure helped it gain prominence internationally with its unique in-depth studies and insightful forecasts.

Economic Research & Strategic Planning plans to continue helping Odeabank achieve its goals at an increasing pace. In addition, it will continue supporting Odeabank's brand image in the domestic and international arena in 2016 with its analytical and value added studies.

OPERATIONS

ODEABANK HAS BECOME ONE OF THE MOST SUCCESSFUL BANKS IN THE SECTOR IN TERMS OF COUNTER PERFORMANCE AS A RESULT OF THE NPS (NET PROMOTER SCORE) INITIATIVE.

All operational teams at the Bank operate with a minimize risk-maximize efficiency approach; prioritize internal and external customer satisfaction; and ensure that transactions are completed in a fast, high quality way without any problems.

The Bank carried out the following projects in 2015:

- » By making customer satisfaction-oriented system modifications, process and systems integration improved and SLA-based upgrades were conducted.
- » By rendering operations more effective, efficient and faster, savings were achieved in labor and tangible resources, and certain risks were minimized or eliminated.
- » NPS (Net Promoter Score) measurements were focused on at the Bank's counters; as a result, Odeabank has become one of the most successful banks in the sector in terms of counter performance.
- » The head office was regularly informed about the effective operations by the Risk Committee, which was set up to expand data exchange by increasing communication between the operations teams and marketing teams at the branches.
- » At the scorecard follow-up, which was implemented together with the performance management team, a better point was reached; furthermore, sales activities/campaigns were joined in by branch operation staff under the "Sales from Counter" initiative, were carried over to a healthy point by the operation staff experienced in sales culture.
- » Comprehensive work was done during the year regarding missing information and documents. A nearly 90% success rate was achieved in tracking missing documents in a Bank-wide push to reduce discrepancies.
- » In order to increase employee loyalty, all operations and support services staff were encouraged to share their opinions, suggestions and projects; those that were deemed to add significant value, enhance performance or make a difference received awards.
- » While serving internal and external customers in 2015, we closed the year with an operational loss of nearly zero as a result of conducting high quality business processes with no errors.
- » For operation staff at branches and operation teams at the HQ, detailed internal customer satisfaction surveys were conducted and feedback was meticulously evaluated for continuous development and improvement; based on the findings, necessary actions were taken.

OPERATIONS

MARKETING- OPERATIONS COORDINATION MEETINGS WERE HELD TO ENSURE UNDERSTANDING BETWEEN THESE TWO KEY TEAMS.

- » With the belief that correct data is an important asset, periodic data modification and verification efforts were carried out to make sure that customer information is accurate and is up-to-date.
- » Training was an area of focus during the year. Trainings were held for operations with regard to products, processes and systems. By receiving support from other units of the Bank on legal, regulatory and risk management issues, staff were given the opportunity to self-develop. Trainings were conducted by external companies or institutions in order to increase competencies among employees.
- » All field operation staff were informed as a whole in meetings held collectively in the regions or at centers; thus, efforts were conducted to foster a team spirit so that personnel all work toward the same goals.
- » Marketing-Operations Coordination Meetings were held with the staff working in the marketing department at the Bank's branches. A platform to initiate mutual understanding and to express expectations was created for these two teams that need to work in coordination.
- » While proceeding with the assessment of outsourced company agreements and revision efforts, adaptation to SLA and penal articles in the agreements and added protocols were closely monitored.
- » SLA durations on the basis of unit, product and transaction were determined and passed on to the

related units. Furthermore, month-based measurements were initiated; SLA compatibility percentages were openly and regularly shared with the Bank as a whole. Actions were taken to make improvements and efforts to increase service quality were made.

- » Located at the branches as outsourced personnel, Central Data Entry (CDE) teams were included in the Bank's operations team. Nearly 50 outsourced personnel were incorporated into the Bank with a 50% savings on staffing costs by creating efficiency with pooling. Besides reducing expenses, staff were provided with the opportunity to make career planning in order to increase their motivation and to ensure efficient management.
- » The Operation Manager and Senior Teller job titles were added to Branch Operations, and employees were ensured to work at positions suitable to their competencies and to move up on their career.

In 2016, the following projects are planned:

- » Systems-process improvements and centralization efforts will continue.
- » The performance management system will be restructured and improved.
- » Permanent staff members will be managed to achieve maximum efficiency.
- » The infrastructure of work-at-home and crowdsourcing applications will be created.
- » A new infrastructure where SLA measurements can be carried out on manual work will be established.

ORGANIZATION, PROCESS DEVELOPMENT AND PERFORMANCE MANAGEMENT

THE ORGANIZATION UNIT ANALYZES USER AUTHORIZATION REQUESTS ON THE MAIN BANKING SYSTEM AND APPLICATIONS INTEGRATED TO THIS SYSTEM.

Organization, Process Development & Performance Management has three subdivisions, as its name indicates, and operates in parallel with the Bank's strategic growth and development. In 2015, the following major projects were carried out.

In 2016, Organization, Process Development & Performance Management will continue to pursue operational excellence, bring forward project and improvement suggestions that will create added value for the Bank, and cultivate an efficient and thriving relationship with other business units.

ORGANIZATION

The Organization Unit is responsible for coordinating the version tracking, announcement and publication of the Bank's policies, procedures, form documents and processes. It evaluates user authorization requests on the main banking system and applications integrated with this system. Furthermore, the Unit supports projects run in the Bank and contributes as the project lead or as the coordinator between other units.

In 2015, the following projects were carried out:

Publishing Odeabank procedures and processes: 19 processes, 213 procedures and policies were prepared and published. After careful evaluation and review, the Unit published 278 announcements

in order to provide the necessary information within the Bank, ensure the implementation of new procedures and encourage the use of existing procedures.

User briefings and trainings: The Unit shares summary information with the users on a daily basis through informative and reminder-oriented Q&A under the "Do You Know These?" or "Do You Recognize This Screen?" titles. The Organization Unit provided support to the training courses organized by the Human Resources Department to facilitate the adaptation of new employees to the system, participated in the 68-day training program, provided screen training courses to the relevant branch employees.

Authorization Management: In 2015, the Organization Unit responded to 3,088 requests submitted through Odea Support to determining job descriptions and authorization levels of system users, and to ensure that the IT Department makes the necessary definitions. In addition, defined authorizations per department/unit are reviewed on a regular basis within the scope of authorization management.

Minor improvements: The Unit offered solutions and suggestions for small improvements and authorizations with regard to the questions/problems received through various channels such as FIDE, branch visits, training courses etc.

ORGANIZATION, PROCESS DEVELOPMENT AND PERFORMANCE MANAGEMENT

PROCESS DEVELOPMENT ANALYZES ALL BANKING AND SUPPORT SERVICE PROCESSES AND MAKES RECOMMENDATIONS FOR IMPROVEMENTS THAT WILL CREATE ADDED VALUE.

Efforts as project lead or as coordinator between units: In 2015, the Organization Unit took part in the following projects: Document Management System Improvements, Improvements on Customer Data Quality, Expanding Recorded Electronic Mail (REM) and Opening Cross-Border Account, which is carried out in cooperation with Bank Audi and will enable foreign nationals to remotely open Odeabank accounts.

The Unit will continue to working to achieve more efficiency on the Bank's processes in 2016. With regard to authorization, new systems improvements will be made

in order to ensure more effective management of new applications introduced in 2015. In addition, an in-depth project, Internal Control, will be implemented to ensure more effective management of check points on the same processes.

PROCESS DEVELOPMENT

The Process Development Unit is in charge of analyzing all banking and service support processes and developing improvement recommendations that create added value, modeling and calculating the potential time and cost savings from such recommendations, and coordinating and overseeing the implementation of these recommendations together with relevant units. In addition to projects that aim to improve current processes, the Unit also participates in the management and implementation of projects, which involve the integration of new decisions, management and operating models with the Bank's processes.

The Process Development Unit carried out the following projects in 2015:

- » Process analyses and improvement suggestions with regard to retail banking processes were put into service in a coordinated way. The processes of retail loans, credit cards, insurances, letters of credit and reconstruction loans were analyzed in-depth. The total annual gain calculated at the improvement points designated for these processes is TL 6.5 million.
- » Loan monitoring processes were assessed and detected improvement recommendations were shared with the management; coordination was ensured with regard to decided actions. Moreover, the project concerning designation of reporting needs to increase monitoring and collection process activities and its application was directed by the Process Development Unit.
- » By reviewing expense and commission collections, recommendations were made to improve the processes; related units were urged to take the necessary actions. The follow-up of these efforts will continue in 2016. With the addition of new items, in light of existing exceptions, the total annual gain was calculated as TL 6.43 million.
- » Throughout the year branch visits were organized and workshops were held with retail and commercial customer representatives. Concerning communicated problems and suggestions, continuous improvement processes were implemented in the presence of the related units via coordination. Out of 250 points inquired in detail following the branch visits, 189 were finalized and 61 are still being monitored.
- » Pursuant to Communiqué Serial: III No. 37.1 and Serial: III No. 39.1 published by the Capital Markets Board, an application process for activity permission, intermediation for order transfers, intermediation of transactions, intermediation of portfolio and limited storage was

managed; actions to be taken and application documentation to adapt to the legislation were successfully carried out with the coordination of related units.

- » As the member of the working group formed within the efforts for the micro segment, the processes of the products to be sold were designed from top down, a cost model was set, recommendations to improve the processes were made and steps were taken to centralize the process.

In 2016, the Process Improvement Unit plans to continue reviewing banking and support processes, new business and decision models and coordination and management efforts for innovative, high value added projects which will be handled throughout the Bank.

PERFORMANCE MANAGEMENT

The Performance Management Unit is in charge of establishing the necessary structures that will enable the head office and branch units operating under the Operations and Support Services Department to work with a performance-oriented mindset and deliver high quality and efficient results. The Unit is also in charge of developing new products and processes.

The Performance Management Unit carried out the following activities in 2015:

Scorecard: The Scorecard Model was developed to ensure "effective, transparent, fair and quantifiable"

year-end performance assessment of operations staff at the branches. The scorecards which are published monthly on a personal basis play an important role in identifying critical check points and reviewing service quality. Improvement points can also be monitored via the Performance Score Card.

Work load measurement: Monthly work load (FTE measurements) of the units under Central Operation and Support Services were measured on an individual employee basis in 2015, which ensured more efficient and effective output.

Permanent staff: For head office and branch operation staff, analyses and assessments on permanent staff were carried out in terms of monthly work load and existing work load. The assessments are performed with objectivity and includes all positions, thus ensuring that the operation staff carry out duties more effectively. Thanks to these studies, the total gain in 2015 hit six HC. With the outsourced Central Data Entry (CDE) staff being incorporated in the Branch Operations, the gain rose up to 15 HC.

Sales from counters: In 2015, Branch Operations and counter staff started to sell retail banking products via phone and counters to support the Bank's growth and sales targets. With 130 thousand products sold during the year, iBranch Operations became a very important sales channel. A considerable number of retail banking products are passed

down through security steps and presented to customers via branch operation staff. Total added value of these sales amounted to TL 6.5 million in 2015.

Crowdsourcing: In consideration of the work loads of operation staff, depending on the availability of branch personnel, customers' missing data was completed via the common transaction pool, customer calls were carried out, collection calls and tele-sales transactions were performed. As a result, transaction durations became shorter and service quality increased at the same time.

Cost Allocation Project: In the project sponsored by Operations and Support Services and Assistant Managers of Finance and carried out in collaboration with Oliver Wyman consulting firm in 2015, studies were conducted to determine the processes involved, their duration and unit costs.

The Performance Management Team, which plays an active role in introducing new business models and innovative processes, will continue its operations, support business units in parallel with the Bank's growth, carry out activities that are creating added value to increase efficiency and service quality.





AN INTERNATIONAL
SUCCESS STORY

INTERNAL SERVICES AND BANKING SUPPORT

**INTERNAL
CUSTOMER
SATISFACTION
SURVEY MADE
SCORE IS OVER
90%.**

In line with Odeabank's core targets, strategy and goals, the Internal Services and Banking Support Department provides all kinds of support services across the entire organization in the most efficient and cost-effective manner possible.

The following projects were carried out in 2015:

PURCHASING:

- » As part of new purchasing efforts, with a total value of TL 90 million spent in 2015, a discount of about TL 9 million was achieved and also approximately TL 1 million savings were accomplished from existing contracts.
- » In relevant fields, invoice, consumable expenses and exceeding limit analysis were regularly tracked and reported to senior management.
- » For framework purchasing, direct order forms were activated enabling a process where purchase requests and order forms can be conducted in a single flow after the bids.
- » Supplier evaluation forms were prepared in a digital environment and supplier performance evaluations were made as supplier management processes were taken to a sustainable level.

SECURITY:

- » Electronic Security branch maintenance plans were made and system continuity was taken to a high level.
- » Pass-card application and database servers were differentiated while system stability and security were increased.
- » The e-wallet system was added to employee cards to be used at the cafeteria on the 36th floor at headquarters.
- » Each month, branch audit surveys conducted via smart phones by the security staff in all branches; the results of these surveys were regularly shared with relevant business units within the Bank.

ADMINISTRATIVE AFFAIRS:

- » In personnel shuttle services, contracts and routes were improved; as a result, staff satisfaction increased.
- » Bank vehicle expertise and sale processes were determined by procedure, and contracts were signed with supplier firms.
- » Private transfer shuttle services were initiated to be used instead of taxis in overtime transport, and transportation costs were decreased as staff satisfaction increased.
- » Staff recruitment forms were transferred to a digital environment. All requests were met at the time of employment, as staff satisfaction increased.



- » In archive services, destruction and field management was renewed, a document delivery system was initiated to be used instead of parcel delivery, and time and cost savings were achieved.
- » In cleaning and catering services, service quality was increased through a performance award system and routine controls.
- » By holding events like "Funday Friday" and putting screen protectors on mobile phones, staff satisfaction increased.
- » Contracts were signed with firms that provide dry cleaning and car wash services for the Bank's staff.
- » An inventory management system was launched.

The following projects will be carried out in 2016:

- » In order to ensure that business units run their operations efficiently, the Internal Services and Banking Support Department will continue to provide all kinds of support services in a fast manner and at the highest level of quality possible.
- » In 2016, the Department will strive to provide maximum contribution to realizing the goals and strategies of business units and the Bank in accordance with the Bank's mission, vision and policies, and add new qualified suppliers to its portfolio to further strengthen the Bank's competitive edge; the Department will continue to run its operations in full compliance with ethical principles.
- » The plan is to save time by automating the consumable procurement process through system integration.

- » The plan is to activate the mobile monitoring and management system that will be used by the branch security staff.
- » The pass-card system's high integration with other systems (personnel travel form, training, et al.) will be achieved, and the quality of personnel movements will be increased even more.
- » The aim is to activate the management system on the map and to formulate efficient monitoring and intervention scenarios.
- » The aim is to decrease the number of cameras with the help of panoramic camera technology.
- » The plan is to develop archive management, an inventory management system and private transfer services projects.

CONSTRUCTION, REAL ESTATE AND EXPERTISE OPERATIONS

THE HEADQUARTERS BUILDING RELOCATION PROJECT WAS COMPLETED ON TIME WHILE RELOCATION EXPENSES WERE BELOW THE TARGETED BUDGET.

Main issues focused in 2015 are listed below:

- » In 2015, 7 new branches were opened as the total number of branches reached 55.
- » Headquarters Relocation Project was completed on time, while relocation expenses were below the targeted budget.
- » After the relocation of the Headquarters, 4 existing floors at the Olive Plaza have been fitted out to accommodate Communications Center, IT Help Desk and Loan Collection teams. The project was again completed within the planned time, quality and budget, and the floors at the Polaris Plaza were vacated.
- » Atalian [Etkin] Services Co. was appointed for maintenance & repair works of the Headquarters and branches for fast intervention to failures.
- » As a result of the arrangements made in 2015, approximately TL 367,000 discount per year was achieved in rents paid in international exchange for the branches.
- » Alternative firms and brands were preferred for advertising and ceramic products, and 15 to 20% saving was achieved in these items.
- » A protocol was signed with the Land Registry and Cadastre Directorate and TAKBİS Project was activated, where lien inquiries on real-estates can be made online through the Bank's expertise system. With TAKBİS project, the branches were allowed to make requests.
- » With the help of TAKBİS Project, total benefit was approximately TL 812,000 TL between 1 March - 31 October 2015.
- » A mortgage system was activated for establishing mortgage liens.
- » An Electronic Mortgage Discharging Protocol was signed with the Land Registry and Cadastre Directorate.
- » 4 real-estate properties, which had been transferred to our bank in return for receivables, were sold, and the total profit was TL 490,000 as result of this process.
- » Expertise and mortgage procedures were updated, and new procedures were established and issued regarding the real-estate selling process.

The following projects will be carried out in 2016:

- » New locations will be determined to open new branches in accordance with the demands from business units.
- » The 2014 unit prices of construction will be reviewed and revised if necessary in terms of both content and cost, and essential improvements will be made.
- » Electronic mortgage lien discharging project will be activated.
- » In the TAKBİS system, automatic inquiries will be made as part of the early warning structure.
- » The expertise system will be integrated into banking system for using loans.
- » The aim is to have a more profitable and better selling process for the real-estate properties transferred to our bank in return for receivables.

CORPORATE COMMUNICATIONS AND MARKETING

IN 2015, ODEABANK EXECUTED A NUMBER OF DIGITAL VIDEO PROJECTS IN ORDER TO INTRODUCE THE BANK'S PRODUCTS AND SERVICES, AS WELL AS SPONSORSHIPS, WHILE A WIDE AUDIENCE WAS REACHED VIA SOCIAL MEDIA.

In 2014, Corporate Communications and Marketing performed for publicizing the Bank through advertising and PR activities, conveying clear and accurate news and information about the Bank in compliance with the Bank's mission, vision, short and long-term targets and strategy and as well as managed in-house communications.

The Corporate Communications and Marketing Department responsible for market analysis, competitor analysis, brand management, reputation management, management of the public relations processes and the management of the communication budget of the Bank's business units, actively managed all initiatives that will contribute to the Bank's recognition and visibility.

In 2015, Corporate Communication & Marketing conducted promotional campaigns targeting the Retail Banking segment for Cash Ready, Bank'O Card and Bank'O Card Axxess, Oxygen Account and Direct Banking channels. Corporate Communication & Marketing – which plays an active role in all Odeabank business activities, public relations efforts and sponsorships for the general public or for specific groups – arranged the sponsorship communication of the Galatasaray Men's and Women's Basketball Teams, Fenerbahçe Men's Basketball Team and the Beşiktaş Women's Basketball Team in 2015.

Corporate Communication & Marketing manages Odeabank's website, intranet portal and all digital projects that have marketing purposes; in addition, it manages the social media accounts of Odeabank and Bank'O Card. In 2015, Odeabank executed a number of digital video projects in order to introduce the Bank's products and services, as well as sponsorships, while a wide audience was reached via social media.

Under press relations efforts in 2015, the Bank issued press releases in line with the new projects, products and services; arranged press interviews with senior management; and held a comprehensive press conference announcing the 2014 year-end results. Furthermore, periodic press releases evaluating developments in the sector, and the course of the economy in Turkey and worldwide, were shared with the public.

Corporate Communication & Marketing arranged the design and production of all obligatory printed materials of the Bank as well as all marketing purposed promotional materials of the Bank's individual departments.

In 2015, the Bank launched Club'O, an internal communication platform; gave away surprise gift tickets for various shows and events; and arranged discounts at many shopping venues in various sectors for Bank employees.

Odeabank's achievements in such a short time were recognized with several national and international awards in 2015. The Bank won a total of 11 awards at the International Business [Stevie] Awards, which is considered one of the world's most prominent business awards.

The Corporate Communications and Marketing Department will continue to undertake projects that will make a positive contribution to the Bank's recognition and brand perception in 2016.

LEGAL

THE LEGAL DEPARTMENT PROVIDES INFORMATION NECESSARY FOR COMPLIANCE WITH LEGAL AND REGULATORY REQUIREMENTS IN DAILY BANKING TRANSACTIONS.

The department draws up, negotiates and concludes contracts with regard the banking products presented by the Bank's headquarters units and branches and the contracts concerning the purchase of all goods and services needed by the Bank to execute its operations. In addition, it prepares and revises all the Bank's printed or non-printed framework contracts.

Submits legal opinions/studies to headquarters units and branches on subjects where needed; sends notices for the harmonization of daily banking transactions with the respective legal legislations. The Legal Department ensures that the Bank is represented before the judicial authorities by staff or contracted lawyers. When necessary, it initiates and pursues all relevant legal processes in order to protect the rights of the Bank.

The Legal Department keeps track of the process of arranging and modifying all kinds of contracts – in issues concerning the Bank – to be signed with companies within and outside the country, loan agreements and ISDA contracts in particular. If necessary, it ensures coordination and collaborates with foreign law firms in resolving legal disputes abroad.

The Legal Department ensures that cases requiring legal action as per the relevant legislation and in line with the internal processes of the Bank, and that all lawsuits where the Bank is a party, are pursued.

The Legal Department monitors legal and regulatory changes and precedents that concern the Banking sector, and informs relevant headquarters business units. When necessary, it guides the relevant units to prepare an announcement in the Bank in accordance with applicable regulations.

Legal Department evaluates: i) whether new products and services are in conformity with the applicable legal and regulatory requirement or not; ii) the potential legal risks about the content and application of the products/services; and iii) the legal documents required within the scope of the products/services.

Legal Department peruses the Bank's instructions, regulations, forms and general information sets in legal aspects, and updates them. Lays out the legal groundwork for all products, services and projects embodied by the Bank. The Department also fulfills duties to do with branch opening, moving and closing of transactions.

In corporate management, the Legal Department, handles the process for the passing of executive board resolutions, and organizes ordinary and extraordinary general assemblies. Within this context, The Legal Department coordinated the organization of an Ordinary General Assembly meeting, and an Extraordinary General Assembly meeting held in 2015. It also ensured that the Articles of Association were amended in conformity with legal and regulatory requirements. In addition, Legal Department coordinated the process of organizing five Board of Directors meetings and the process of making a decision in the Board of Directors by circulation.

With regard to branch inaugurations, the Department drew up the lease contracts, provided legal representation, finalized the registration process at the Trade Registry Offices, and also undertook the coordination of passing the required board of directors' resolutions, prepared, registered and completed the notarial transactions of signature circulars for branch officials.

In this framework, during the foundation of the Bank, the Legal Department worked on the composition of all credit and guarantee agreements needed by the Bank, the negotiation and signature of all contracts for the purchase of goods and services; supported the drafting of the agreements/documents necessary for developing banking products, brand and domain name registrations and provided opinions to related units.

In 2015, Legal Department started working on the framework contracts and legal texts that will be established or revised in line with legal changes or the Bank's needs.

As a result of the radical changes made in the Capital Markets Law and other relevant legislation, the Bank's Over the Counter (OTC) Derivative Products Contract Set was revised and shared with the relevant units to be printed as the Capital Markets Transactions Framework Contract. As a consequence of the changes made in the relevant regulation and the Law on Consumer Protection, the Legal Department revised and printed the Bank's Banking Service Contract. Subsequently, it started to be implemented within the Bank.

In 2015, legal procedures and efforts regarding all legal problems and disputes the Bank is a party to, aside from the Bank's overdue receivables and credit receivables, were carried out on an expedited basis and the Department continues to do so. In this context, the legal process outsourcing (LPO) structure was set up at branch locations. The Department provided legal service and pre-dispute resolution with regard to all potential problems and disputes to all business lines and branches in a timely manner. In addition, the Legal Automation Program, which aims to integrate the legal processes with the Bank's system and LPO structure, was completed and put into practice.

CORPORATE SOCIAL RESPONSIBILITY POLICY

ODEABANK ENCOURAGES ALL ITS MANAGERS AND EMPLOYEES TO ACT WITH SOCIAL RESPONSIBILITY IN PERFORMING THEIR PROFESSIONAL TASKS, AS INDIVIDUALS OR ON BEHALF OF THE BANK.

Odeabank strives to contribute to the betterment of social welfare. With the corporate social responsibility activities it has carried out without any profit objectives, the Bank aims to give support to the society as a whole, whatever the cost.

CSR POLICY PRINCIPLES

Odeabank values social responsibility and focuses on active involvement in the community in which it operates. It plays a proactive, cooperative and collaborative role in society aiming at contributing to the enhancement of quality of life, ensuring the well-being of the general public, bringing about cultural advancement and making the community a better place to live and conduct business.

Odeabank's corporate social responsibility policy is summarized as follows:

- » Mandating an honest and transparent interaction with internal and external stakeholders by establishing integrity and open communication as the standard form of interaction.
- » Reflecting commitment to the human capital in being multifaceted and promoting diversity and equal opportunity among all employees.
- » Ensuring talent rewarding, valuing teamwork and human development.
- » Minimizing the negative impact of its activities on the environment.
- » Upholding the highest standards of integrity in its business dealings.
- » Promoting healthy ecosystems, social equity and good organizational governance through its sphere of influence, especially through its supply chain.
- » Being accountable and accepting responsibility for our decisions and actions.
- » Positively influencing our value chain to abide by socially responsible guidelines.

- » Promoting a sense of belonging to the country and supporting its economy through a culture of civic behavior.

And more generally, aligning itself to international best practice, notably in the area of organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues and community involvement and development.

It is Odeabank's policy to encourage each director and employee to behave in a socially responsible manner both individually and when exercising his or her professional duties on behalf of the Bank. The Bank promotes educational activities in order to enhance every employee's awareness of environmental and social issues and carries out specific activities for this purpose.

ECONOMIC RESPONSIBILITY

Odeabank approved its Corporate Social Responsibility (CSR) Policy with the accompanying Exclusion List and Procedures. In this context, it will not be providing funding for the companies having operations included in the exclusion list. In addition to this it has procedures which include an evaluation form to define the risk category of the client and action plans for each risk category. In accordance with its internal environmental and social policy, from now on it will evaluate its credit portfolio from environmental & social aspect as well and will be reporting the results, periodically.

SOCIAL RESPONSIBILITY

Diversity

As a company that does not discriminate on the basis of gender, age, marital status, pregnancy, race, nationality, religion, beliefs and disability, and as an entity that does not allow anyone to do so within the Company, Odeabank creates the ideal work environment for its employees. Embracing all manner of diversity, Odeabank treats all its personnel equally, and offers them equal career opportunities, whatever their backgrounds are.

Training and Development

Seeing the quality of its workforce as one of the most significant factors in its success, Odeabank pays utmost attention to its employees' development, increasing the Bank's investment in human resources every day. Odeabank practices advanced learning and development techniques in parallel to its own values and culture, and provides all the Bank's employees with the most appropriate guidance, training, supervision and support to ensure their success at work.

Occupational Health

Understanding that mental and physical health is vital for quality of life as well as quality of business life, Odeabank Human Resources strives to improve both the quality of and access to health services and health awareness programs, and offers these benefits to the Bank's employees.

Some of the health related activities carried out at Odeabank during the year include:

- » Vaccine Campaign
- » Occupational Health and Safety Trainings
- » Obligatory Medical Controls

Civil Responsibility

By signing sponsorship contracts with Galatasaray Men's and Women's Basketball teams, Fenerbahçe Men's Basketball team, and Beşiktaş Women's Basketball team, Odeabank increases the interest in basketball and in women's participation in sports. As a result, the popularity of basketball and the number of spectators are steadily rising.

ENVIRONMENTAL RESPONSIBILITY

Odeabank strived to build the optimum technical equipment and service area to provide its clients with the best services. To that end, it carefully considered the journey that its clients begin, as soon as they step into our branches. This setting that it offers to both its clients and employees, accompanied by an outstanding performance also possesses some environmentalist practices. In office environments, it uses white boarding via Apple TV technology, which is present in all of its meeting rooms and it helps to conduct paperless meetings.

Similarly, with the help of business intelligence applications, that can conduct analyses over data, it has paperless and environmentally friendly business processes in real terms. It also keeps all the documents concerning clients in a digital environment using the document management system, which helps business processes to rapidly flow between departments.

GREEN APPROACH

Unlike at other banks, Odeabank branches use no paper products apart from documents that must be signed; documents that need to stay at the branches are made available in electronically. Another green approach used in Odeabank's branches is the mobile Q-matik application. With this application, customers are able to obtain a queue number without consuming paper.

Furthermore, Odeabank provides customers with SMS or e-mail options instead of paper receipts after ATM transactions; thus, natural resources are conserved and waste is eliminated while the Bank expands the services it offers to customers. As this service is not so widely used in the banking sector, Odeabank once again is a leader with its environmentally friendly approach.

In addition to the procedures accompanying the Corporate Social Responsibility Policy mentioned above, Odeabank also controls electricity, gas, water and paper consumption, monitors the results, and takes measures needed to improve the conditions.

BOARD MEMBERS, SENIOR MANAGEMENT AND AUDITORS

| NAME | POSITION | DUTY | ASSIGNMENT DATE | EDUCATION |
|---------------------------|--|------|-----------------|-------------------|
| Samir Hanna | Board Chairman, Shareholder | | 24.05.2012 | High School |
| Marwan Ghandour | Deputy Chairman of the Board | | 24.05.2012 | Ph.D |
| Raymond Audi | Board Member, Shareholder | | 24.05.2012 | High School |
| Freddie Baz | Board Member, Shareholder | | 07.06.2012 | Ph.D |
| Hatem Ali Sadek | Board Member | | 24.05.2012 | Master's Degree |
| Imad Itani | Board Member | | 24.05.2012 | Ph.D |
| Elia Samaha | Board Member | | 10.07.2014 | Bachelor's Degree |
| Khalil El Debs | Board Member | | 25.03.2014 | Master's Degree |
| Hüseyin Özkaya | Board Member, CEO | | 07.06.2012 | Master's Degree |
| Ayşe Korkmaz | Board Member | | 07.06.2012 | Bachelor's Degree |
| Erol Sakallıoğlu | AGM in charge of Commercial Banking | | 07.06.2012 | Bachelor's Degree |
| Fevzi Tayfun Küçük | AGM in charge of Direct Banking, Business Solutions, Transactions Banking and Information Technologies | | 07.06.2012 | Master's Degree |
| Cem Muratoğlu | AGM in charge of Economic Research and Strategy | | 18.06.2012 | Master's Degree |
| Alpaslan Yurdağül | AGM in charge of Financial Institutions and Investment Banking | | 07.06.2012 | Master's Degree |
| Yalçın Avcı | AGM in charge of Corporate Banking | | 07.06.2012 | Master's Degree |
| Gökhan Erkıralp | AGM in charge of Treasury and Capital Markets | | 07.06.2012 | Bachelor's Degree |
| Aytaç Aydın | AGM in charge of Operations and Support Services | | 03.02.2014 | Master's Degree |
| Naim Hakim | AGM in charge of Finance | | 15.06.2012 | Master's Degree |
| Elif Şen | Director, Legal | | 05.03.2015 | Ph.D |
| Tuğba Ayıran Ekşioğulları | Group Manager, Compliance | | 02.04.2012 | Master's Degree |
| Tolga Güler | Audit | | 12.06.2012 | Bachelor's Degree |
| Vural Göral | Group Manager, Internal Audit and Operational Risk | | 16.09.2013 | Master's Degree |
| Kıvanç Eren | Loan Risk Group Manager, Risk Management | | 16.07.2012 | Master's Degree |
| Ali Yalçın | Group Manager, Information and Customer Security | | 06.06.2012 | Bachelor's Degree |

As of 31.12.2015, the Bank's independent auditor firm is Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi [An Ernst & Young member].



SAMIR HANNA

Chairman of the Board of Directors, Shareholder Chairman of the Remuneration Committee

Samir Hanna, joined Bank Audi Group / Lebanon (Bank Audi) in January 1963. He held several managerial and executive positions across various departments of the Bank and the Group. He was appointed General Manager of Bank Audi in 1986 and member of its Board of Directors in 1990. In the early 1990s, he initiated and managed the restructuring and expansion strategy of Bank Audi, transforming it into a strong banking powerhouse offering universal banking products and services including Corporate, Commercial, Retail, Investment, and Private Banking.

He grew Bank Audi Group to its current position as the largest bank in Lebanon (and among the top 20 Arab banking groups), with presence in 13 countries, consolidated assets exceeding USD 36.1 billion, consolidated deposits exceeding USD 31.1 billion, group staff headcount exceeding 5,000 employees, and a shareholders' base of more than 2,000 holders of common shares and/or holders of global depositary receipts (GDRs) representing common shares. Samir Hanna is also member of the Board of Directors of several affiliates and sister companies of Bank Audi Group.

He currently serves as the Group Chief Executive Officer and the Chairman of the Group Executive Committee of Bank Audi Group, and heads all aspects of the Group's Executive Management. Since its establishment in 2012, he has been a shareholder and Chairman of the Board of Directors of Odea Bank A.Ş. and founding member. Since its establishment in 2012, he has been a shareholder and Chairman of the Board of Directors of Odea Bank A.Ş., founding member and shareholder.



DR. MARWAN GHANDOUR

Vice Chairman of the Board of Directors, Chairman of Audit, Corporate Governance, Risk Committees

Member of the Remuneration Committee and Associate Marwan Ghandour holds a PhD in Economics (Econometrics) from the University of Illinois (Post-doctorate research at Stanford University). Between 1990 and 1993, Marwan Ghandour held the position of Vice Governor of the Central Bank of Lebanon with primary responsibilities in the area of monetary policy. During this period, he was also a member of the Higher Banking Commission in Lebanon and various other Lebanese government committees involved in economic policy. In this capacity, he liaised with various international institutions such as the International Monetary Fund (IMF), the World Bank and the Bank for International Settlements (BIS). Marwan Ghandour is an Independent Member of the Board of Directors of Bank Audi Group / Lebanon (Bank Audi) since March 2000 and Vice- Chairman of the Board since December 2009 he is also the Chairman of its Group Audit Committee and member of its Group Risk Committee and Corporate Governance and Remuneration Committee.

From 1995 until 2011, Marwan Ghandour served as Chairman and General Manager of Lebanon Invest sal / Lebanon, a leading financial services group in the region whose holding company merged with Bank Audi Group in 2000. He also served as Chairman of the Board of Directors of Audi Saradar Investment Bank sal / Lebanon from 2005 until 2011. He was elected Chairman of the Board of Directors of Banque Audi (Suisse) sa in March 2011 and is also member of the Board of Directors of several affiliates and sister companies of Bank Audi Group. Since its establishment in 2012, he has been the Vice-Chairman of the Board of Directors of Odea Bank A.Ş.

BOARD MEMBERS, SENIOR MANAGEMENT AND AUDITORS



RAYMOND AUDI

Board Member, Shareholder

Between 1998 and 2008, and since 2009, Raymond Audi has been the Chairman of the Board of Directors and General Manager of Bank Audi Group / Lebanon (Bank Audi). He started his Banking career in 1962, when, together with his brothers and with prominent Kuwaiti businessmen, he founded Banque Audi sa (now Bank Audi Group), building on a successful long-standing family business. In 1994, he served as the President of the Association of Banks in Lebanon. Between 2008 and 2009 he was appointed Minister of the Displaced in the Lebanese government.

Raymond Audi has played an active role in leading Bank Audi Group through both prosperous and challenging times to its current status as a widely recognized leading Lebanese and regional bank. He is also member of the Board of Directors of several affiliates and sister companies of Bank Audi Group.

Raymond Audi is the recipient of several honors and awards, including in July 2007, an Honorary Doctorate in Humane Letters from the Lebanese American University.

Since its establishment in 2012, he has been a founding member of the Board of Directors and shareholder of Odea Bank A.Ş.



FREDDIE BAZ

Board Member, Shareholder,

Member of the Remuneration Committee

Alternate Member of the Credit Committee

Freddie Baz holds a State PHD Degree in Economics in University of Paris I (Panthéon - Sorbonne).

Since 1985, Freddie Baz is the Managing Director of Bankdata Financial Services WLL (Lebanon) which publishes "bilanbanques", the only reference in Lebanon that provides an extensive structural analysis on all banks located in Lebanon. He joined Bank Audi Group / Lebanon (Bank Audi) in 1991 as advisor to the Chairman and founded the Secretariat for Planning and Development at the Bank. As the Group Chief Financial Officer and Strategy Director of Bank Audi, he now has overall authority over the finance and accounting, MIS and budgeting functions throughout the Group, and is responsible for the development of the Group strategy. He is also the Chairman of the Board of Directors of Bank Audi Saradar France sa, a fully owned subsidiary of Bank Audi Group and is also member of the Board of Directors of several affiliates and sister companies of Bank Audi Group. Additionally, since 2007 he is the Vice Chairman of the Group Executive Committee.

Since its establishment in 2012, he has been a shareholder and founding member of the Board of Directors of Odea Bank A.Ş.



HATEM ALI SADEK

Board Member

Hatem Sadek graduated with a BSc in Economics & Political Science from Cairo University. He started his career in 1964 as assistant to the Chief Executive Officer at the Information Bureau of the President of Egypt at that time. From 1968 to 1974, Hatem Sadek became the Manager of the Research Center for Strategic Studies and Editor at Al Ahram Newspaper. He then joined the Bureau of the Secretary General of the League of Arab States for one year. His banking career began in 1976 when he established the Arab Bank PLC regional office and its branches in Egypt, where he held the position of Senior Executive VP & Chief Country Manager; in addition to becoming the Chairman of the Strategic Planning Committee for the Arab Bank Group between 2000 and 2001.

He then moved to Misr International Bank (MIBank) in 2001 where he held the position of Deputy Executive Chairman as well as Deputy Chairman, Supervisory Board of Banque Misr Europe GmbH, Frankfurt, Germany. From 2003 till 2005, he was MIBank's Executive Chairman where he launched and supervised MIBank's 5-year total restructuring program, till the bank was acquired by National Société Generale in September 2005. He then became a Consultant to Bank Misr's Board of Directors for Change and Restructuring Programs before joining Bank Audi sae (Egypt) in 2006, till present, as Chairman & Managing Director.

Since its establishment in 2012, he has been a Member of the Board of Directors of Odea Bank A.Ş.



IMAD ITANI

Board Member

Alternate Member of the Credit Committee

Imad Itani holds a PHD degree from the University of Chicago (USA).

Prior to joining Bank Audi Group / Lebanon (Bank Audi), he held several key positions in Corporate Finance for major energy companies in Canada. In parallel, he taught Economics and Finance to graduate students at the American University of Beirut. Between 1995 and 1997 he was the Head of the Research and Statistics Department of the Association of Banks in Lebanon. He joined Bank Audi Group in 1997 and headed the team that successfully launched the Bank's Retail business line, today a major pillar of the Bank's innovative and leading position. In 2002, Imad Itani was appointed Deputy General Manager and Member of the Board of Directors of Bank Audi Group. He was later appointed General Manager. Imad Itani is also the Chairman of the Bank's Sudanese Islamic Banking subsidiary acquired within the context of the Bank's regional expansion, in addition to his responsibilities as Head of Group Retail Banking and Head of Group Islamic Banking.

Since its establishment in 2012, he has been a Member of the Board of Directors of Odea Bank A.Ş.

BOARD MEMBERS, SENIOR MANAGEMENT AND AUDITORS



ELIA SAMAHA

Board Member, Chairman of the Risk Committee

Elia Samaha earned his bachelor's degree in Economics from the American University of Beirut in 1980. In April 2007, he joined Bank Audi S.A.L. as General Manager in charge of Financial Institutions and Regional Expansion, particularly in Syria, Jordan and Qatar. Serving as Group Chief Credit Officer, Mr. Samaha is also in charge of Environmental and Social Management System as well as Financial Institutions Department within the Group. He is also a Board Member at Bank Audi Syria SA and Bank Audi LLC (Qatar).

Mr. Samaha began his professional career in 1980 as Assistant Manager of Corporate Banking at Citigroup Beirut. Soon after he was assigned to higher positions within Citibank/Citigroup, and assumed several positions in the MENA (Middle East-North Africa) region. During the 15 years of his 27-year tenure at Citibank/Citigroup, Mr. Samaha undertook numerous projects in Athens, Dubai, Abu Dhabi, Cairo, New York, and London. In addition to his immense experience in country management and business development, he has also gained experience in risk management and business strategy in the fields of corporate banking and corporate finance. Before joining Bank Audi S.A.L., Mr. Samaha served as General Manager and Country Head of Corporate Banking at Citigroup Egypt. During his time in Egypt, Mr. Samaha was in charge of Corporate Banking and Corporate Finance for Eastern Mediterranean and North Africa regions. Previously, he had also served as General Manager and Country Head of Corporate Banking at Citigroup Lebanon. He was in charge of Corporate and Investment Banking for the MENA region.

Elia Samaha is a member of the Middle East Advisory Board of the Suliman S. Olayan School of Business at the American University of Beirut; he is also a founding member of the American Lebanese Chamber of Commerce.



KHALIL EL DEBS

Board Member, Member of the Credit Committee

Khalil Debs earned his master's degree in Business Administration from the Lebanese American University in Beirut in 1997. Mr. Debs has been working as a Chartered Financial Analyst (CFA) since 2001. He joined Bank Audi S.A.L. in 1995. Currently, he serves as credit committee member at the Group's subsidiaries operating in seven countries. Additionally, he is the Head of Group Corporate Banking in charge of corporate and commercial lending at the same subsidiaries.

Khalil Debs actively contributes to the regional expansion policy, which has been implemented by Bank Audi since 2004. Mr. Debs founded the Group's Syndications and Project Finance Department in 2008, and since then the Department has undertaken major transactions in the MENA (Middle East-North Africa) region through a successful organization.

Khalil Debs is currently serving as the Chairman of the Board of Directors at Solifac, and Board Member at Bank Audi LLC (Qatar) and Audi Investment Bank (Bank Audi's Investment Banking arm).

Before joining Bank Audi, Mr. Debs had worked at ABN-AMRO Bank N.V. for two years.



HÜSEYİN ÖZKAYA

**Board Member, General Manager,
Member of the Credit Committee**

Born on the 14th of June 1962 in Tarsus, Hüseyin Özkaya is a graduate of Tarsus American High School (1980).

After receiving his Undergraduate degree in Management Engineering from the Istanbul Technical University in 1985, he completed an MBA degree at the University of Wisconsin (1987).

His banking career commenced in 1989-1990 as Assistant Manager of Impexbank A.Ş., went on as the Corporate Banking Marketing/Sales Manager of Midland Bank A.Ş. in 1991-1994 where he also assumed responsibilities at the bank's syndication and product development units.

In 1994, he worked at HSBC Bank plc London as the Fixed Income Products Sales Manager; subsequently, from 1995 to 2010, he served as the Deputy GM in charge of corporate, commercial and investment banking and Board Member of HSBC Bank A.Ş.

He was the General Manager and Chairman of the Management Committee at the Russian subsidiary of HSBC Bank- HSBC Bank RR- between 2010 and 2012.

Since 2012, he has been the General Manager and Board Member of Odea Bank A.Ş.



AYŞE KORKMAZ

Board Member, Member of the Audit Committee

Born in 1973 in Aydın, Ayşe Korkmaz graduated from the Ankara Anadolu High School in 1991. She graduated from the Business Administration Department of the Political Sciences Faculty of Ankara University in 1995. Her career began in 1996 as an Assistant Certified Auditor of banks at the Banking Regulation and Supervision Agency. In 1999, she was appointed as a Certified Auditor of banks, which she held until September of 2003.

In September 2003, she was employed as the Auditing Coordinator of TEB Financial Investments A.Ş., and then headed the Harmonization Internal Control Group of Türkiye Ekonomi Bankası A.Ş. from 2006 to 2012. Since June 2012, she has been in charge of Internal Systems and is a Board Member of Odea Bank A.Ş.

BOARD MEMBERS, SENIOR MANAGEMENT AND AUDITORS



FEVZİ TAYFUN KÜÇÜK

Assistant General Manager

Born on the 19th of August 1970 in Ankara, Tayfun Küçük received his Undergraduate degree in Mine Engineering at the Middle East Technical University (1993) and his Masters in Electronic Business at the Social Sciences Institute of Yeditepe University (2000). He worked at Garanti Bankası A.Ş. as executive in charge of fixed income securities and TL money market transactions in the Treasury Directorate (1993-1999) and as Cash Management Unit Manager (1999-2005). Then, he was the head of the Payments and Cash Management Group at HSBC Bank A.Ş. (2005-2012). In 2012, he was appointed as the Assistant General Manager in charge of Direct Banking, Business Solutions, Transactions Banking and Information Technologies in Odea Bank A.Ş.



ALPASLAN YURDAGÜL

Assistant General Manager

Born on the 6th of January 1971 in Izmir, he completed his Undergraduate study at the Industrial Engineering Department of Boğaziçi University (1994), and his MBA at the University of Illinois at Chicago (1994-1996). He played an active role in the establishment of Polimeks Foreign Trade Co. in 1997-1998. Then, he was transferred to Midland Bank A.Ş. as a Corporate Banking Marketing Analyst in 1998. Following the takeover of Midland Bank by the HSBC Group in 1999, he was appointed as a manager to the Corporate Marketing Department of the HSBC Bank A.Ş. In 2006, he was promoted as the Group Head of the same department. In 2011, he was appointed as the Group Head of the Global and Investment Banking Department. In 2012, he was appointed as the Assistant General Manager in charge of Financial Institutions and Investment Banking in Odea Bank A.Ş.



CEM MURATOĞLU

Assistant General Manager

He was born on the 16th of August in 1967 in Erzurum. He studied Petroleum Engineering at the Engineering Faculty of the Middle East Technical University (1989), and completed his MBA at Ankara Bilkent University (1992). Muratoğlu worked as Deputy General Manager in charge of Retail Banking in Akbank T. A.Ş. (2001-2008), Head of Sales of Retail Banking in Finansbank (1999-2001), Deputy General Manager in charge of Retail Banking in ING BANK A.Ş. (2008-2010) and Deputy General Manager in charge of Strategy and Corporate Banking in Şekerbank Türk A.Ş. (2010-2012). In 2012, he was appointed as the Assistant General Manager in charge of Retail Banking in Odea Bank A.Ş.



EROL SAKALLIOĞLU

Assistant General Manager

He was born in 1967 in Adapazarı. He graduated from the Public Administration Department of the Middle East Technical University in 1989. His career began in 1989-1990 in Esbank A.Ş. He served as the Assistant Inspector of Türk Dış Ticaret Bankası A.Ş. from 1991 to 1994. In 1994, he was hired to the marketing department of the Gayrettepe Branch of Türkiye Ekonomi Bankası A.Ş., where he became a branch manager in Ankara in 1996. Sakallıoğlu was a branch manager in Ankara in Demirbank T.A.Ş. (1998) and Deputy General Manager in charge of Corporate Banking (2000), which lasted until 2012 following Demirbank's acquisition by HSBC A.Ş. Within this period, he was the head of the Commercial and Corporate Anatolian Branches Group (2001-2005); SME Banking Group (2005-2011) and Deputy General Manager in charge of SME Banking (2011-2012). In 2012, he was appointed as the Assistant General Manager in charge of Commercial Banking in Odea Bank A.Ş.

BOARD MEMBERS, SENIOR MANAGEMENT AND AUDITORS



GÖKHAN ERKIRALP

Assistant General Manager

He was born on the 23rd of December in 1972 in Adana. He completed his undergraduate degrees in Mathematics and Economics in 1995 in Wabash College /Crawfordsville, Indiana. He was employed as the Treasury and Capital Markets Director of Ulusbank T.A.Ş. (1997-2001). He later moved to HSBC Bank A.Ş. in 2001 as the Balance Sheet Management Manager. In 2003 and 2004, he headed the Portfolio Management Group of HSBC Investment Securities Co. Erkiralp worked as the Derivatives Markets Deputy General Manager at TEB Investment Securities Co. from January to May 2005. From May 2005 to May 2006, he was the head of the Strategic Planning and Organization Group at HSBC Bank A.Ş. where he later took on the position to head the Derivatives Markets and Structured Products Group from May 2006 to July 2007. From July 2007 to December 2011, he was the Markets Director of Türk Ekonomi Bankası A.Ş. In 2012, he was appointed as the Assistant General Manager in charge of Treasury and Capital Markets in Odea Bank A.Ş.



YALÇIN AVCI

Assistant General Manager

He was born on the 30th of July 1972 in Ankara. He completed his undergraduate degree in Metallurgical Engineering at the Middle East Technical University (1995) and his MBA at Ankara Bilkent University (1997). He was a credit analyst and customer representative in Türk Boston A.Ş. (1995-1997); a customer representative in the Ankara Branch of İktisat Bank (1997-1998). He spent the years 1997 through 2012 in HSBC Bank A.Ş. as: specialist customer representative (1998-2000), Assistant Manager (2000-2002), Corporate Banking Group Manager (2002-2005), Corporate Banking Sector Head (2005-2010) and Corporate Banking Group Head (2010-2012). In 2012, he was appointed as the Assistant General Manager in charge of Corporate Banking in Odea Bank A.Ş.



AYTAÇ AYDIN

Assistant General Manager

Born in 1977 in Ankara, he graduated from Boğaziçi University, Department of Electrical and Electronics Engineering in 2000. He then earned his master's degree in Electrical Engineering from Penn State University (USA) in 2001. Between 2001 and 2005, he worked as Program Manager at Triquint Semiconductor Company. In 2005, he completed the MBA program at INSEAD & Wharton School of Business. He joined McKinsey & Company in 2006 as senior consultant. After rising to the position of Project Manager, he began serving as Head of Process Development and Operations Department at Vakıfbank A.Ş. in Ankara. In 2010, he began to work at Finansbank, first as Group Manager in charge of Business Development and Strategy, and then as Assistant General Manager in charge of Operations and Alternative Distribution Channels. As of February 2014, he serves as Assistant General Manager in charge of Organization, Process, Operation and Support Services at Odea Bank A.Ş.



NAİM HAKİM

Assistant General Manager

Born in Beirut, Lebanon in 1971, Hakim obtained in 1992 his bachelor degree in Economics from Université Saint-Joseph in Beirut and completed his master degree at Ecole Supérieure de Commerce de Nice-Sophia-Antipolis/Ceram in France between 1992 and 1994, majoring in corporate finance. He obtained the Chartered Financial Analyst (CFA) designation from the CFA institute in the USA in 2004. He started his banking career at Banque Saradar sal in 1995 occupying several managerial positions in the bank's branches. In 2000 he founded the Financial control department in Banque Saradar sal and became the Chief Financial Officer (CFO) of the bank in 2002. After the merger-acquisition of Banque Saradar sal with Banque Audi sal, Hakim moved to Banque Audi sal in 2004 where he established the Management Information System (MIS) department and headed it till mid-2012. As of June 2012, he has been working as Assistant General Manager in charge of Finance in Odea Bank A.Ş.

MANAGERS OF THE UNITS IN INTERNAL SYSTEMS

LEGAL

Director Atty. Elif Şen

Elif Şen received her BA degree from Istanbul University, Faculty of Law in 1989; master's degree from Marmara University, Faculty of Law in 1996; and PhD from Marmara University, Faculty of Law in 2000. Ms. Şen began her professional career as a freelance attorney. After working as a research assistant at Istanbul University, she started work at Doğu Holding A.Ş. in the Legal Department in 1994. After working for four years at Doğu Holding, and two years at Arthur Andersen as a Director, Ms. Şen went on to work at Hergüner & Bilgen & Özeke Avukatlık Ortaklığı, Türk Nokta Net Bilgi Hizmetleri A.Ş., Sabancı Telekomünikasyon Hizmetleri A.Ş., respectively. In 2004, Ms. Şen started work at Hacı Ömer Sabancı Holding A.Ş. in the Legal Department as a Legal Advisor, and later as the Chief Legal Counselor after 2011. Since March 2015, Elif Şen has served as the Chief Legal Counselor in the Legal Department at Odeabank A.Ş.

COMPLIANCE

Group Manager

Tuğba Ayıran Ekşioğulları

After graduate from Kadıköy Anatolian High School in 1995, she received her Master's in International Economics from the Marmara University and Bachelor's Degree from the School of Economics in the same university. She worked as Compliance Unit Analyst in Citibank A.Ş. between 2003 – 2007, took office as Risk Management Specialist in Diler Yatırım Bankası A.Ş. in 2007. She worked as Compliance Unit

Manager in Akbank T.A.Ş. between 2008-2012. As of April 2012, she has been working in the capacity of Compliance Officer at Odea Bank A.Ş. with the title of Group Manager.

INTERNAL AUDIT

Director Tolga Güler

He received his Bachelor's Degree from the School of Business Administration at the Istanbul University between 1990 – 1994 and received his high school education from the Ankara Atatürk Anatolian High School between 1983 – 1990. Güler worked as Auditor in Türk Ekonomi Bankası between 1997 – 2005. He took office at Türk Ekonomi Bankası as Treasury Control Manager between 2006 – 2007 and as Treasury Marketing Manager between 2008 – 2012 at the same Bank. As of June 2012, he was appointed to the position as Head of Internal Audit of Odea Bank A.Ş.

INTERNAL CONTROL AND OPERATIONAL RISK

Group Manager Vural Göral

In 2001, he got his master's degree in Hacettepe University Political Science. In 1997, he got his bachelor's degree in Hacettepe University Public Management Dept. He began his career in Banking in 1999 as an Assistant Inspector for Turkish Ticaret Bankası A.Ş. Between 1999-2003 he worked for Türk Ticaret Bankası A.Ş. as an Assistant Inspector. Between 2003-2012 he worked in the Internal Controls Unit in Dışbank A.Ş. (after sale and mergers, name of bank was first changed to Fortis A.Ş. and then to TEB A.Ş.).

Between 2012-2013, he worked in Fiba Bank A.Ş. Branch Operations Management Unit Manager. Since September 16, 2013, he works for Odea Bank A.Ş. as the Internal Control and Operational Risk Department Group Manager.

RISK MANAGEMENT

Credit Risk Senior Manager Kıvanç Eren

He received his MBA from Yeditepe University in 2002 and Bachelor's degree from the Mathematics Department of Hacettepe University in 1998. Eren started his banking career in 1999 and has worked at the Risk Management departments of Fortis, Finansbank and ING Bank before joining Odeabank A.Ş. Currently he is a Senior Manager of Risk Management in Odeabank A.Ş. He holds the certificate of Financial Risk Manager (FRM) awarded by the Global Association of Risk Professionals (GARP) and is specialized on Basel II, statistical analysis, Scorecard/rating modeling and economic capital.

INFORMATION AND CUSTOMER SECURITY

Senior Manager Ali Yalçın

He received his Bachelor's from the Middle East Technical University in Aerospace Engineering in 2001. He worked as an auditor and consultant at DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. between 2001 – 2007. Yalçın took Office as the Assistant Chief Audit Executive in Pozitif Kredi ve Kalkınma Bankası A.Ş. between 2007 – 2012. As of 2012 he joined Odea Bank A.Ş. as a Senior Manager of Information and Customer Security.

COMMITTEES

CREDIT COMMITTEE

The Credit Committee is responsible for creating guidelines for the credit allocation activities of the Bank in accordance with the credit policy, economic goals and the general risk profile of the credit portfolio of the Bank. The Credit Committee is a consultancy and decision making body in charge of credit allocations, provided that it is limited to ten percent of the equity of the Bank. In addition, the Committee also provides opinions and recommendations to the Board for loans where the amounts are above the delegated authority of the Committee and execution of the duties related to loans assigned by the Board.

The composition of the Credit Committee of Odea Bank A.Ş. is as follows:

| | | |
|----------------------------|----------------|-------------------|
| Chairman of the Committee | Elia Samaha | Board Member |
| Committee Member | Khalil E. Debs | Board Member |
| Committee Member | Hüseyin Özkaya | Board Member, CEO |
| Committee Associate Member | Freddie Baz | Board Member |
| Committee Associate Member | Imad İtani | Board Member |

AUDIT COMMITTEE

The Audit Committee is responsible for monitoring the efficiency and effectiveness of the Internal Control, Risk Management and Internal Audit systems on behalf of the Board and for monitoring the processing of these systems, as well as the accounting and reporting systems under the Banking Law and related regulations. The Committee is also responsible for following the integration of the information generated; it is further responsible for making the necessary preliminary assessment for the selection of Independent Audit Institutions by the Board and regularly monitoring the activities of the Independent Audit Institutions selected by the Board. The Audit Committee pursues whether the provisions of the Regulations concerning internal control, internal audit and risk management as stipulated in the "Regulation on Banks' Internal Systems", in-Bank Policies and Implementing Procedures approved by the Board are abided by or otherwise and the Committee makes recommendations to the Board regarding the precautions to be put into place, which are deemed necessary. In addition, it is among the duties and responsibilities of the Audit Committee to supervise whether the Internal Audit system covers the Bank's current and planned activities and the risks arising therefrom; to examine in-house regulations concerning the internal audit to be validated upon the approval of the Board; to maintain the communication channels, which will enable the notification of irregularities that may arise within the Bank to the Audit Committee or Internal Audit unit or otherwise to Auditors. The Audit Committee obtains reports from the relevant units and Independent Audit Institutions related to the execution of such duties and carries out its evaluations and findings in respect thereof.

The composition of the Audit Committee of Odea Bank A.Ş. is as follows:

| | | |
|---------------------------|-----------------|----------------------------|
| Chairman of the Committee | Marwan Ghandour | Vice-Chairman of the Board |
| Committee Member | Ayşe Korkmaz | Board Member |

COMMITTEES

CORPORATE GOVERNANCE COMMITTEE

The Committee provides appropriate communication channels and thus they ensure that the appropriate actions and transactions are securely delivered to the related authorities in the Bank in line with the corporate values and ethical rules to the relevant authorities within the Bank; designs a system that will enable the possible deviations to be reported and by monitoring their compliance with the Corporate Governance Principles the Committee makes enhancement efforts and offers suggestions to the Board of Directors in respect thereof. The Committee revises annually the Corporate Governance Framework of the Bank and presents a report to the Board of Directors related thereto. It monitors regularly the compliance of the Bank with the Corporate Governance Principles; manages the creation and implementation of the acceptance of a new member (manager) to the Board of Directors and oversees the implementation of the manager development program if necessary; ensures that Board Member distribution, structure, policies and processes meet the relevant legal and regulatory requirements and further ensures the correct implementation of the Corporate Governance framework and provides opinions in the event problems or deviations should arise.

Pursuant to the relevant regulations, the Chairman of the Committee is a Board Member, who does not have executive duties.

The composition of the Corporate Governance Committee of Odea Bank A.Ş. is as follows:

| | | |
|---------------------------|-----------------|----------------------------|
| Chairman of the Committee | Marwan Ghandour | Vice-Chairman of the Board |
| Committee Member | Ayşe Korkmaz | Board Member |

RISK COMMITTEE

The Risk Committee is responsible for and in charge of identifying, measuring, monitoring and controlling of all risks, which the Bank may be exposed to, by means of the policies, implementing procedures and limits determined for the monitoring, controlling and when necessary changing the risk – return structure involved based on the future cash flows of the Bank, and in accordance with the nature and the level of activities. The Risk Committee supports the Board of Directors in fulfilling the responsibilities of the Board such as maintaining the risk appetite, examining and approving the risk framework and policies of the Bank, examining periodic risk reports and monitoring risk functions within the Bank. Risk Committee and Audit Committee members are the same persons and these committee meetings are held on the same day.

The composition of the Risk Committee of Odea Bank A.Ş. is as follows:

| | | |
|---------------------------|-----------------|----------------------------|
| Chairman of the Committee | Marwan Ghandour | Vice-Chairman of the Board |
| Committee Member | Ayşe Korkmaz | Board Member |

REMUNERATION COMMITTEE

The Committee evaluates the remuneration policy and its applications within the framework of risk management and submits annually its suggestions related to these evaluations and findings to the Board of Directors via periodic reports. The Committee further ensures that the salaries to be approved for Board Members, Senior Managers and other Bank personnel are in compliance with the ethical values, internal balances and strategic goals of the Bank.

The composition of the Remuneration Committee of Odea Bank A.Ş. is as follows:

| | | |
|---------------------------|-----------------|----------------------------|
| Chairman of the Committee | Samir Hanna | Chairman of the Board |
| Committee Member | Marwan Ghandour | Vice-Chairman of the Board |
| Committee Member | Freddie Baz | Board Member |

INFORMATION ON THE PARTICIPATION OF THE BOARD OF DIRECTORS AND COMMITTEE MEMBERS AT THE RESPECTIVE MEETINGS

MEETINGS OF THE BOARD OF DIRECTORS

In 2015, our bank's Board of Directors held meetings on these dates: 10th of March 2015, 12th of May 2015, 11th of August 2015, 10th of November 2015, and 21st of December 2015.

On the 10th of March 2015, the Board of directors held a meeting under the presidency of Board of directors Vice Chairman Mr. Marwan Ghandour. The Vice President of the Board of Directors, Mr. Marwan Ghandour, the Members of the Board of Directors, Mr. Raymond Audi, Mr. Freddie Baz, Mr. Hatem Ali Sadek, Mr. Imad Itani, Mr. Elia Samaha, Mr. Khalil El Debs, Mr. Hüseyin Özkaya and Ms. Ayşe Korkmaz attended the meeting. Mr. Abdullah İbrahim A. Alhobayb could not attend the meeting due to his valid excuse.

19 (nineteen) Board of Directors decisions were taken in this meeting.

The Board of Directors meeting was held on the 12th of May 2015 under the chairmanship of Mr. Samir Hanna, the Chairman of the Board of Directors. The Chairman of the Board of Directors, Mr. Samir Hanna, the Vice President of the Board of Directors, Mr. Marwan Ghandour, the Members of the Board of Directors, Mr. Raymond Audi, Mr. Freddie Baz, Mr. Hatem Ali Sadek, Mr. Abdullah İbrahim A. Alhobayb, Mr. Imad Itani, Mr. Khalil El Debs, Mr. Hüseyin Özkaya and Ms. Ayşe Korkmaz attended the meeting.

12 (twelve) Board of Directors decisions were taken in this meeting.

The Board of Directors meeting was held on the 11th of August 2015 under the chairmanship of Mr. Samir Hanna, the Chairman of the Board of Directors. The Chairman of the Board of Directors, Mr. Samir Hanna, the Vice President of the Board of Directors, Mr. Marwan Ghandour, the Members of the Board of Directors, Mr. Freddie Baz, Mr. Hatem Ali Sadek, Mr. Imad Itani, Mr. Elia Samaha, Mr. Khalil El Debs, Mr. Hüseyin Özkaya and Ms. Ayşe Korkmaz attended the meeting. Mr. Raymond Audi could not attend the meeting due to their valid excuses.

5 (five) Board of Directors decisions were taken in this meeting.

On the 10th of November 2015, the Board of directors held a meeting under the presidency of Board of directors Chairman Mr. Samir Hanna. Board of directors Chairman Mr. Samir Hanna, Board of directors Deputy Chairman Mr. Marwan Ghandour, Board of Directors Members Mr. Freddie Baz, Mr. Hatem Ali Sadek, Mr. Imad Itani, Mr. Elia Samaha, Mr. Khalil El Debs, Mr. Hüseyin Özkaya and Mr. Ayşe Korkmaz attended the meeting. Mr. Raymond Audi could not attend the meeting due to his valid excuse.

18 (eighteen) Board Resolutions were passed at this meeting.

On the 21st of December 2015, the Board of directors held a meeting under the presidency of Board of directors Chairman Mr. Samir Hanna. Board of directors Chairman Mr. Samir Hanna, Board of directors Deputy Chairman Mr. Marwan Ghandour, Board of Directors Members Mr. Raymond Audi, Mr. Freddie Baz, Mr. Hatem Ali Sadek, Mr. Imad Itani, Mr. Elia Samaha, Mr. Khalil El Debs, Mr. Hüseyin Özkaya and Mr. Ayşe Korkmaz attended the meeting. Mr. Raymond Audi and Mr. Hatem Ali Sadek could not attend the meeting due to his valid excuse.

7 (seven) Board Resolutions were passed at this meeting.

In 2015, our Board of Directors, without holding actual meeting, took 55 (fifty five) decisions in compliance with the Turkish Commercial Code, Article 390/4

COMMITTEE MEETINGS

AUDIT COMMITTEE, CORPORATE GOVERNANCE COMMITTEE AND RISK COMMITTEE

Corporate Governance Committee, Risk Committee and Audit Committee members are the same persons and these committee meetings are held on the same day. Committee members held on six times in 2015 and took 15 decisions.

REMUNERATION COMMITTEE

In 2015, the Remuneration Committee held a meeting on the 10th of March 2015 and took one decision.

TRANSACTIONS OF ODEABANK WITH THE RELATED RISK GROUP

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

A) DECEMBER 31, 2015:

| RISK GROUP OF THE BANK | SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES | | DIRECT AND INDIRECT SHAREHOLDERS OF THE BANK | | OTHER ENTITIES INCLUDED IN THE RISK GROUP | |
|--------------------------------|---|----------|--|----------|---|----------|
| | CASH | NON-CASH | CASH | NON-CASH | CASH | NON-CASH |
| Loans and other receivables | | | | | | |
| Balance at beginning of period | - | - | - | 18.221 | 53 | 787 |
| Balance at end of period | - | - | - | 16.290 | 64 | 480 |
| Interest and commission income | - | - | - | - | - | - |

DECEMBER 31, 2014

| RISK GROUP OF THE BANK | SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES | | DIRECT AND INDIRECT SHAREHOLDERS OF THE BANK | | OTHER ENTITIES INCLUDED IN THE RISK GROUP | |
|--------------------------------|---|----------|--|----------|---|----------|
| | CASH | NON-CASH | CASH | NON-CASH | CASH | NON-CASH |
| Loans and other receivables | | | | | | |
| Balance at beginning of period | - | - | - | 16.119 | - | - |
| Balance at end of period | - | - | - | 18.221 | 53 | 787 |
| Interest and commission income | - | - | 7 | - | - | - |

b.1) Information on related party deposits balances:

DECEMBER 31, 2015:

| RISK GROUP OF THE BANK CONTROLLED ENTITIES | SUBSIDIARIES, ASSOCIATES AND JOINTLY | DIRECT AND INDIRECT SHAREHOLDERS OF THE BANK | OTHER ENTITIES INCLUDED IN THE RISK GROUP |
|---|--|--|---|
| DEPOSITS | DECEMBER 31, 2015 | DECEMBER 31, 2015 | DECEMBER 31, 2015 |
| Balance at beginning of period | - | - | 583.474 |
| Balance at end of period | - | 298.961 | 749.101 |
| Interest on deposits | - | 1.308 | 18.268 |

DECEMBER 31, 2014:

| RISK GROUP OF THE BANK CONTROLLED ENTITIES | SUBSIDIARIES, ASSOCIATES AND JOINTLY | DIRECT AND INDIRECT SHAREHOLDERS OF THE BANK | OTHER ENTITIES INCLUDED IN THE RISK GROUP |
|---|--|--|---|
| DEPOSITS | DECEMBER 31, 2015 | DECEMBER 31, 2015 | DECEMBER 31, 2015 |
| Balance at beginning of period | - | 95 | 343.870 |
| Balance at end of period | - | - | 583.474 |
| Interest on deposits | - | - | 11.484 |

The Bank has obtained Subordinated Loan amounting to TL 873.420 TIER I, TL 436.710 TIER II, short term loans amounting to TL 305.697 and deposit amounting to TL 749.101 from the risk group and realized interest expense amounting to TL 32.190.

TRANSACTIONS OF ODEABANK WITH THE RELATED RISK GROUP

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

DECEMBER 31, 2015

| RISK GROUP OF THE BANK | SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES | DIRECT AND INDIRECT SHAREHOLDERS OF THE BANK | OTHER ENTITIES INCLUDED IN THE RISK GROUP |
|--|--|---|--|
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS | DECEMBER 31, 2015 | DECEMBER 31, 2015 | DECEMBER 31, 2015 |
| Balance at beginning of period | - | - | - |
| Balance at end of period | - | - | - |
| Total Loss/ Profit | - | 50 | - |

DECEMBER 31, 2014

| RISK GROUP OF THE BANK | SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES | DIRECT AND INDIRECT SHAREHOLDERS OF THE BANK | OTHER ENTITIES INCLUDED IN THE RISK GROUP |
|--|--|---|--|
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS | DECEMBER 31, 2015 | DECEMBER 31, 2015 | DECEMBER 31, 2015 |
| Balance at beginning of period | - | 198.695 | - |
| Balance at end of period | - | - | - |
| Total Loss/ Profit | - | 1 | - |

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

Gross payment made to the executive management as of December 31, 2015 is TL 23.046.

INFORMATION ON OUTSOURCED OPERATIONS AND THE INDIVIDUALS, ORGANIZATIONS SUPPLYING THE OUTSOURCED SERVICES

| SUPPORT SERVICE FIRMS | SERVICE OUTSOURCED |
|--|--|
| Karbil Yazılım ve Bilişim Teknolojileri Tic. Ltd. Şti. [Cordis/Cardtek] | Credit Cards and POS Operations |
| Provus Bilişim Hizmetleri A.Ş. | Printing and enveloping the documents, preparing the bank statements of the current accounts, and card systems ready for printing in the determined format, and delivering them through the electronic environment of the Bank, preparing the credit account statements ready for printing in the determined format, and printing and delivering them to the distribution channel that will be determined by the Bank. |
| Kuryenet Motorlu Kuryecilik ve Dağıtım Hizmetleri A.Ş. | Kuryenet Credit Card Delivery |
| Plastikkart Akıllı Kart İletişim Sistemleri Sanayi ve Ticaret A.Ş. | Plastikkart Card Purchase & Sale Contract |
| Bantaş Nakit ve Kıymetli Mal ve Güvenlik Hiz. A.Ş. | Bantaş ATM Services Contract |
| Aktif İlet ve Kurye Hizmetleri A.Ş. | Distribution contract – credit cards, debit cards, brochures, statements etc. |
| Digital Planet DTP Bilgi İşlem İletişim Tic. Ltd. | Sale and Maintenance Contract – Designing credit card statements, carrying out operational processes, ensuring SMS and e-mail deliveries |
| Teknoser Bilgisayar Hizmetleri San. ve Dış Tic. A.Ş. | POS services – POS Field Services Contract – POS installation, correction of failures, returns etc. |
| Interposta Dağıtım ve Lojistik Hizmetleri A.Ş. | Credit card statements delivery contract |
| NCR Bilişim Sistemleri Ltd. Şti. | ATM Management – Providing Hardware and Software Maintenance for ATMs and correcting failures |
| ODC İş çözümleri Danışmanlık Tic. A.Ş. | ODC Smart SMS and E-mail Management Software –License, Installation and Maintenance Services |
| BI Stratejik Yazılım San. Tic. A.Ş.-Qlikview | Data mining service |
| Probil İşlem Destek ve Danışmanlık San. ve Tic. A.Ş. | Infrastructure and Service Additional Contract |
| Intertech Bilgi Teknolojileri A.Ş. | Information Technology Infrastructure and Banking Platform |
| Gantek Teknoloji Bilişim Çözümleri A.Ş. | Oracle Database Maintenance and Gantek Management Services Contract |
| Hewlett-Packard Teknoloji Çözümleri Ltd. Şti-HP | Physical security and hosting support services |
| MTM Holografi Güvenlik ve Bilişim Tek. San. Tic. A.Ş. | MTM Check Printing |
| Magiclick-Netlab ArGe | Service Level Contract -Web Services |
| CMC İletişim Bilgisayar Reklam ve Danışmanlık Hizmetleri Sanayi Ticaret A.Ş. | Call center services provided by the Firm regarding the banking, credit card or insurance products that will be determined by the Bank. [external calls] |

INFORMATION ON OUTSOURCED OPERATIONS AND THE INDIVIDUALS, ORGANIZATIONS SUPPLYING THE OUTSOURCED SERVICES

| | |
|--|--|
| Sestek Ses Ve İletişim Bilgisayar Teknolojileri San. Tic. A.Ş. | Information will be provided or marketing will be made via voice response system to the current or potential customers of our Bank. |
| Callus Bilgi ve İletişim Hizmetleri A.Ş. | Incoming call/Outgoing call services |
| Bantaş Nakit ve Kıymetli Mal ve Güvenlik Hiz. A.Ş. | High value goods transfer contract |
| Eastern Networks Çöz. Tic. A.Ş. (Fineksus) | Paygate Applications' Sale, Maintenance and Support Contract |
| Active Bilgisayar Hizmetleri ve Tic. Ltd. Şti. (Nova) | Nova 2000 Sale and Service Contract - Marketable Securities Software |
| Tepe Savunma ve Güvenlik Sistemleri Sanayi A.Ş. | Physical Security Service Purchasing |
| UGM-Ülusal Gözlem Merkezi | Alarm and Intelligence Service Purchasing |
| Iron Mountain Arşivleme Hizmetleri A.Ş. (RM Arşiv Yönetim Hizmetleri A.Ş.) | Archive Services |
| Bilin Yazılım ve Bilişim Dan. Ltd. Şti. (Humanist) | License and Service Contract –Human Resources Data Management Application |
| Avrupa Gayrimenkul Değerleme ve Danışmanlık A.Ş. | Real Estate Value Assessment |
| Taksim Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. | Real Estate Value Assessment |
| Elit Gayrimenkul Değerleme A.Ş. | Real Estate Value Assessment |
| TSKB Gayrimenkul Değerleme A.Ş. | Real Estate Value Assessment |
| Etik Gayrimenkul Değerleme A.Ş. | Real Estate Value Assessment |
| Akademi Gayrimenkul Değerleme A.Ş. | Real Estate Value Assessment |
| Çizgi Gayrimenkul Değerleme A.Ş. | Real Estate Value Assessment |
| Yatırım Gayrimenkul Değerleme A.Ş. | Real Estate Value Assessment |
| Key İnternet Hizmetleri Bilgisayar Yazılım Donanım Mühendislik Müşavirlik San. ve Tic. Ltd. Şti. | Expertise Reports Evaluation System Software and Maintenance Support Contract Atlas Gayrimenkul Değerleme ve Danışmanlık A.Ş. |
| Verifone Elektronik ve Danışmanlık Ltd. Şti. | Verifone Vplatform – Contracted Merchant Agreement – Payment Systems – Software Service |
| 32 Bit Bilgisayar Hizmetleri San. ve Tic. Limited | MQ Murex Deal Integrator Software Maintenance and Support Services Contract (Murex deals integration) |
| 32 Bit Bilgisayar Hizmetleri San. ve Tic. Limited | TCMB Crawler Software Maintenance and Support Services Contract [automatic FX flow] |
| 32 Bit Bilgisayar Hizmetleri San. ve Tic. Limited | BBPAPI Integrator Software Maintenance and Support Services Contract (BIST with OTASS connection) |
| Gold Teknoloji Marketleri San. ve Tic. A.Ş. | Services for customers applying for a retail loan from the Bank at the stores of the firm: customer identification via firm staff, delivery of the loan documents signed by the customer to the Bank, and delivery of the Bank card requested by the customer to the customer. |

| | |
|--|---|
| Artı Bilgisayar Satış Eğt. Hiz. A.Ş. -[Apple bayisi] | Services for customers applying for a retail loan from the Bank at the stores of the firm: customer identification via firm staff, delivery of the loan documents signed by the customer to the Bank, and delivery of the Bank card requested by the customer to the customer. |
| Pupa Bilişim Hizmetleri Ticaret A.Ş. -[Apple bayisi] | Services for customers applying for a retail loan from the Bank at the stores of the firm: customer identification via firm staff, delivery of the loan documents signed by the customer to the Bank, and delivery of the Bank card requested by the customer to the customer. [Apple dealer] |
| Vatan Bilgisayar A.Ş. | Services for customers applying for a retail loan from the Bank at the stores of the firm: customer identification via firm staff, delivery of the loan documents signed by the customer to the Bank, and delivery of the Bank card requested by the customer to the customer. |
| Liderler Pazarlama İtl. İhr. İmlt. Tic. San. Ltd. Şti. - [Modalife] | Services for customers applying for a retail loan from the Bank at the stores of the firm: customer identification via firm staff, delivery of the loan documents signed by the customer to the Bank, and delivery of the Bank card requested by the customer to the customer. |
| İstanbul Dağıtım Pazarlama ve Taş. Hiz. Ltd. Şti. | Having the retail loan documents signed, submitting the customer copy, delivering the signed document to the archive |
| Tepe Home Mobilya ve Dekorasyon Ürünleri San. Tic. A.Ş. | Services for customers applying for a retail loan from the Bank at the stores of the firm: customer identification via firm staff, delivery of the loan documents signed by the customer to the Bank, and delivery of the Bank card requested by the customer to the customer. |
| Collection Platform Yazılım ve Danışmanlık A.Ş. [CollectTurk] | Providing call services to direct the Bank receivables to collection |
| Global Bilgi Pazarlama Danışma ve Çağrı Servisi Hizmetleri A.Ş. -Turkcell Global | Phone call services that will be provided for collecting the receivables that have fallen into default |
| Target İletişim Hizmetleri ve Danışmanlık A.Ş. | Phone call, SMS, Outbound IVR call, SGK inquiry and warning letter delivery services that will be provided for collecting the receivables that that have; i) arisen from the business or transactions between the Bank and its current and/or potential customers, ii) not been paid, and iii) fallen into default. |
| Iron Mountain Arşivleme Hizmetleri A.Ş. [RM Arşiv Yönetim Hizmetleri A.Ş.] | Services determined for data input procedures |
| Asseco See Teknoloji A.Ş. | License and maintenance Contract of AML&KYC&RAS&EMBARGO&FATCA&Risk Inheritance MASAK ŞİB licenses, planned to be purchased from Asseco Firm, in order to organize the activities within the scope of Bank's compliance program in a consolidated manner. |

EXECUTIVE BOARD SUMMARY REPORT PRESENTED TO THE GENERAL ASSEMBLY

Welcome to our Bank's Ordinary General Assembly Meeting of 2015. We salute our partners, their representatives, and our guests who honor our meeting where the reports of the Board of directors and Auditors and the statements of profit/loss regarding the fiscal year 2015 will be submitted for your revision and consent.

Global economy has continued its transition amid high uncertainty throughout 2015. As China has been shifting its growth model, and the US has been trying to end its ultra-accommodative monetary policy gradually, the uncertainty over the course of this transition has been creating volatility in the financial markets. Although these transitions are needed for a sustainable global economy in the long-term, they are expected to generate adverse impacts on many economies across the globe through trade and financial channels in the short-term. Commodity exporters have been affected by the fall in commodity prices due to global slowdown and excess supply in the short term. Some emerging market economies, which are heavily dependent on external funding, have been suffering from the deterioration in capital inflows. Meanwhile geopolitical risks remain elevated, dragging the recovery throughout the global economy. While inflation prints in advanced economies are generally below central banks' targets mostly due to softer commodity prices, sharp depreciations in emerging market currencies worsened the inflation outlook for some emerging markets.

In the meantime, with policy interest rates close to the zero bound in many advanced economies, reducing risks surrounding economic activity due to low inflation and prolonged demand deficiency remains a priority for macroeconomic policy. Therefore, macro prudential policies are used actively to address financial stability risks and complementary fiscal policies in countries with sufficient fiscal buffers are crucial to support global rebalancing. Demand-supporting structural reforms are also necessary to improve productivity and stimulate investment. On the other hand, Fed commenced hiking rates at the 2015 year-end for the first time after a long while. The bank statement over the upcoming rate hikes that would be gradual eased the uncertainties in the financial markets somehow. However, there are lots of uncertainties regarding the rest of world economy excluding the US. Although some of the data from China signals a rebalancing at a lower growth rate, instable financial conditions have been raising the uncertainties. Meanwhile, decline in crude oil prices has been considerably deteriorating the risk premiums and financial positions of both the oil exporter countries and the energy companies.

Turkish economy had one of the highest growth rates among G20 countries thanks to strong its fiscal balance, well-capitalized banking sector and its shift to a more balanced growth composition in the last five years. That being said, risk aversion in emerging countries' as well as in Turkish financial markets has been elevated in 2015 due to increasing concerns over the geopolitical risks and global growth. Despite high volatility and weakening of Turkish Lira, the sustainable but moderate growth path Turkey has been striving to achieve is one of the most important criteria for investors in the long term. Considering the country's long-term macroeconomic fundamentals, Turkish financial assets have remained at undervalued levels in the last couple of years as a result of deterioration in investors' perception. In this respect, I believe that if the structural reforms implemented in a timely manner and coupled with an easing in global uncertainties, this negative divergence in investor's perception will be quickly reversed and be reflected to the value of Turkish financial assets through 2016 year-end.

Turkey's current account deficit, the soft spot of Turkish economy according to many, continued to decline towards sustainable levels thanks to the plunge in oil prices and underlying benign trend in current account balance. We expect the current account deficit to GDP ratio to stay almost constant at 4.5% in 2016. On the contrary, inflationary dynamics have not improved much due to the sharp depreciation in Turkish Lira in 2015. Minimum wage hikes at the beginning of 2016, tax adjustments and high food prices might be the upside risks on the inflation outlook. Moreover, we expect the exchange rate volatility to remain high due to the global uncertainties. Therefore, we anticipate limited improvement in the inflation and expect 8.5% annual inflation at the end of 2016. In the coming months, we expect moderate recovery in domestic demand thanks to improvement in purchasing power through decline in oil prices in tandem with an increase in foreign demand through revival in Turkey's main trade partners. Accordingly, we expect Turkish economy to grow c. 3.5% in the whole of 2016, strengthening to some extent compared to 2015. That being said, downside risks to our growth forecasts may increase if the slowdown in global economy lingers, tightening in financial conditions lasts longer than we expect and adverse domestic political and geopolitical developments take place.

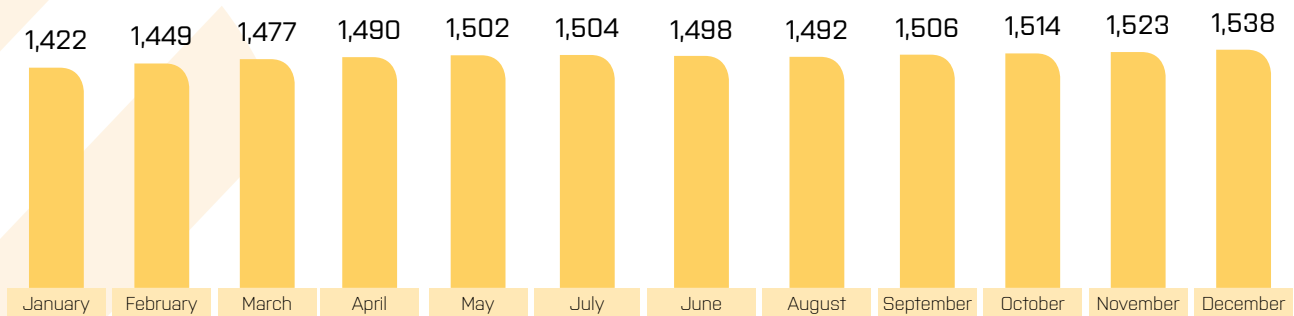
Banking sector proved resilient against the headwinds in 2015 due to heightened global and domestic risks. Loan and deposit interest rates increased markedly in 2015 as the risk premium of Turkey increased and the financial conditions tightened. In spite of sharp TL depreciation, Turkish banking sector's asset quality remains intact and deterioration in NPL ratios remains minimal. According to the BRSA's numbers, banking sector assets increased by 18.2% YoY to TL 2.4 trillion in 2015. Loan grew by 19.7% to TL 1.5 trillion, while total deposits rose by 18.3% to TL 1.2 trillion in the same period. Accordingly, loan-to-deposit ratio increased to 119.2% in 2015 from 117.9% in 2014. As the non-performing loans (NPL) surged by 30.5% to TL 48 billion, NPL over total loans rate rose from 2.85% to 3.10% in the same period. Tight financial conditions, fierce competition in the sector and the regulations have weighted on the profitability during 2015. Net profit increased just by 5.9% in 2015 compared to 2014, while return-on equity and return-on assets declined to 11.3% from 12.3% and 1.5% from 1.7% in the same period, respectively. Consequently, capital adequacy ratio declined to 15.6% from 16.3%.

We expect banking sector to perform better in 2016 thanks to both easing global and domestic risks and acceleration in the economic activity in the second half of the year. Meanwhile, tapering of the adverse impact of macro-prudential regulations will likely be a supporting factor for the sector. We forecast the banking sector loan growth rate to be around 16% in line with the macroeconomic conditions, and the deposit growth rate to remain 15% in 2016. Barring a scenario whereby economic activity slows considerably with and FX shock we expect NPL ratio to stay around 3.2% in 2016. We also estimate the net profit to increase by almost 17% as the contractionary effects of tight financial conditions and macro-prudential regulations fades in the second part of the year. Despite our benign profit growth forecast, we reiterate our cautious stance for 2016 as the heightened geopolitical risks, high loan-to-deposit ratio, global uncertainties and the expectations of further increase in funding cost will likely to be key challenges for the sector throughout the year. Moreover, the Basel III regulations, which will start to be implemented gradually in 2016, is expected to change the growth composition and capital adequacy ratio of the banking sector. That being said, we forecast the banking sector CAR to stay 15% at the end of the year thanks to the sector's efficient and proactive risk management skills.

HÜSEYİN ÖZKAYA**Odea Bank Anonim Şirketi General Manager**

HUMAN RESOURCES

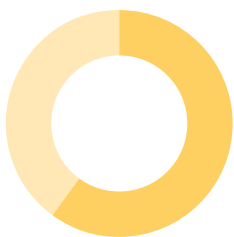
INCREASE IN NUMBER OF EMPLOYEES BY MONTH [2015]



Odeabank employed 1,538 personnel in total at year-end 2015, up 11% over the prior year. The Bank posted a 19% increase in the number of employments its headquarters units and branch locations.

Odeabank enriches its staff in every aspect and The Bank actively seeks to employ well educated, success oriented, innovative and unique individuals who make a difference, who have self-respect, who show respect to the customers they serve, and who have a high degree of social awareness.

BREAKDOWN BY LOCATION^(*)



60%
Branches

40%
Head Office

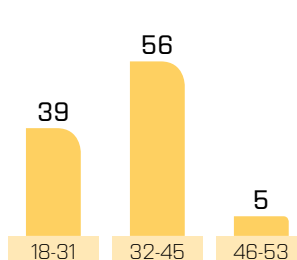
MALE-FEMALE BREAKDOWN



54%
Female

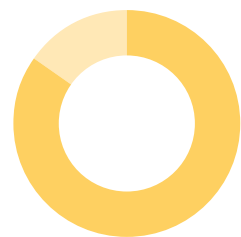
46%
Male

BREAKDOWN BY AGE [%]^(**)



The average employee age at the Bank is 33. 69% of the employees belong to Generation Y.

EDUCATION LEVEL^(***)



78%
Undergraduate degree

14%
Graduate degree

^(*) Excluding Direct Sales Representatives and Contact Center Customer Representatives, 60% of the personnel are employed at the branches and 40% at the Head Office.

^(**) Excluding drivers, cash collectors, receptionists, service personnel, direct sales representatives and contact center customer representatives

^(***) 92% of employees, who are involved in core banking activities, hold an undergraduate degree or higher.

ODEABANK EMPLOYED 1,538 PERSONNEL IN TOTAL AT YEAR-END 2015, UP 11% OVER THE PRIOR YEAR.

GEOGRAPHIC BREAKDOWN

Odeabank has a 55 strong branch network and employees in 15 different cities.

The Bank operates in Adana, Ankara, Antalya, Bursa, Denizli, Gaziantep, Istanbul, Izmir, İzmit, Kayseri, Konya, Muğla, Eskişehir, Mersin and Hatay.



HUMAN RESOURCES

RECRUITMENT PRACTICES

Throughout 2015, employments were majorly made through the branch network in parallel to the new branch openings. Employment processes continued for available positions, with success oriented candidates who are open to innovation and who have the most suitable education and experience.

EMPLOYEE RELATIONS AND INTERNAL COMMUNICATIONS

Odeabank shapes its human resources practices around the concept "our most valuable asset - our human resources." With this approach, the Bank supports strategic collaboration among business segments in line with the Bank's targets and policies.

The Department closely monitored the needs of business lines and provided guidance and counseling to employees to help them improve their performance, manage their careers effectively, and work more efficiently. In addition, the Department contributed to efforts to increase cooperation and create synergy between business units, and carried out internal communication activities to ensure effective implementation of the Bank's rules in accordance with the ethical principles of banking.

Odeabank makes investments to support the personal and professional development of its employees. The Bank provides personnel under its corporate organizational structure with a working environment where they experience the power of team work, communicate openly, and have the

advantage of working with a dynamic staff. Major successes are achieved by gathering employees from different cultures, enterprises and backgrounds under a single structure, and by bringing them to a common ground through team spirit.

PERFORMANCE MANAGEMENT

In line with the performance management system and strategic practices developed, the Bank focuses on individual performance in order to increase overall corporate performance.

Performance targets are set through an advanced technology and user friendly system by focusing on realistic, customer and profit oriented capabilities that measure real success. These targets help make up the road map to execute the Bank's core strategies.

With a focus on the importance of competencies in attaining targets, the Bank strives to retain and develop employees who can effectively manage their customers, tasks and change; are result-oriented; understand their colleagues well and have developed communication skills; and conduct themselves within the framework of leadership principles. Activities are carried out in the Bank to have a permanent system within.

Performance evaluation process was efficiently conducted within the timeframe; and 2014 yearend evaluation was completed without any problems while managers and employees were given support in 2015 target determining process.

COMPENSATION AND REWARD MANAGEMENT

The Bank's Human Resources Management Strategy and Practices – one of the most important factors behind Odeabank's success – sets up a fair reward system to enable all employees to work with pleasure and a high level of motivation, feeling they are valued.

The compensation plan for the year 2015 was developed by taking into consideration the average wages in the banking sector, workload across all positions, performance indicators, balances within the organization and annual budgets.

DEVELOPMENTS IN HR SYSTEMS

Odeabank implements its human resources practices through an advanced technology infrastructure, and makes a difference in the sector. At the Bank, human resources processes are integrated into developing technology, while fast, high quality, effective and systematic solutions are provided to best meet the needs of employees.

Within this scope, the bank continued to use human resources application, Leave Request and Approval System, Payroll Viewing Module, My HR Module, Performance Management System and "e-odea" human resources training platform and to provide quick and quality services to its employees.

Additionally, with the Temporary Assignment project launched in 2015, the Bank appointed employees through the system to the required job positions and branches for a temporary period, rendering the process of making staff movements due to various reasons more effective.

CAREER MANAGEMENT

Through Odeabank Career Management; the Bank offers rotation, vertical and horizontal movement opportunities for employees within the framework of the authorities and responsibilities they can assume based on their competency development; provides advice to employees in light of their competencies and areas of specialization; and offers opportunities for personal development and different career paths within the Bank.

The underlying principle in all processes is to reinforce corporate loyalty and motivation and to ensure the sustainability of the organization's success.

Odeabank formulated its promotion procedures as a foundation to creating a corporate culture where capabilities are developed internally. The Bank's promotion procedures include the rules to provide internal career opportunities for high performance personnel who can assume tasks at a higher title with their attitude, professional knowledge base and skills, education level and responsibility awareness. The promotion system is based on objectivity, equality and impartiality and is conducted with final decisions and approvals of the manager of the

employee to be promoted, Odeabank Human Resources, and all other relevant parties.

TRAINING & DEVELOPMENT

Seeing employee training and development as one of the most important factors in its success, Odeabank plans and conducts a comprehensive range of training activities in order to contribute to its staff's advancement and development.

Odeabank plans professional trainings to increase the technical knowhow needed by its workforce and to expand the knowledge base and skills personnel are expected to have in line with their job positions. The Bank ensures performance development by enriching these training sessions with on-the-job trainings and e-trainings. In addition, the Bank administers corporate trainings for employees in line with Odeabank's corporate culture, targets and strategies.

During 2015, the Bank organized general trainings, legal trainings, orientation programs, external trainings, meetings, congresses and conferences, all planned to improve the behavioral and technical skills of the staff, as well as training programs specially designed for the Bank:

- » One-on-one executive coaching program to support the leadership development the senior management team;
- » The "Inspiring Leadership Program" to boost the leadership potential and business efficiency of the Bank's directors, and to build the

infrastructure for a leadership culture that matches Odeabank's vision and values;

- » The "Let Your Strong Sides Shine" Development and Evaluation Program to support the development of Assistant Managers in their career path, and their individual strengths that have potential for development;
- » "Effective Sales Trainings" for Tellers/ Desk Clerks and Field Sales Teams.

Additionally, the Bank aims to support all employees' professional development with internal e-learning platforms that include: "e-Odea Human Resources Training Platform," "Skillport" and "Odeabank Exclusive."

2016 GOALS

In 2016, the HR Department plans to:

- » Recruit high-profile management trainees and start their training,
- » Continue the assessment and development process for management levels via coaching and leadership programs,
- » Doing needed research and process planning in the field of "Employer Brand",
- » Take the necessary steps toward establishing a more systematic succession planning,
- » Continue offering managers the opportunity to participate in national and international conferences and meetings that are related to their jobs and areas of expertise,
- » Continue to deliver training and development programs to help employees improve their managerial and technical skills,
- » Continue improving systems for effective management of internal processes.

EVALUATIONS OF THE AUDIT COMMITTEE ON THE OPERATION OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ASSESSMENT OF THEIR ACTIVITIES IN THE ACCOUNTING PERIOD

The Audit Committee is established within the frame of Banking Law No. 5411 and Regulation on Internal Systems of Banks. Internal Audit, Internal Control, Risk Management and Compliance Departments which are included in the internal systems, directly report to the Audit Committee. On behalf of the Board of Directors, the Audit Committee, has the authority and responsibility to supervise the efficiency and adequacy of the Bank's internal systems, the functioning of these systems and of the accounting and reporting systems in accordance with the Law and applicable regulations, and the integrity of the information that is generated, to carry out the necessary preliminary assessment for the selection of independent audit institutions and rating, valuation and support service institutions by the Board of Directors, to monitor regularly the activities of the institutions selected by the Board of Directors and with which contracts have been signed.

The Audit Committee convened six times in 2015 and following observations and the relevant examinations, concluded that the internal systems of the Bank were efficient, functioning as planned and the internal controls on financial reporting were effective.

A summary of the activities performed by the units reporting to the Audit Committee is provided below:

INTERNAL AUDIT

The Internal Audit Department fulfilled its responsibilities with ten personnel including the Head of Internal Audit, one Information Systems Auditor and seven Internal Auditors and one board of directors supporter personnel, and the Department reported its engagements to the Audit Committee within 2015. Staff members of the Unit have in total: two International Auditor Certificate [CIA]s; two Risk Management Assurance Certificate [CRMA]s; three Fraud Examiner Certificate [CFE]s; and one Information Systems Auditor Certificate [CISA].

The purpose of the Internal Audit is to provide assurance that the activities of the Bank are conducted in accordance with the Law and other applicable legislation and with the internal strategies, policies, principles and targets of the Bank and that the internal control and risk management systems are effective and adequate.

Department, process, information systems and branch audits are performed according to the annual audit plan within the scope of 2015 Internal Audit activities. Apart from the planned audit engagements, such activities as incident-based investigations, participation in various projects and carrying out consultancy services were also covered in the activities of 2015.

INTERNAL CONTROL AND OPERATIONAL RISK

The Internal Control fulfilled its responsibilities with 8 personnel as of December 31, 2015. ICU personnel acquire certificates as 1 Certified Internal Auditors [CIA], 1 Control Self-Assessment [CCSA], 2 Certified Risk Management Assurance [CRMA] and 1 Certified Fraud Examiners [CFE] and 1 Capital Market Activities Level 3 Graduate Certificate.

Internal Control is responsible for monitoring and independent evaluation of the financial, operational and other controls and timely and effectively reporting their results to senior management periodically in order to ensure that all banking activities are performed in accordance with current policies, methodologies, and related regulations.

The results achieved following the branch and headquarters controls executed by the Internal Control in 2015 were shared with the relevant units of the Bank. Design and operating effectiveness tests are performed and designated controls are assessed for each banking process within the scope of Management Declaration. In addition, Internal Audit worked according to "Regulation on Bank's Procurement of Support Services" and risk assessment report presented to the Executive Board. The agreements are also reviewed within the scope of the related regulation. Additionally reporting system and ISEDES activities were realized.

Within the scope of Operational Risk, the following tasks were carried out within the Bank in line with the Basel II and local regulations; monitoring, recording, reporting operational risk cases, updating Operational Risk policy and procedures, specifying the Bank's Operational Risk profile, taking and pursuing preventive and recuperative measures against risk and loss. Additionally; Activities were carried out within the scope of Support Services Risk Management Program, Risk Control Appraisal and the coordination of New Product Committee.

Within the scope of Business Continuity, the following tasks were carried out: coordination of the activities aimed to ensure that critical business processes and technical infrastructure are sufficient and ready so that operations will not be interrupted after a probable disaster; updating business continuity policy and procedures; carrying out and updating business impact and risk analysis tasks; preparing and updating business rescue plans and sharing them with the related departments; and making business continuity tests.

In the legal and regulatory arena, the Bank carried out efforts designed to: i) monitor legal and regulatory changes and make sure they are duly announced within the Bank; ii) ensure that a strong communications link is made between the Bank and relevant regulatory authorities; iii) respond to questions asked by Bank staff about legislative and regulatory issues; iv) provide guidance to staff members; v) perform controls on compliance with legal and regulatory requirements; and vi) raise awareness within the Bank about relevant legal and regulatory issues.

RISK MANAGEMENT

Credit Risk

Credit Risk is defined as the risks accrued or risks expected to accrue on the capital due to debtor(s) not complying with the terms of the agreement they signed with the Bank and capital. Credit risk management is considered as a cycle and is sited at every stage of the credit process from its origination. Each limit request is assessed by the credit allocation unit which is independent from profit centers. Moreover, Credit limits are determined based on product and total amount for each individual customer, corporate client and risk group. Credit Risk Management Department is responsible for developing necessary methods for defining, computing and measuring the credit risk. Within this scope, in accordance with the legislation, Credit Risk Management is responsible for specifying and monitoring the limits

on the risk strategy and risk appetite, besides reporting them to the Audit Committee. Credit Risk Management is also responsible for specifying the compliance with capital adequacy and the calculation of credit risk weighted assets.

Market Risk

Market risk management is actively involved in the management of market risk arising out of trading activities, structural interest rate risk arising out of maturity mismatch and liquidity risk. These risks are measured in compliance with local regulations and Odeabank/Banque Audi group risk policies, and are monitored, reported and managed within the framework of risk limits approved by the BoD.

Market risk of trading activities is measured by internationally recognized risk metrics, while volumes and p&l of treasury transactions are simultaneously monitored. In order to limit the exposure to risks, nominal volume limits, stop-loss limits are utilized along with sensitivity limits such as DVD1 and vega limits.

The counterparty credit risk measurement regarding derivative products is made again by means of internationally accepted risk metrics. Within this scope, a separate risk measurement and risk tracking is made for each derivative product customer.

EVALUATIONS OF THE AUDIT COMMITTEE ON THE OPERATION OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ASSESSMENT OF THEIR ACTIVITIES IN THE ACCOUNTING PERIOD

Structural Interest Rate Risk

To measure structural interest rate risk, interest rate reprising gap and duration analyses are performed and the economic value of equity (EVoE) is measured. Moreover, Interest Rate Risk Arising from Banking Calculations is calculated within the scope of statutory reporting. Structural interest rate risk hedging transactions are evaluated by the Asset and Liability Committee (ALCO).

Liquidity Risk

Within the scope of the "liquidity ratios and statutory Liquidity Coverage Ratio calculations" approved by the Board of Directors; Measurement of liquidity risk encompasses determination of liquidity shortages in various time buckets and monitoring early warning indicators specified in the Bank's liquidity policy. Liquidity risk hedging transactions are evaluated by ALCO.

INFORMATION AND CUSTOMER SECURITY

In 2015, within the Information and Customer Security Department, 17 staff members composed of one group manager, one manager and two assistant managers, five senior specialists, four specialists and four intern employees carried out their tasks. Under the Information and Customer Security Department, the Information Security Unit, Application Security Unit and Transaction Security Unit carry out their tasks.

Within the scope of Information Security the following tasks were carried out: management of - log monitoring products, monitoring of suspicious activities threatening Bank's information security; reporting these activities to related units & ensuring that measures were taken; reviewing all agreements through information security perspective and submitting comments, keeping track with laws and regulations related information security and ensuring the requirements are met; creating Information Security policy and procedures; executing Information Security Awareness process; coordinating attack and penetration tests, preparing the Security Plan; evaluating all access and authorization requests related infrastructure within Information Security; carrying out the key management tasks of credit and debit cards, carrying out data classification tasks; and assessment of all information systems and business operations within the framework of information security.

Within the scope of Application Security the following tasks were carried out: reviewing Personal Loan and Credit Card applications originating from all application channels; detection of fraud and forgery; and taking preventive measures against probable fraud and forgery; carrying out the correspondence between the bank and public authorities (Prosecutor, Police Dept., BKM), reviewing application fraud disputes and monitoring SABAS records. During the year, Odeabank completed Hunter Integration for Rota credit cards' fast application and branch channel application processes. The Bank also activated the Application Fraud Application in which the photos and videos of fraud perpetrators, to be uploaded by the Application Security unit, are viewable via Odeaport. The Bank prepared the 2015 Training Plan and gave newly hired Direct Sales staff Fake ID Detection Training. Moreover, the Bank monitored the USTA (National Cyber Threat Network) platform online, and took steps to ensure application security regarding the information shared on the platform.

Within the scope of Transaction Security, the following tasks were carried out: performance monitoring, managing and improving Inter Fraud application; managing scenarios including different actions according to the risk status of Internet Banking, our credit/bank cards and transactions of contracted merchants; analyzing transactions – within the framework of scenarios – that are monitored in order to prevent fraud and getting confirmation from the customers when necessary; replying information requests received from the public authorities; informing the related departments about the detected transactions that are fictitious, cash use, gambling/betting and that are made in bill payment centers; giving consent after performing necessary controls in the contracted merchants that are found risky in the "contracted merchant application process", investigating Visa/MasterCard/BKM/İFAS/other bank fraud reports and taking action when necessary; following security compliance of card corporations and ensuring compliance with the bank; reporting fraud events that take place or that are prevented; and preparation of the Transaction Security procedures.

COMPLIANCE

Odeabank A.Ş. carries out its activities, in compliance with the Banking Law, and "Anti-Money Laundering & Combating the Financing of Terrorism Law" and all other related regulations within the framework of its operational principle parallel to national and international legislation. In view of this principle;

Odeabank formulated its Policy on Prevention of Laundering Proceeds of Crime and Financing of Terrorism. The policy was developed with a risk management based approach and in line with the commitments the Bank has made with all its shareholders. In addition, the Bank's policy is in compliance with local legal and regulatory requirements, including those issued by the Financial Crimes Investigation Board (MASAK), as well as applicable standards, such as those of the Financial Action Task Force (FATF), Wolfsberg Principles, and BASEL Principles, that are issued by international institutions and entities. The Customer Acceptance Policy, in particular, and all other compliance policies established in compliance with this Policy, went into force upon the approval of the Bank's senior management.

Each year, Odeabank organizes meetings on this key topic, and all Bank employees attend the training programs – supported with up-to-date developments. The Bank's aim is to raise awareness on Prevention of Laundering Proceeds of Crime and Financing of Terrorism, Foreign Accounts Tax Legislation Compliance Act (FATCA), and to increase the effectiveness of Odeabank A.Ş.'s controls and practices.

Pursuing the changes as part of risk based approach and updates made in the legislations, it is ensured that new products, services and areas of activities and the Bank's internal policy and rules comply with legislations and that corrective actions were taken against the compliance risks detected.

Best Regards;



MARWAN GHANDOUR

Vice Chairman of the Board of Directors Audit, Corporate Management, Risk Committees Chairman



AYŞE KORKMAZ

**Board of Directors Member
Audit Committee Member**

INFORMATION ON BANK'S FINANCIAL STATUS, PROFITABILITY AND SOLVENCY

Amid the tough and challenging market conditions of 2015 both on the local as well as international scenes, Odeabank continued its spectacular growth and reached TL 32.1 Billion in total assets to rank at the 10th place among deposit banks in terms of asset size and 8th in terms of deposit.

This growth was mainly driven by loans to customers that reached to TL 21.8 Billion spanned from large corporates to commercial customers, SME's as well as Retail Customers.

On the funding side, customer deposits which represent the main funding source of the bank - 79% of total liabilities - increased by 21% to reach TL 25.3 Billion as of year-end 2015.

Diversifying its funding structure and create long term funds, Odeabank's banks borrowings topped TL 3.1 billion from various local and international banks and financial institutions, as of 31.12.2015

Odeabank bank also tapped the local bonds market and continued successfully issuing two consecutive bills TL 160 million that were sold to qualified investors in the domestic market.

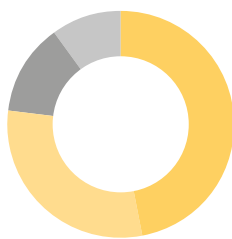
The branch network expanded by 7 new branches in 2015 and reached a total of 55, while the bank continued to develop its technological infrastructure to reach more customers through alternative delivery channels.

Liquidity is closely monitored and treated as an important balance sheet management component. Cash, Central Bank Balances, Bank Placements and reverse repo totaled TL 8,1 billion or 25% of the total balance sheet.

The Bank kept its loans to deposits ratio at 87%, significantly lower than the average ratio of the banking sector, in line with its self-imposed conservative liquidity policy.

Odeabank culminated its unique success story by posting positive net profits of TL 50,290 thousands as at 31/12/2015, which was TL 347 thousands as of year-end 2014, as per BRSA principles.

LOANS



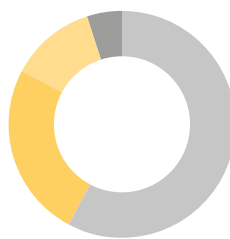
47%
Corporate

30%
Commercial

13%
SME

10%
Retail

DEPOSITS



58%
Retail

25%
Corporate

12%
Commercial

5%
SME

STATEMENT CONCERNING THE 2015 ANNUAL REPORT OF ODEA BANK A.Ş

The following annual report of Odea Bank A.Ş. has been prepared in accordance with the "Regulation on Principles and Standards for the Preparation and Publication of Annual Reports by Banks" published in the Official Journal numbered 26333, dated 1 November 2006.

**SAMİR HANNA**

Chairman of the
Board of Directors

**HÜSEYİN ÖZKAYA**

Member of Board of
Directors and General
Manager

**NAİM HAKİM**

Assistant General Manager
in charge of Finance

**HÜSEYİN ARITKAN**

Financial Reporting Director

**AYŞE KORKMAZ**

Member of Board of
Directors and Audit
Committee Member

**MARWAN GHANDOUR**

Member of Board of
Directors and Audit
Committee Member

INFORMATION AND CONTENT ON RATINGS PROVIDED BY RATING AGENCIES

Odea Bank has not yet been rated by the rating agencies that are set and regulated by BRSA with the communique on "Regulation and Principles on Rating Agencies".

ODEA BANK A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AT DECEMBER 31, 2015
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

[CONVENIENCE TRANSLATION OF UNCONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE]



Güney Bağımsız Denetim ve
SMMM AŞ
Eski Büyükdere Cad.
Orjin Maslak No:27
Maslak, Sarıyer 34398
İstanbul - Turkey

Tel : +90 212 315 30 00
Fax: +90 212 230 82 91
ey.com
Ticaret Sicil No: 479920-427502

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

Independent auditor report

To the Board of Directors of Odea Bank Anonim Şirketi:

Report on the Unconsolidated Financial Statements

We have audited the accompanying unconsolidated balance sheet of Odea Bank A.Ş. ("the Bank") as at December 31, 2015 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 year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Bank's Board of Directors for the financial statements

Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statement in accordance with "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA), circulars, interpretations published by BRSA and BRSA Accounting and Reporting Legislation which includes the provisions of Turkish Accounting Standards for the matters which are not regulated by these regulation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Independent Auditor's responsibility

Our responsibility is to express an opinion on the unconsolidated financial statements based on our audit. We conducted our audit in accordance with communiqué "Independent Audit of Banks" published by BRSA on the Official Gazette No.29314 dated April 2, 2015 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the unconsolidated financial statements. The procedures selected depend on the independent auditor's professional judgment, including the assessment of risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error. In making those risk assessments, the independent auditor considers the internal control relevant to bank's preparation and fair presentation of the unconsolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An independent audit also includes evaluating the appropriateness of accounting policies used by the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the unconsolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, except for the effect of the matter referred in the preceding paragraph on the unconsolidated financial statements, the accompanying unconsolidated financial statements the financial statement presents fairly, in all material respects, the financial position of Odea Bank A.Ş. as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as in accordance with BRSA Accounting and Reporting Legislation.

Reports on arising from other regulatory requirements

In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 – December 31, 2015 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.

In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Additional paragraph for convenience translation to English

As explained in detail in Note I.b. of Section Three, accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Fatma Ebru Yücel
Partner, SMMM

March 16, 2016
İstanbul, Turkey

Translated into English from the original Turkish report and financial statements

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

Address : Levent 199, Büyükdere Caddesi No:199 Kat : 33-39 Şişli/ İstanbul
Telephone : +90 [212] 304 84 44, +90 [212] 304 84 45
Web Site : <http://www.odeabank.com.tr>

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

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELEVANT PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND FOOTNOTES
- INDEPENDENT AUDITORS' REPORT

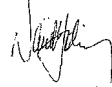
The accompanying unconsolidated financial statements for the year end and notes to these financial statements which are expressed, (unless otherwise stated) in thousands of Turkish Lira, have been presented based on the accounting books of the Bank prepared in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations of these, and have been independent audited.



Samir HANNA
Chairman of the Board
of Directors



Hüseyin ÖZKAYA
Member of Board of Directors
and General Manager



Naim HAKİM
Assistant General Manager
in charge of Finance



Hüseyin ARITKAN
Financial Reporting
Director



Ayşe KORKMAZ
Member of Board of Directors
and Audit Committee Member



Marwan GHANDOUR
Member of Board of Directors
and Audit Committee Member

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

Name-Surname / Title : Sadık Mağdenoğlu / Financial Reporting Manager
Telephone Number : +90 [212] 304 86 58
Fax Number : +90 [212] 304 84 45

INDEX

SECTION ONE

General Information

| | | |
|------|---|-----|
| I. | Bank's Incorporation Date, Beginning Statute, Changes in the Existing Statute | xxx |
| 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 | xxx |
| 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 | xxx |
| IV. | Information about the Persons and Institutions that have Qualified Shares | xxx |
| V. | Summary on the Bank's Functions and Areas of Activity | xxx |

SECTION TWO

Unconsolidated Financial Statements

| | | |
|------|--|-----|
| I. | Balance Sheet (Statement of Financial Position) | xxx |
| II. | Statement of Off Balance Sheet Contingencies and Commitments | xxx |
| III. | Statement of Income | xxx |
| IV. | Statement of Income and Expense Items Accounted Under Shareholders' Equity | xxx |
| V. | Statement of Changes in Shareholders' Equity | xxx |
| VI. | Statement of Cash Flow | xxx |
| VII. | Profit Distribution Table | xxx |

SECTION THREE

Accounting Principles

| | | |
|--------|--|-----|
| I. | Basis of Presentation | xxx |
| II. | Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions | xxx |
| III. | Explanations on Forward and Option Contracts and Derivative Instruments | xxx |
| IV. | Explanations on Interest Income and Expenses | xxx |
| V. | Explanations on Fees and Commission Income and Expenses | xxx |
| VI. | Explanations on Financial Assets | xxx |
| VII. | Explanations on Impairment of Financial Assets | xxx |
| VIII. | Explanations on Offsetting of Financial Assets and Liabilities | xxx |
| IX. | Explanations on Sales and Repurchase Agreements and Lending of Securities | xxx |
| X. | Explanations on Assets Held For Sale and Discontinued Operations | xxx |
| XI. | Explanations on Goodwill and Other Intangible Assets | xxx |
| XII. | Explanations on Tangible Fixed Assets | xxx |
| XIII. | Explanations on Leasing Transactions | xxx |
| XIV. | Explanations on Provisions and Contingent Liabilities | xxx |
| XV. | Explanations on Liabilities Regarding Employee Benefits | xxx |
| XVI. | Explanations on Taxation | xxx |
| XVII. | Additional Explanations on Borrowings | xxx |
| XVIII. | Explanations on Issued Share Certificates | xxx |
| XIX. | Explanations on Avalized Drafts and Acceptances | xxx |
| XX. | Explanations on Government Grants | xxx |
| XXI. | Explanations on Segment Reporting | xxx |
| XXII. | Explanations on Other Matters | xxx |

SECTION FOUR

Information on Financial Structure

| | | |
|-------|--|-----|
| I. | Explanations Related to the Capital Adequacy Standard Ratio | xxx |
| II. | Explanations Related to Credit Risk | xxx |
| III. | Explanations Related to Market Risk | xxx |
| IV. | Explanations Related to Operational Risk | xxx |
| V. | Explanations Related to Currency Risk | xxx |
| VI. | Explanations Related to Interest Rate Risk | xxx |
| VII. | Explanations Related to Share Certificates Position Risk | xxx |
| VIII. | Explanations Related to Liquidity Risk | xxx |
| IX. | Explanations Related to Securitization Positions | xxx |
| X. | Explanations Related to Credit Risk Mitigation Techniques | xxx |
| XI. | Explanations Related to Leverage Ratio | xxx |
| XII. | Explanations Related to Risk Management Objectives and Policies | xxx |
| XIII. | Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value | xxx |
| XIV. | Explanations Related to Transactions Made on Behalf of Others and Fiduciary Transactions | xxx |
| XV. | Explanations Related to Hedge Accounting | xxx |

SECTION FIVE

Explanations and Disclosures on Unconsolidated Financial Statements

| | | |
|-------|---|-----|
| I. | Explanations and Disclosures Related to the Assets | xxx |
| II. | Explanations and Disclosures Related to the Liabilities | xxx |
| III. | Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments | xxx |
| IV. | Explanations and Disclosures Related to the Statement of Income | xxx |
| V. | Explanations and Disclosures Related to the Statement of Changes in Shareholders' Equity | xxx |
| VI. | Explanations and Disclosures Related to the Statement of Cash Flows | xxx |
| VII. | Explanations on the Risk Group of the Bank | xxx |
| VIII. | Explanations on the Bank's Domestic Branches, Agencies and Branches Abroad and Off-shore Branches | xxx |
| IX. | Explanations and Disclosures Related to Subsequent Events | xxx |

SECTION SIX

Other Explanations

| | | |
|----|--|-----|
| I. | Other Explanations on the Operations of the Bank | xxx |
|----|--|-----|

SECTION SEVEN

Independent Auditor's Report

| | | |
|-----|--|-----|
| I. | Explanations on the Independent Auditor's Report | xxx |
| II. | Explanations and notes prepared by independent auditor | xxx |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

SECTION ONE**GENERAL INFORMATION****I. Bank's Incorporation Date, Beginning Statue, Changes in the Existing Statue**

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

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

As of December 31, 2015 and December 31, 2014, the shareholders' structure and their ownerships are summarized as follows:

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

Information about the persons and institutions that have qualified shares as of December 31, 2015:

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

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

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

The headquarter of the Bank is located in Istanbul and as of December 31, 2015, there are 55 domestic branches with 1.538 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

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off Balance Sheet Contingencies and Commitments
- III. Statement of Income
- IV. Statement of Income and Expense Items Accounted Under Shareholders' Equity
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flow
- VII. Profit Distribution Table

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

[STATEMENT OF FINANCIAL POSITION]

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

| | Note Ref (Section Five) | Audited Current Period 31.12.2015 | | | Audited Prior Period 31.12.2014 | | |
|--|-------------------------------|--------------------------------------|-------------------|-------------------|------------------------------------|-------------------|-------------------|
| | | TL | FC | FC | TL | FC | FC |
| I. CASH AND BALANCES WITH THE CENTRAL BANK | I-1 | 529.585 | 3.544.999 | 4.074.584 | 358.908 | 2.471.754 | 2.830.662 |
| II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net) | I-2 | 101.001 | 24.724 | 125.725 | 10.007 | 37.107 | 47.114 |
| 2.1 Financial assets held for trading | | 101.001 | 24.724 | 125.725 | 10.007 | 37.107 | 47.114 |
| 2.1.1 Public sector debt securities | | 24.812 | - | 24.812 | 1.778 | 1.379 | 3.157 |
| 2.1.2 Share certificates | | - | - | - | - | - | - |
| 2.1.3 Derivative financial assets held for trading | | 76.189 | 24.724 | 100.913 | 8.229 | 35.728 | 43.957 |
| 2.1.4 Other marketable securities | | - | - | - | - | - | - |
| 2.2 Financial assets at fair value through profit and loss | | - | - | - | - | - | - |
| 2.2.1 Public sector debt securities | | - | - | - | - | - | - |
| 2.2.2 Share certificates | | - | - | - | - | - | - |
| 2.2.3 Loans | | - | - | - | - | - | - |
| 2.2.4 Other marketable securities | | - | - | - | - | - | - |
| III. BANKS | I-3 | 114 | 35.872 | 35.986 | 866.973 | 145.590 | 1.012.563 |
| IV. MONEY MARKET PLACEMENTS | | 4.061.196 | - | 4.061.196 | 2.235.688 | - | 2.235.688 |
| 4.1 Interbank money market placements | | - | - | - | - | - | - |
| 4.2 Istanbul Stock Exchange money market placements | | - | - | - | - | - | - |
| 4.3 Receivables from reverse repurchase agreements | | 4.061.196 | - | 4.061.196 | 2.235.688 | - | 2.235.688 |
| V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net) | I-4 | 471.861 | 625.317 | 1.097.178 | 485.884 | 377.170 | 863.054 |
| 5.1 Share certificates | | - | - | - | - | - | - |
| 5.2 Public sector debt securities | | 471.861 | 625.317 | 1.097.178 | 485.884 | 377.170 | 863.054 |
| 5.3 Other marketable securities | | - | - | - | - | - | - |
| VI. LOANS AND RECEIVABLES | I-5 | 10.726.013 | 11.080.858 | 21.806.871 | 9.991.194 | 8.020.266 | 18.011.460 |
| 6.1 Loans and receivables | | 10.426.520 | 11.080.858 | 21.507.378 | 9.834.606 | 8.020.266 | 17.854.872 |
| 6.1.1 Loans to risk group of the Bank | | 64 | - | 64 | 53 | - | 53 |
| 6.1.2 Public sector debt securities | | - | - | - | - | - | - |
| 6.1.3 Other | | 10.426.456 | 11.080.858 | 21.507.314 | 9.834.553 | 8.020.266 | 17.854.819 |
| 6.2 Non-performing loans | | 487.927 | - | 487.927 | 264.175 | - | 264.175 |
| 6.3 Specific provisions (-) | | 188.434 | - | 188.434 | 107.587 | - | 107.587 |
| VII. FACTORING RECEIVABLES | | - | - | - | - | - | - |
| VIII. HELD TO MATURITY INVESTMENTS (Net) | I-6 | - | 364.449 | 364.449 | - | 300.091 | 300.091 |
| 8.1 Public sector debt securities | | - | 364.449 | 364.449 | - | 300.091 | 300.091 |
| 8.2 Other marketable securities | | - | - | - | - | - | - |
| IX. INVESTMENTS IN ASSOCIATES (Net) | I-7 | - | - | - | - | - | - |
| 9.1 Accounted for under equity method | | - | - | - | - | - | - |
| 9.2 Unconsolidated associates | | - | - | - | - | - | - |
| 9.2.1 Financial investments | | - | - | - | - | - | - |
| 9.2.2 Non-financial investments | | - | - | - | - | - | - |
| X. INVESTMENTS IN SUBSIDIARIES (Net) | I-8 | - | - | - | - | - | - |
| 10.1 Unconsolidated financial subsidiaries | | - | - | - | - | - | - |
| 10.2 Unconsolidated non-financial subsidiaries | | - | - | - | - | - | - |
| XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net) | I-9 | - | - | - | - | - | - |
| 11.1 Accounted for under equity method | | - | - | - | - | - | - |
| 11.2 Unconsolidated | | - | - | - | - | - | - |
| 11.2.1 Financial subsidiaries | | - | - | - | - | - | - |
| 11.2.2 Non-financial subsidiaries | | - | - | - | - | - | - |
| XII. LEASE RECEIVABLES (Net) | I-10 | - | - | - | - | - | - |
| 12.1 Finance lease receivables | | - | - | - | - | - | - |
| 12.2 Operating lease receivables | | - | - | - | - | - | - |
| 12.3 Other | | - | - | - | - | - | - |
| 12.4 Unearned income (-) | | - | - | - | - | - | - |
| XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES | I-11 | - | - | - | - | - | - |
| 13.1 Fair value hedge | | - | - | - | - | - | - |
| 13.2 Cash flow hedge | | - | - | - | - | - | - |
| 13.3 Hedge of net investment in foreign operations | | - | - | - | - | - | - |
| XIV. TANGIBLE ASSETS (Net) | I-12 | 142.902 | - | 142.902 | 116.962 | - | 116.962 |
| XV. INTANGIBLE ASSETS (Net) | I-13 | 99.028 | - | 99.028 | 57.442 | - | 57.442 |
| 15.1 Goodwill | | - | - | - | - | - | - |
| 15.2 Other | | 99.028 | - | 99.028 | 57.442 | - | 57.442 |
| XVI. INVESTMENT PROPERTY (Net) | I-14 | - | - | - | - | - | - |
| XVII. TAX ASSET | I-15 | 40.881 | - | 40.881 | 18.398 | - | 18.398 |
| 17.1 Current tax asset | | 15 | - | 15 | - | - | - |
| 17.2 Deferred tax asset | | 40.866 | - | 40.866 | 18.398 | - | 18.398 |
| XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net) | I-16 | 29.879 | - | 29.879 | 6.132 | - | 6.132 |
| 18.1 Held for sale | | 29.879 | - | 29.879 | 6.132 | - | 6.132 |
| 18.2 Discontinued operations | | - | - | - | - | - | - |
| XIX. OTHER ASSETS | I-17 | 137.978 | 66.051 | 204.029 | 85.440 | 37.131 | 122.571 |
| TOTAL ASSETS | | 16.340.438 | 15.742.270 | 32.082.708 | 14.233.028 | 11.389.109 | 25.622.137 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

[STATEMENT OF FINANCIAL POSITION]

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

| | Note Ref (Section Five) | Audited Current Period 31.12.2015 | | | Audited Prior Period 31.12.2014 | | |
|--|-------------------------------|--------------------------------------|-------------------|-------------------|------------------------------------|-------------------|-------------------|
| | | TL | FC | FC | TL | FC | FC |
| I. DEPOSITS | II-1 | 9,568,571 | 15,764,925 | 25,333,496 | 9,605,029 | 11,456,011 | 21,061,040 |
| 1.1 Deposits from risk group of the Bank | | 24,695 | 1,023,367 | 1,048,062 | 17,137 | 566,336 | 583,473 |
| 1.2 Other | | 9,543,876 | 14,741,558 | 24,285,434 | 9,587,892 | 10,889,675 | 20,477,567 |
| II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING | II-2 | 124,230 | 18,489 | 142,719 | 19,841 | 30,822 | 50,663 |
| III. FUNDS BORROWED | II-3 | 5,130 | 3,128,339 | 3,133,469 | 8,760 | 1,402,363 | 1,411,123 |
| IV. MONEY MARKET BALANCES | | 156,858 | - | 156,858 | 138,889 | - | 138,889 |
| 4.1 Interbank money market takings | | - | - | - | - | - | - |
| 4.2 Istanbul Stock Exchange money market takings | | - | - | - | - | - | - |
| 4.3 Funds provided under repurchase agreements | II-4 | 156,858 | - | 156,858 | 138,889 | - | 138,889 |
| V. MARKETABLE SECURITIES ISSUED (Net) | II-5 | 154,995 | - | 154,995 | 137,483 | - | 137,483 |
| 5.1 Bills | | 154,995 | - | 154,995 | 137,483 | - | 137,483 |
| 5.2 Asset backed securities | | - | - | - | - | - | - |
| 5.3 Bonds | | - | - | - | - | - | - |
| VI. FUNDS | | - | - | - | - | - | - |
| 6.1 Borrower funds | | - | - | - | - | - | - |
| 6.2 Other | | - | - | - | - | - | - |
| VII. MISCELLANEOUS PAYABLES | | 4,579 | 191 | 4,770 | 3,663 | - | 3,663 |
| VIII. OTHER LIABILITIES | II-6 | 180,985 | 15,037 | 196,022 | 155,849 | 33,860 | 189,709 |
| 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 | 159,030 | 96,025 | 255,055 | 127,957 | 69,839 | 197,796 |
| 12.1 General loan loss provisions | | 100,199 | 96,025 | 196,224 | 84,706 | 69,839 | 154,545 |
| 12.2 Restructuring reserves | | - | - | - | - | - | - |
| 12.3 Reserve for employee benefits | | 10,146 | - | 10,146 | 6,303 | - | 6,303 |
| 12.4 Insurance technical reserves (Net) | | - | - | - | - | - | - |
| 12.5 Other provisions | | 48,685 | - | 48,685 | 36,948 | - | 36,948 |
| XIII. TAX LIABILITY | II-10 | 47,976 | - | 47,976 | 41,385 | - | 41,385 |
| 13.1 Current tax liability | | 47,976 | - | 47,976 | 41,385 | - | 41,385 |
| 13.2 Deferred tax liability | | - | - | - | - | - | - |
| XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS | I-11 | - | - | - | - | - | - |
| 14.1 Held for sale | | - | - | - | - | - | - |
| 14.2 Discontinued operations | | - | - | - | - | - | - |
| XV. SUBORDINATED LOANS | II-12 | - | 1,310,209 | 1,310,209 | - | 1,053,135 | 1,053,135 |
| XVI. SHAREHOLDERS' EQUITY | II-13 | 1,375,266 | (28,127) | 1,347,139 | 1,340,796 | (3,545) | 1,337,251 |
| 16.1 Paid-in capital | | 1,496,150 | - | 1,496,150 | 1,496,150 | - | 1,496,150 |
| 16.2 Supplementary capital | | (14,944) | (28,127) | (43,071) | 876 | (3,545) | (2,669) |
| 16.2.1 Share premium | | - | - | - | - | - | - |
| 16.2.2 Share cancellation profits | | - | - | - | - | - | - |
| 16.2.3 Marketable securities value increase fund | | (14,944) | (28,127) | (43,071) | 876 | (3,545) | (2,669) |
| 16.2.4 Tangible assets revaluation differences | | - | - | - | - | - | - |
| 16.2.5 Intangible assets revaluation differences | | - | - | - | - | - | - |
| 16.2.6 Investment property revaluation differences | | - | - | - | - | - | - |
| 16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.) | | - | - | - | - | - | - |
| 16.2.8 Hedging funds (Effective portion) | | - | - | - | - | - | - |
| 16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations | | - | - | - | - | - | - |
| 16.2.10 Other capital reserves | | - | - | - | - | - | - |
| 16.3 Profit reserves | | - | - | - | - | - | - |
| 16.3.1 Legal reserves | | - | - | - | - | - | - |
| 16.3.2 Statutory reserves | | - | - | - | - | - | - |
| 16.3.3 Extraordinary reserves | | - | - | - | - | - | - |
| 16.3.4 Other profit reserves | | - | - | - | - | - | - |
| 16.4 Profit or loss | | (105,940) | - | (105,940) | (156,230) | - | (156,230) |
| 16.4.1 Prior years' income/ (losses) | | (156,230) | - | (156,230) | (156,577) | - | (156,577) |
| 16.4.2 Current year income/ (losses) | | 50,290 | - | 50,290 | 347 | - | 347 |
| 16.5 Minority shares | II-14 | - | - | - | - | - | - |
| TOTAL LIABILITIES AND EQUITY | | 11,777,620 | 20,305,088 | 32,082,708 | 11,579,652 | 14,042,485 | 25,622,137 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET

CONTINGENCIES AND COMMITMENTS AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

| | Note Ref (Section Five) | Audited Current Period 31.12.2015 | | | Audited Prior Period 31.12.2014 | | |
|---|----------------------------|--------------------------------------|-------------------|-------------------|------------------------------------|-------------------|-------------------|
| | | TL | FC | Total | TL | FC | Total |
| A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III) | | 13,418,057 | 20,464,345 | 33,882,402 | 7,401,890 | 14,055,246 | 21,457,136 |
| I. GUARANTEES | III-1 | 1,073,154 | 1,223,624 | 2,296,778 | 810,498 | 681,787 | 1,492,285 |
| 11 Letters of guarantee | | 1,065,579 | 693,151 | 1,748,730 | 804,578 | 201,336 | 1,005,914 |
| 11.1 Guarantees subject to State Tender Law | | - | - | - | - | - | - |
| 11.2 Guarantees given for foreign trade operations | | - | - | - | - | - | - |
| 11.3 Other letters of guarantee | | 1,065,579 | 693,151 | 1,748,730 | 804,578 | 201,336 | 1,005,914 |
| 12 Bank loans | | 7575 | 80,462 | 88,037 | 5,920 | 48,766 | 54,686 |
| 12.1 Import letter of acceptance | | 7575 | 80,462 | 88,037 | 5,920 | 48,766 | 54,686 |
| 12.2 Other bank acceptances | | - | - | - | - | - | - |
| 13 Letters of credit | | - | 480,011 | 480,011 | - | 431,695 | 431,695 |
| 13.1 Documentary letters of credit | | - | 480,011 | 480,011 | - | 431,695 | 431,695 |
| 13.2 Other letters of credit | | - | - | - | - | - | - |
| 14 Prefinancing given as guarantee | | - | - | - | - | - | - |
| 15 Endorsements | | - | - | - | - | - | - |
| 15.1 Endorsements to the Central Bank of Turkey | | - | - | - | - | - | - |
| 15.2 Other endorsements | | - | - | - | - | - | - |
| 16 Securities issue purchase guarantees | | - | - | - | - | - | - |
| 17 Factoring guarantees | | - | - | - | - | - | - |
| 18 Other guarantees | | - | - | - | - | - | - |
| 19 Other collaterals | | - | - | - | - | - | - |
| II. COMMITMENTS | III-1 | 656,703 | 244,747 | 901,450 | 685,649 | 457,452 | 1,143,101 |
| 21 Irrevocable commitments | | 656,703 | 244,747 | 901,450 | 685,649 | 457,452 | 1,143,101 |
| 21.1 Forward asset purchase and sales commitments | | 70,769 | 146,901 | 217,670 | 207,616 | 377,848 | 585,464 |
| 21.2 Forward deposit purchase and sales commitments | | - | - | - | - | - | - |
| 21.3 Share capital commitment to associates and subsidiaries | | - | - | - | - | - | - |
| 21.4 Loan granting commitments | | 176,464 | 92,604 | 269,068 | 179,303 | 71,642 | 250,945 |
| 21.5 Securities underwriting commitments | | - | - | - | - | - | - |
| 21.6 Commitments for reserve deposit requirements | | - | - | - | - | - | - |
| 21.7 Payment commitment for checks | | 95,023 | - | 95,023 | 81,805 | - | 81,805 |
| 21.8 Tax and fund liabilities from export commitments | | - | - | - | - | - | - |
| 21.9 Commitments for credit card expenditure limits | | 314,447 | - | 314,447 | 216,925 | - | 216,925 |
| 21.10 Commitments for promotions related with credit cards and banking activities | | - | - | - | - | - | - |
| 21.11 Receivables from short sale commitments | | - | - | - | - | - | - |
| 21.12 Payables for short sale commitments | | - | - | - | - | - | - |
| 21.13 Other irrevocable commitments | | - | 5,242 | 5,242 | - | 7,962 | 7,962 |
| 2.2 Revocable commitments | | - | - | - | - | - | - |
| 2.2.1 Revocable loan granting commitments | | - | - | - | - | - | - |
| 2.2.2 Other revocable commitments | | - | - | - | - | - | - |
| III. DERIVATIVE FINANCIAL INSTRUMENTS | III-2 | 11,688,200 | 18,995,974 | 30,684,174 | 5,905,743 | 12,916,007 | 18,821,750 |
| 31 Derivative financial instruments for hedging purposes | | - | - | - | - | - | - |
| 31.1 Fair value hedge | | - | - | - | - | - | - |
| 31.2 Cash flow hedge | | - | - | - | - | - | - |
| 31.3 Hedge of net investment in foreign operations | | - | - | - | - | - | - |
| 3.2 Held for trading transactions | | 11,688,200 | 18,995,974 | 30,684,174 | 5,905,743 | 12,916,007 | 18,821,750 |
| 3.2.1 Forward foreign currency buy/sell transactions | | 1,372,690 | 2,266,872 | 3,639,562 | 541,081 | 799,181 | 1,340,262 |
| 3.2.1.1 Forward foreign currency transactions buy | | 796,564 | 1,032,074 | 1,828,638 | 290,067 | 379,279 | 669,346 |
| 3.2.1.2 Forward foreign currency transactions sell | | 576,126 | 1,234,898 | 1,811,024 | 251,014 | 419,902 | 670,916 |
| 3.2.2 Swap transactions related to foreign currency and interest rates | | 6,957,958 | 11,412,454 | 18,370,412 | 2,695,790 | 6,042,615 | 8,738,405 |
| 3.2.2.1 Foreign currency swaps buy | | 1,138,845 | 5,235,891 | 6,424,476 | 440,221 | 2,824,383 | 3,064,584 |
| 3.2.2.2 Foreign currency swaps sell | | 4,570,705 | 1,968,973 | 6,537,878 | 1,984,221 | 1,119,706 | 3,075,927 |
| 3.2.2.3 Interest rate swaps buy | | 625,209 | 2,074,925 | 2,700,134 | 145,674 | 1,153,273 | 1,298,947 |
| 3.2.2.4 Interest rate swaps sell | | 625,209 | 2,074,925 | 2,700,134 | 145,674 | 1,153,273 | 1,298,947 |
| 3.2.3 Foreign currency, interest rate and securities options | | 3,357,542 | 5,316,548 | 8,674,090 | 2,668,872 | 6,074,211 | 8,743,083 |
| 3.2.3.1 Foreign currency options buy | | 1,604,114 | 2,487,852 | 4,091,966 | 1,447,649 | 1,882,838 | 3,330,487 |
| 3.2.3.2 Foreign currency options sell | | 1,753,428 | 2,372,188 | 4,125,616 | 1,221,223 | 2,141,897 | 3,363,120 |
| 3.2.3.3 Interest rate options buy | | - | 228,254 | 228,254 | - | 1,024,738 | 1,024,738 |
| 3.2.3.4 Interest rate options sell | | - | 228,254 | 228,254 | - | 1,024,738 | 1,024,738 |
| 3.2.3.5 Securities options buy | | - | - | - | - | - | - |
| 3.2.3.6 Securities options sell | | - | - | - | - | - | - |
| 3.2.4 Foreign currency futures | | - | - | - | - | - | - |
| 3.2.4.1 Foreign currency futures buy | | - | - | - | - | - | - |
| 3.2.4.2 Foreign currency futures sell | | - | - | - | - | - | - |
| 3.2.5 Interest rate futures | | - | - | - | - | - | - |
| 3.2.5.1 Interest rate futures buy | | - | - | - | - | - | - |
| 3.2.5.2 Interest rate futures sell | | - | - | - | - | - | - |
| 3.2.6 Other | | - | - | - | - | - | - |
| B. CUSTODY AND PLEDGED ITEMS (IV+V+VI) | | 41,270,364 | 20,339,860 | 61,610,224 | 19,463,122 | 10,996,416 | 30,459,538 |
| IV. ITEMS HELD IN CUSTODY | | 687,373 | 658,554 | 1,345,927 | 578,957 | 314,104 | 893,061 |
| 4.1 Assets under management | | 184,697 | - | 184,697 | 236,022 | - | 236,022 |
| 4.2 Investment securities held in custody | | 10,722 | 19,233 | 29,955 | 46,429 | 12,952 | 59,381 |
| 4.3 Checks received for collection | | 7954 | 264,894 | 272,848 | 10,640 | 215,532 | 226,172 |
| 4.4 Commercial notes received for collection | | 484,000 | 374,427 | 858,427 | 285,866 | 85,620 | 371,486 |
| 4.5 Other assets received for collection | | - | - | - | - | - | - |
| 4.6 Assets received for public offering | | - | - | - | - | - | - |
| 4.7 Other items under custody | | - | - | - | - | - | - |
| 4.8 Custodians | | - | - | - | - | - | - |
| V. PLEDGED ITEMS | | 40,582,991 | 19,681,306 | 60,264,297 | 18,884,165 | 10,682,312 | 29,566,477 |
| 5.1 Marketable securities | | - | - | - | - | - | - |
| 5.2 Guarantee notes | | 14,022,866 | 2,047,436 | 16,070,302 | 1,910,336 | 158,469 | 2,068,805 |
| 5.3 Commodities | | 2,314,283 | - | 2,314,283 | 2,105,178 | - | 2,105,178 |
| 5.4 Warrants | | - | - | - | - | - | - |
| 5.5 Properties | | 17,233,229 | 8,954,727 | 27,197,956 | 12,686,224 | 7,080,922 | 19,767,146 |
| 5.6 Other pledged items | | 7,012,613 | 7,669,143 | 14,681,756 | 2,182,427 | 3,442,921 | 5,625,348 |
| 5.7 Pledged items depository | | - | - | - | - | - | - |
| VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES | | - | - | - | - | - | - |
| TOTAL OFF BALANCE SHEET ACCOUNTS (A+B) | | 54,688,421 | 40,804,205 | 95,492,626 | 26,865,012 | 25,051,662 | 51,916,674 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED STATEMENTS OF INCOME****FOR THE PERIOD ENDED DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

III. STATEMENT OF INCOME

| | Note (Section Five) | Audited Current Period 01.01-31.12.2015 | Audited Prior Period 01.01-31.12.2014 |
|--|------------------------|---|---|
| I. INTEREST INCOME | IV-1 | 2.352.473 | 1.637.812 |
| 1.1 Interest on loans | | 1.948.124 | 1.409.240 |
| 1.2 Interest received from reserve deposits | | 15.173 | 881 |
| 1.3 Interest received from banks | | 93.076 | 44.432 |
| 1.4 Interest received from money market placements | | 191.093 | 96.648 |
| 1.5 Interest received from marketable securities portfolio | | 92.850 | 82.752 |
| 1.5.1 Held-for-trading financial assets | | 2.043 | 278 |
| 1.5.2 Financial assets at fair value through profit and loss | | - | - |
| 1.5.3 Available-for-sale financial assets | | 77.737 | 76.125 |
| 1.5.4 Investments held-to-maturity | | 13.070 | 6.349 |
| 1.6 Finance lease income | | - | - |
| 1.7 Other interest income | | 12.157 | 3.859 |
| II. INTEREST EXPENSE | IV-2 | 1.376.088 | 1.057.937 |
| 2.1 Interest on deposits | | 1.269.788 | 994.688 |
| 2.2 Interest on funds borrowed | | 72.562 | 34.831 |
| 2.3 Interest on money market borrowings | | 12.056 | 16.334 |
| 2.4 Interest on securities issued | | 18.685 | 11.697 |
| 2.5 Other interest expense | | 2.997 | 387 |
| III. NET INTEREST INCOME (I - II) | | 976.385 | 579.875 |
| IV. NET FEES AND COMMISSIONS INCOME | | 98.608 | 42.327 |
| 4.1 Fees and commissions received | | 126.126 | 56.915 |
| 4.1.1 Non-cash loans | | 24.295 | 15.216 |
| 4.1.2 Other | IV-12 | 101.831 | 41.699 |
| 4.2 Fees and commissions paid | | 27.518 | 14.588 |
| 4.2.1 Non-cash loans | | - | - |
| 4.2.2 Other | IV-12 | 27.518 | 14.588 |
| V. DIVIDEND INCOME | IV-3 | - | - |
| VI. NET TRADING INCOME | IV-4 | [215.908] | [36.069] |
| 6.1 Securities trading gains/ (losses) | | [1.910] | 19.762 |
| 6.2 Gain/(losses) from derivative financial instruments | | 269.281 | [64.404] |
| 6.3 Foreign exchange gains/ (losses) | | [483.279] | 8.573 |
| VII. OTHER OPERATING INCOME | IV-5 | 6.141 | 3.636 |
| VIII. NET OPERATING INCOME (III+IV+V+VI+VII) | | 865.226 | 589.769 |
| IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-) | IV-6 | 258.640 | 167.823 |
| X. OTHER OPERATING EXPENSES (-) | IV-7 | 532.650 | 404.646 |
| XI. NET OPERATING INCOME/(LOSS) (VIII-X-X) | | 73.936 | 17.300 |
| 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 | 73.936 | 17.300 |
| XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±) | IV-9 | [23.646] | [16.953] |
| 16.1 Provision for current income taxes | | [36.013] | [18.501] |
| 16.2 Provision for deferred taxes | | 12.367 | 1.548 |
| XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI) | IV-10 | 50.290 | 347 |
| 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 | 50.290 | 347 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED****UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

| | Audited Current Period 01.01- 31.12.2015 | Audited Prior Period 01.01- 31.12.2014 |
|---|---|---|
| I. Additions to marketable securities revaluation differences for available for sale financial assets | (50.503) | 7.347 |
| II. Tangible assets revaluation differences | - | - |
| III. Intangible assets revaluation differences | - | - |
| IV. Foreign currency translation differences for foreign currency transactions | - | - |
| V. Profit/Loss from derivative financial instruments for cash flow hedge purposes [Effective portion of fair value differences] | - | - |
| VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations [Effective portion of fair value differences] | - | - |
| VII. The effect of corrections of errors and changes in accounting policies | - | - |
| VIII. Other profit loss items accounted for under equity due to TAS | - | - |
| IX. Tax of valuation differences | 10.101 | (1.470) |
| X. Total Net Profit/Loss accounted under equity [I+II+...+IX] | (40.402) | 5.877 |
| XI. Profit/Loss | 50.290 | 347 |
| 1.1 Change in fair value of marketable securities [Transfer to Profit/Loss] | 2.410 | 18.811 |
| 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 | 47.880 | (18.464) |
| XII. Total Profit/Loss accounted for in the period [X±XI] | 9.888 | 6.224 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY****FOR THE PERIOD ENDED DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| THOUSANDS OF TURKISH LIRA (TL) | | | | | | | | | | | | | | | | | | |
|--|---|-----------------------------------|-------------------|----------------------------------|-------------------|--------------------|---------------------------|-------------------|---|---|---|---|--|---------------------|---|---|--------------------|----------------------------------|
| | Note (Section I-30) | Adjustment to Share Capital | Share Premiums | Share Cancellation Profits | Legal Reserves | Status Reserves | Extraordinary Reserves | Other Reserves | Current Period Net Income (Loss) | Prior Period Net Income (Loss) | Marketable Securities Value Increase Fund | Revaluation Surplus on Tangible Intangible Assets | Bonus Shares from Invest. in Ass. Subs. and JV. | Hedging Reserves | Val.Chan.In Prop.And Eq. HFS Prop./ Disc Op. | Total Equity Before Minority Shares | Minority Shares | Total Shareholders' Equity |
| CHANGES IN SHAREHOLDERS' EQUITY | | | | | | | | | | | | | | | | | | |
| PERIOD PERIOD 31/12/2014 | | | | | | | | | | | | | | | | | | |
| I. | Period Opening Balance | 1,486,150 | - | - | - | - | - | - | (37,005) | (19,572) | (8,546) | - | - | - | - | 1,331,027 | - | 1,331,027 |
| II. Changes in Accounting Policies | | | | | | | | | | | | | | | | | | |
| 21. | Effects of the Changes in | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22. | Effects of errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| III. New Balance (td) | | | | | | | | | | | | | | | | | | |
| 1,486,150 | | - | - | - | - | - | - | - | (37,005) | (19,572) | (8,546) | - | - | - | - | 1,331,027 | - | 1,331,027 |
| Changes in the period | | | | | | | | | | | | | | | | | | |
| IV. Increase/decrease due to the Merger | | | | | | | | | | | | | | | | | | |
| V. | Marketable Securities Valuation | - | - | - | - | - | - | - | - | - | 5,877 | - | - | - | - | 5,877 | - | 5,877 |
| VI. | Hedging Transactions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 61. | Cash Flow Hedge | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 62. | Foreign Investment Hedge | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VII. | Property and Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VIII. | Revaluation Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IX. | Revaluation Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures | | | | | | | | | | | | | | | | | | |
| X. | Foreign Exchange Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XI. | Changes due to the disposal of assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XII. Changes due to the reclassification of assets | | | | | | | | | | | | | | | | | | |
| XIII. | Effects of changes in equity of investments in associates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIV. | Capital Increase | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11.2. | Cash Increase | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XV. | Share Premium | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVI. | Share Cancellation Profits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVII. | Paid-in-capital inflation adjustment difference | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVIII. | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XX. | Current Year Income of (Loss) | - | - | - | - | - | - | - | 137,005 | (37,005) | - | - | - | - | - | - | - | - |
| XX. | Profit Distribution | - | - | - | - | - | - | - | 347 | - | - | - | - | - | - | 347 | - | 347 |
| XXI. | Dividend Paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 201. | Transfers to Reserves | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 202. | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 203. | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Period End Balance (I+II+V+...+XX+XXI+XXII+XXIII) | | | | | | | | | | | | | | | | | | |
| 1,486,150 | | - | - | - | - | - | - | - | 347 | (166,572) | (2,658) | - | - | - | - | 1,337,251 | - | 1,337,251 |

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

ODEA BANK ANONİM ŞİRKETİ

FOR THE PERIOD ENDED DECEMBER 31, 2015

| THOUSANDS OF TURKISH LIRA(TL) | | | | | | | | | | | | | | | | | | | |
|---|--|--------------------|-----------------------------------|-------------------|----------------------------------|-------------------|--------------------|---------------------------|-------------------|---|---|---|--|--|---------------------|---|--|-------------------------------------|-----------------|
| | Note (Section Five) | Paid-in Capital | Adjustment to Share Capital | Share Premiums | Share Cancellation Profits | Legal Reserves | Status Reserves | Extraordinary Reserves | Other Reserves | Current Period Net Income (Loss) | Prior Period Net Income (Loss) | Marketable Securities Value Increase Fund | Revaluation Surplus on Transfer of Intangible Assets | Bonus Shares from Invest. in Ass. Subs. and JV. | Hedging Reserves | Vol.Chan.In Prop.And Eq. HFS Purp./ Disc. Opr. | Total/ Equity Before Minority Shares | Minority Shareholders' Shares | Total Equity |
| CHANGES IN SHAREHOLDERS' EQUITY | | | | | | | | | | | | | | | | | | | |
| CURRENT PERIOD 31/02/2015 | | | | | | | | | | | | | | | | | | | |
| I. | Prior Period End Balance | 1,486,160 | - | - | - | - | - | - | - | 347 | (166,677) | (2,666) | - | - | - | - | 1,337,261 | - | 1,337,261 |
| Changes in the period | | | | | | | | | | | | | | | | | | | |
| II. | Increase/Decrease due to the Major Non-Profit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| III. | Marketable Securities Valuation Differences | - | - | - | - | - | - | - | - | - | - | (40,402) | - | - | - | - | (40,402) | - | (40,402) |
| IV. | Hedging Transactions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.1 | Cash Flow Hedge | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.2 | Foreign Investment Hedge | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| V. | Property and Equipment Revaluation Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VI. | Intangible Fixed Assets Revaluation Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VII. | Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VIII. | Foreign Exchange Differences | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IX. | Changes due to the disposal of assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X. | Changes due to the reclassification of assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XI. | Effects of changes in equity of investments in associates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XII. | Capital increase | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X2.1 | Cash increase | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X2.2 | Internal Resources | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIII. | Share Premium | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIV. | Share Cancellation Profits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XV. | Paid-in-capital inflation adjustment difference | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVI. | Other | - | - | - | - | - | - | - | - | (347) | 347 | - | - | - | - | - | - | - | - |
| XVII. | Current Year Income (or Loss) | - | - | - | - | - | - | - | - | 50,280 | - | - | - | - | - | - | 50,280 | - | 50,280 |
| XVIII. | Profit Distribution | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18.1 | Dividend Paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18.2 | Transfers to Reserves | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18.3 | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Period End Balance [H1/H1+... +XVI+XVII+XVIII] | | 1,486,160 | - | - | - | - | - | - | - | 50,280 | (166,230) | (43,071) | - | - | - | - | 1,347,139 | - | 1,347,139 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED STATEMENTS OF CASH****FLOW FOR THE PERIOD ENDED DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

VI. STATEMENT OF CASH FLOW

| | Note (Section Five) | Reviewed Current Period 31.12.2015 | Reviewed Prior Period 31.12.2014 |
|---|------------------------|--|--|
| A. CASH FLOWS FROM BANKING OPERATIONS | | | |
| 1.1 Operating profit before changes in operating assets and liabilities | | 360.845 | 70.383 |
| 1.1.1 Interest received | | 2.181.151 | 1.595.326 |
| 1.1.2 Interest paid | | (1.375.779) | (1.006.036) |
| 1.1.3 Dividend received | | - | - |
| 1.1.4 Fees and commissions received | | 193.635 | 78.392 |
| 1.1.5 Other income | | (180.808) | (14.628) |
| 1.1.6 Collections from previously written off loans | | 71.568 | 19.364 |
| 1.1.7 Payments to personnel and service suppliers | | (475.997) | (355.056) |
| 1.1.8 Taxes paid | | (21.152) | (227.031) |
| 1.1.9 Others | VI-1 | (31.773) | (19.949) |
| 1.2 Changes in operating assets and liabilities | | 1.325.933 | 1.609.430 |
| 1.2.1 Net (increase) decrease in financial assets held for trading | | (18.579) | (458) |
| 1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss | | 35.100 | 1.924 |
| 1.2.3 Net (increase) decrease in due from banks and other financial institutions | | (1.058.015) | (796.182) |
| 1.2.4 Net (increase) decrease in loans | | (3.515.324) | (6.537.786) |
| 1.2.5 Net (increase) decrease in other assets | VI-1 | (191.820) | 11.958 |
| 1.2.6 Net increase (decrease) in bank deposits | | 669.474 | 294.959 |
| 1.2.7 Net increase (decrease) in other deposits | | 3.612.872 | 8.355.635 |
| 1.2.8 Net increase (decrease) in funds borrowed | | 1.732.532 | 159.248 |
| 1.2.9 Net increase (decrease) in matured payables | | - | - |
| 1.2.10 Net increase (decrease) in other liabilities | VI-1 | 59.693 | 120.132 |
| I. Net cash provided from banking operations | | 1.686.778 | 1.679.813 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| II. Net cash provided from investing activities | | (146.023) | (294.330) |
| 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 | | (146.023) | (65.664) |
| 2.4 Fixed assets sales | | - | - |
| 2.5 Cash paid for purchase of financial assets available for sale | | - | (381.409) |
| 2.6 Cash obtained from sale of financial assets available for sale | | - | 450.414 |
| 2.7 Cash paid for purchase of investment securities | | - | (297.671) |
| 2.8 Cash obtained from sale of investment securities | | - | - |
| 2.9 Others | | - | - |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| III. Net cash provided from financing activities | | 17.459 | 488.972 |
| 3.1 Cash obtained from funds borrowed and securities issued ⁽¹⁾ | | 375.342 | 289.232 |
| 3.2 Cash used for repayment of funds borrowed and securities issued | | (357.883) | (150.000) |
| 3.3 Capital increase | | - | - |
| 3.4 Dividends paid | | - | - |
| 3.5 Payments for finance leases | | - | - |
| 3.6 Other | | - | 349.740 |
| IV. Effect of change in foreign exchange rate on cash and cash equivalents and other asset and liabilities | VI-1 | (530.853) | 19.949 |
| V. Net increase / (decrease) in cash and cash equivalents | | 1.027.361 | 1.894.404 |
| VI. Cash and cash equivalents at beginning of the period | VI-2 | 3.662.338 | 1.767.934 |
| VII. Cash and cash equivalents at end of the period | VI-2 | 4.689.699 | 3.662.338 |

⁽¹⁾ In accordance with the Board of Directors' decision and permits taken from the CMB and BRSA, the Bank has issued a bill with a nominal value of TL 150.000, maturity of 6 months, discounted and with a simple interest rate of 9% on January 16, 2015, a bill amounting to TL 81.462 with a simple interest rate of 9,75% on February 25, 2015 and a bill with a nominal value of TL 160.160, maturity on January,18,2016 and with a simple interest rate of 10.75 %on July 24,2015 sold to qualified investors in the domestic market.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED PROFIT DISTRIBUTION****TABLE FOR THE PERIOD ENDED DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

VII. PROFIT DISTRIBUTION TABLE

| | Audited Current Period 31.12.2015 ⁽¹⁾ | Audited Prior Period 31.12.2014 |
|---|--|---------------------------------------|
| I. DISTRIBUTION OF CURRENT YEAR INCOME/(LOSS) | | |
| 1.1 CURRENT YEAR INCOME/(LOSS) | 73.936 | 17.300 |
| 1.2 TAXES AND DUTIES PAYABLE (-) | (29.646) | (16.953) |
| 1.2.1 Corporate tax (Income tax) | (36.013) | (18.501) |
| 1.2.2 Income withholding tax | - | - |
| 1.2.3 Other taxes and duties | 12.367 | 1.548 |
| A. NET INCOME FOR THE YEAR (1.1-1.2) | 50.290 | 347 |
| 1.3 PRIOR YEARS' LOSSES (-) | - | - |
| 1.4 FIRST LEGAL RESERVES (-) | - | - |
| 1.5 OTHER STATUTORY RESERVES (-) | - | - |
| B. NET INCOME AVAILABLE FOR DISTRIBUTION ((A)-(1.3+1.4+1.5)) | 50.290 | 347 |
| 1.6 FIRST DIVIDEND TO SHAREHOLDERS (-) | - | - |
| 1.6.1 To owners of ordinary shares | - | - |
| 1.6.2 To owners of preferred shares | - | - |
| 1.6.3 To owners of preferred shares (preemptive rights) | - | - |
| 1.6.4 To profit sharing bonds | - | - |
| 1.6.5 To holders of profit and loss sharing certificates | - | - |
| 1.7 DIVIDENDS TO PERSONNEL (-) | - | - |
| 1.8 DIVIDENDS TO BOARD OF DIRECTORS (-) | - | - |
| 1.9 SECOND DIVIDEND TO SHAREHOLDERS (-) | - | - |
| 1.9.1 To owners of ordinary shares | - | - |
| 1.9.2 To owners of preferred shares | - | - |
| 1.9.3 To owners of preferred shares (preemptive rights) | - | - |
| 1.9.4 To profit sharing bonds | - | - |
| 1.9.5 To holders of profit and loss sharing certificates | - | - |
| 1.10 SECOND LEGAL RESERVES (-) | - | - |
| 1.11 STATUTORY RESERVES (-) | - | - |
| 1.12 EXTRAORDINARY RESERVES | - | - |
| 1.13 OTHER RESERVES | - | - |
| 1.14 SPECIAL FUNDS | - | - |
| II. DISTRIBUTION OF RESERVES | - | - |
| 2.1 DISTRIBUTED RESERVES | - | - |
| 2.2 SECOND LEGAL RESERVES (-) | - | - |
| 2.3 DIVIDENDS TO SHAREHOLDERS (-) | - | - |
| 2.3.1 To owners of ordinary shares | - | - |
| 2.3.2 To owners of preferred shares | - | - |
| 2.3.3 To owners of preferred shares (preemptive rights) | - | - |
| 2.3.4 To profit sharing bonds | - | - |
| 2.3.5 To holders of profit and loss sharing certificates | - | - |
| 2.4 DIVIDENDS TO PERSONNEL (-) | - | - |
| 2.5 DIVIDENDS TO BOARD OF DIRECTORS (-) | - | - |
| III. EARNINGS PER SHARE | - | - |
| 3.1 TO OWNERS OF ORDINARY SHARES | - | - |
| 3.2 TO OWNERS OF ORDINARY SHARES (%) | - | - |
| 3.3 TO OWNERS OF PREFERRED SHARES | - | - |
| 3.4 TO OWNERS OF PREFERRED SHARES (%) | - | - |
| IV. DIVIDEND PER SHARE | - | - |
| 4.1 TO OWNERS OF ORDINARY SHARES | - | - |
| 4.2 TO OWNERS OF ORDINARY SHARES (%) | - | - |
| 4.3 TO OWNERS OF PREFERRED SHARES | - | - |
| 4.4 TO OWNERS OF PREFERRED SHARES (%) | - | - |

⁽¹⁾ Authorized body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

SECTION THREE

ACCOUNTING PRINCIPLES

I. Basis of Presentation

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

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

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

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

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

The Bank assesses the impact of TFRS 9 Financial Instruments standard (Version 2011).

b. Explanation for convenience translation into English:

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

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

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

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

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

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

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". As of December 31, 2014 foreign exchange gains and losses arising from transactions that are completed, are translated to TL by using historical foreign currency exchange rates. Balance of the foreign currency denominated monetary assets and liabilities are converted into TL by using foreign currency exchange rates of the Bank for the year end and the resulting exchange differences are recorded as foreign Exchange gains and losses.

III. Explanations on Forward and Option Contracts and Derivative Instruments

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

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

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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.

V. Explanations on Fees and Commission Income and Expenses

Fees and commission income/expenses are primarily recognized on an accrual basis or "Effective interest method" according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

VI. Explanations on Financial Assets

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

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

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

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

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

Cash, Banks, and Other Financial Institutions

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Financial Assets at Fair Value Through Profit and Loss

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

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

Held to Maturity Investments

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

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

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

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.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

Loans and Receivables

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

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

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

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

VII. Explanations on Impairment of Financial Assets

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

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

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

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

As of December 31, 2015, the Bank has specific provision amount to TL 188.434 for its non-performing loans (December 31, 2014: TL 107.587).

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

VIII. Explanations on Offsetting of Financial Assets and Liabilities

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

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

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

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

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

As of December 31, 2015, the Bank has TL 4.061.196 of reverse repo transactions [December 31, 2014: TL 2.235.688].

As of December 31, 2015, the Bank has TL 156.858 repo transactions [December 31, 2014: TL 138.889].

As of December 31, 2015, the Bank does not have any marketable securities lending transaction [December 31,2014: None].

X. Explanations on Assets Held for Sale and Discontinued Operations

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

As of December 31, 2015, the Bank has TL 29.879 assets held for sale [December 31, 2014: TL 6.132].

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. As of December 31, 2015 and December 31, 2014 the Bank does not have any discontinued operations.

XI. Explanations on Goodwill and Other Intangible Assets

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

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

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

XII. Explanations on Tangible Fixed Assets

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

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

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

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

Normal maintenance and repair cost of the properties are expensed.

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

XIII. Explanations on Leasing Transactions

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

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

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

XIV. Explanations on Provisions and Contingent Liabilities

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

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

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.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

XVI. Explanations on Taxation

Corporate Tax:

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

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

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

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

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

As of December 31, 2015, the Bank has corporate income tax provision amounting to TL 42.489, which is netted with prepaid taxes amounting to TL 42.504 and shown as TL 15 in the current taxes [December 31, 2014: Tax Provision TL 4.090].

Deferred Tax Liability / Asset:

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

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

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

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

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax income/expense stated under the deferred tax provision amounting to TL 40.866 in the statement of income [December 31, 2014: TL 18.398].

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

XVII. Additional Explanations on Borrowings

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

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

The Bank has not issued convertible bonds

XVIII. Explanations on Issued Share Certificates

The Bank does not have any issued share certificates.

XIX. Explanations on Avalized Drafts and Acceptances

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

XX. Explanations on Government Grants

There are no government grants utilized by the Bank..

XXI. Explanations on Segment Reporting

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

XXII. Explanations on Other Matters

None, other than above explanations.

Explanation for convenience translation to English

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

(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. 28756 as of September 5, 2013. As of December 31, 2015 the Bank's capital adequacy ratio is 12,19% (December 31, 2014: 13,70%).

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

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

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

In the calculation of the value at credit risk for the non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the 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.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

I. Information related to the capital adequacy ratio:

| | Risk Weights | | | | | | | | |
|--|------------------|-----|----------------|------------------|------------------|-------------------|----------------|----------------|------|
| | Bank | | | | | | | | |
| | 0% | 10% | 20% | 50% | 75% | 100% | 150% | 200% | 250% |
| The amount subject to credit risk | - | - | 31.318 | 2.901.891 | 1.026.437 | 14.964.502 | 899.354 | 1.205.650 | - |
| Risk Types | 4.651.138 | - | 156.588 | 5.803.781 | 1.368.583 | 14.964.502 | 599.569 | 602.825 | - |
| Contingent and Non-Contingent Receivables from central governments or central banks | 4.471.304 | - | - | 531.809 | - | 452.756 | - | - | - |
| Contingent and Non-Contingent Receivables on Regional or Local governments | - | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises | - | - | - | - | - | 7.582 | - | - | - |
| 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 | - | - | 156.588 | 107.844 | - | 21.241 | - | - | - |
| Contingent and Non-Contingent Corporate Receivables | - | - | - | - | - | 12.260.500 | - | - | - |
| Contingent and Non-Contingent Retail Receivables | - | - | - | - | 1.368.583 | 16.077 | - | - | - |
| Contingent and Non-Contingent Receivables Secured by Mortgages | - | - | - | 5.110.235 | - | 1.689.245 | - | - | - |
| Past Due Receivables | - | - | - | 51.539 | - | 90.459 | 227.473 | - | - |
| Receivables defined in high risk category by Regulator | - | - | - | 2.354 | - | 9.932 | 372.096 | 602.825 | - |
| Secured by mortgages | - | - | - | - | - | - | - | - | - |
| Securitization positions | - | - | - | - | - | - | - | - | - |
| Short-Term Receivables from Banks, brokerage houses and corporate | - | - | - | - | - | - | - | - | - |
| Investments similar to collective investment funds | - | - | - | - | - | - | - | - | - |
| Other Receivables | 179.834 | - | - | - | - | 416.710 | - | - | - |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

Summary information related to the capital adequacy ratio:

| | December 31, 2015 | December 31, 2014 |
|--|--------------------------|--------------------------|
| Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR) | 1.682.332 | 1.377.249 |
| Capital requirement for market risk (II)(Value at Market Risk*0,08) (MRCR) | 38.990 | 21.417 |
| Capital requirement for operational risk (III) (ORCR) | 42.013 | 18.787 |
| Equity | 2.687.249 | 2.427.261 |
| Tier 1 Capital/([(CRCR+CRMR+CROR)*12,5*100] | %9,34 | %10,85 |
| Common Equity/([(CRCR+CRMR+CROR)*12,5*100] | %5,72 | %7,15 |
| Equity/([(CRCR+CRMR+CROR) * 12,5) * 100 | %12,19 | %13,70 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

Information related to the components of shareholders' equity:

| Common Equity | December 31, 2015 | December 31, 2014 |
|---|-------------------|-------------------|
| Paid-in capital following all debts in terms of claim in liquidation of the Bank | 1,496,150 | 1,496,150 |
| Share premium | - | - |
| Share cancellation profits | - | - |
| Reserves | - | - |
| Gains recognized in equity as per TAS | - | (2,669) |
| Profit | 50,637 | 347 |
| Current Period Profit | 50,290 | 347 |
| Prior Period Profit | 347 | - |
| Provisions for Possible Risks | - | - |
| Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit | - | - |
| Common Equity Before Deductions | 1,546,787 | 1,493,828 |
| Deductions from Common Equity | | |
| Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (1) | 199,649 | 156,577 |
| Leasehold improvements (1) | 68,834 | 59,194 |
| Goodwill or other intangible assets and deferred tax liability related to these items (1) | 18,611 | 10,912 |
| Net deferred tax assets/liabilities (1) BRSA (1) | - | - |
| Shares obtained contrary to the 4th clause of the 56th Article of the Law (1) | - | - |
| Direct and indirect investments of the Bank in its own Common Equity (1) | - | - |
| 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 (1) | - | - |
| 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 (1) | - | - |
| Portion of mortgage servicing rights exceeding 10% of the Common Equity (1) | - | - |
| Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (1) | - | - |
| 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 (1) | - | - |
| 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 (1) | - | - |
| Excess amount arising from mortgage servicing rights (1) | - | - |
| Excess amount arising from deferred tax assets based on temporary differences (1) | - | - |
| Other items to be defined by the BRSA (1) | - | - |
| Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (1) | - | - |
| Total Deductions From Common Equity | 287,094 | 226,683 |
| Total Common Equity | 1,259,693 | 1,267,145 |
| ADDITIONAL TIER I CAPITAL | | |
| Capital amount and related premiums corresponding to preference shares that are not included in common equity | - | - |
| Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 11/2014) | - | - |
| Debt instruments and premiums deemed suitable by the BRSA (issued before 11/2014) ⁽¹⁾ | 673,420 | 699,480 |
| Additional Tier I Capital before Deductions | 673,420 | 699,480 |
| Deductions from Additional Tier I Capital | | |
| Direct and indirect investments of the Bank in its own Additional Tier I Capital (1) | - | - |
| 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 (1) | - | - |
| 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 (1) | - | - |
| Other items defined by BRSA (1) | - | - |
| Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II is not available (1) | - | - |
| Total Deductions From Additional Tier I Capital | - | - |
| Total Additional Tier I Capital | 673,420 | 699,480 |
| Deductions from Tier I Capital | | |
| Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (1) | 74,445 | 43,649 |
| Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (1) | - | - |
| Total Tier I Capital | 2,058,668 | 1,922,976 |
| TIER II CAPITAL | | |
| Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 11/2014) ⁽¹⁾ | 436,710 | 349,740 |
| Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 11/2014) | - | - |
| Sources pledged to the Bank by shareholders to be used in capital increases of the Bank | - | - |
| General Loan Loss Provisions | 136,224 | 154,545 |
| Tier II Capital Before Deductions | 632,934 | 504,285 |
| Deductions From Tier II Capital | | |
| Direct and indirect investments of the Bank in its own Tier II Capital (1) | - | - |
| 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 (1) | - | - |
| 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 (1) | - | - |
| Other items to be defined by the BRSA (1) | - | - |
| Total Deductions from Tier II Capital | - | - |
| Total Tier II Capital | 632,934 | 504,285 |
| CAPITAL | 2,691,602 | 2,427,261 |
| Loans granted contrary to the 50th and 51th Article of the Law (1) | - | - |
| 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 (1) | - | - |
| 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 (1) | - | - |
| 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 (1) | - | - |
| Other items to be defined by the BRSA (1) | 4,353 | - |
| Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks (1) | - | - |
| 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 (1) | - | - |
| 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 (1) | - | - |
| TOTAL CAPITAL | 2,687,249 | 2,427,261 |
| Amounts below the Excess Limits as per the Deduction Principles | | |
| Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital | - | - |
| Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital | - | - |
| Amounts arising from mortgage servicing rights | 40,855 | 19,399 |
| Amounts arising from deferred tax assets based on temporary differences | - | - |

⁽¹⁾ The Bank has classified the subordinated loans obtained from its controlling shareholder Bank Audi sal amounting to USD 100 million and USD 200 million respectively which were previously recognized as Tier II capital in the account of additional Tier I capital.

Pursuant to the resolution taken by the Board of Directors of Odea Bank and Article 7 of the Regulation on Equity of Banks, the type of both loans were changed to perpetual and interest-free. As of April 1, 2014 including of the both loans to account of additional Tier I capital was approved by BRSA.

⁽¹⁾ The Bank was provided a subordinated loan with a value of USD 150 million, maturity of 10 years and with a interest rate of 6.5% on October 31, 2014 from its parent bank, Bank Audi. In accordance with the article of BRSA dated November 27, 2014, this loan has been recognized as a subordinated loan and approved to be taken into account as TIER II capital, as per the conditions that determined by "Regulation on Equity of Banks".

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Details on Subordinated Liabilities:

| Details on Subordinated Loans | | | |
|--|---|---|---|
| Lender | Bank Audi sal | Bank Audi sal | Bank Audi sal |
| Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | - | - | - |
| Governing law(s) of the instrument | BRSA | BRSA | BRSA |
| Regulatory treatment | Tier I Capital | Tier I Capital | Tier II Capital |
| Whether the sub-loan is subject to 10% decrease starting from 1/1/2015 | No | No | No |
| Eligible at stand-alone / consolidated ^(*) | Stand Alone | Stand Alone | Stand Alone |
| Instrument type (types to be specified by each jurisdiction) ^(**) | Tier I-Subordinated Loan | Tier I-Subordinated Loan | Tier II-Subordinated Loan |
| Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date) ^(***) | 291.140 | 582.280 | 436.710 |
| Per value of instrument (Thousand USD) | 100.000 | 200.000 | 150.000 |
| Accounting classification | Liability-Subordinated Loans | Liability-Subordinated Loans | Liability-Subordinated Loans |
| Original date of issuance | 27/12/2012 | 24/09/2013 | 31/10/2014 |
| Perpetual or dated | Perpetual | Perpetual | Dated |
| Original maturity date | - | - | - |
| Issuer call subject to prior supervisory approval | Yes | Yes | Yes |
| Optional call date, contingent call dates and redemption amount | Within the first month after 5th year with the condition of new borrowing which is provided same requirements. | Within the first month after 5th year with the condition of new borrowing which is provided same requirements. | Within the first month after 5th year with the condition of new borrowing which is provided same requirements. |
| Subsequent call dates, if applicable | Within the first month after 5th year | Within the first month after 5th year | Within the first month after 5th year |
| Coupons / dividends | - | - | - |
| Fixed or floating dividend/coupon | - | - | - |
| Coupon rate and any related index | - | - | 6,5% |
| Existence of a dividend stopper | - | - | - |
| Fully discretionary, partially discretionary or mandatory | - | - | - |
| Existence of step up or other incentive to redeem | - | - | - |
| Noncumulative or cumulative | Noncumulative | Noncumulative | Noncumulative |
| Convertible or non-convertible | Yes | Yes | Yes |
| If convertible, conversion trigger (s) | Regulation of banks on equity which is numbered 7-2-i | Regulation of banks on equity which is numbered 7-2-i | Regulation of banks on equity which is numbered 7-2-i |
| If convertible, fully or partially | Remaining principal and interest | Remaining principal and interest | Remaining principal and interest |
| If convertible, conversion rate | Remaining principal and interest | Remaining principal and interest | Remaining principal and interest |
| If convertible, mandatory or optional conversion | Optional | Optional | Optional |
| If convertible, specify instrument type convertible into | Equity | Equity | Equity |
| If convertible, specify issuer of instrument it converts into | Odea Bank A.Ş | Odea Bank A.Ş | Odea Bank A.Ş |
| Write-down feature | None | None | None |
| If write-down, write-down trigger(s) | - | - | - |
| If write-down, full or partial | - | - | - |
| If write-down, permanent or temporary | - | - | - |
| If temporary write-down, description of write-up mechanism | - | - | - |
| Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital | After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital | After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital |
| Whether the sub-loan agreement contains all the items stated within the article number 7 and 8 of "Own fund regulation" or not | Contains all the items stated in article 7 | Contains all the items stated in article 7 | Contains all the items stated in article 7 |
| Details of above mentioned items within article number 7 and 8 of "Own fund regulation" | Contains all the items stated in article 7 | Contains all the items stated in article 7 | Contains all the items stated in article 7 |

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

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

^(***) There are no accrued interests.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Explanations on Internal Capital Management

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

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

II. Explanations Related to Credit Risk

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

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

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

| | Current Period Risk Amount ^(*) | Average Net Loan Amount After Provisions |
|--|--|--|
| Risk Types ^(*) | | |
| Contingent and Non-Contingent Receivables from central governments or central banks | 5,473.336 | 5,487.586 |
| Contingent and Non-Contingent Receivables from regional or local governments | - | - |
| Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises | 7.646 | 2,474 |
| Contingent and Non-Contingent Receivables from Multilateral Development Banks | - | - |
| Contingent and Non-Contingent Receivables from International Organizations | - | - |
| Contingent and Non-Contingent Receivables from banks and brokerage houses | 489.862 | 2,391.672 |
| Contingent and Non-Contingent Corporates | 14,575.196 | 14,041.158 |
| Contingent and Non-Contingent Retail Receivables | 1,800.139 | 1,856.099 |
| Contingent and Non-Contingent Receivables Secured by Mortgages | 6,843.401 | 5,578.803 |
| Past Due Receivables | 369.480 | 240.023 |
| Receivables defined in high risk category by Regulator | 1,027.455 | 959.377 |
| Secured by mortgages | - | - |
| Securitization positions | - | - |
| Short-Term Receivables from Banks, brokerage houses and corporates | - | - |
| Investments similar to collective investment funds | | |
| Other Receivables | 596.544 | 486.090 |
| Total | 31,183.059 | 31,043.282 |

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

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

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

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

The proportion of the Bank's top 100 and 200 cash loan customers' in total cash loans is 51% and 64% respectively.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 60% and 67%.

The proportion of the Bank's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans is 37% and 46% respectively.

The Bank provided a general loan loss provision amounting to TL 196.224 (31 December 2014: TL 154.545).

Information on loan types and provisions:

| 31 December 2015 | Corporate | Commercial | Retail | Total |
|-------------------------|-------------------|-------------------|------------------|-------------------|
| Standard Loans | 10.182.432 | 8.939.833 | 2.082.798 | 21.205.063 |
| Close Monitoring Loans | - | 183.695 | 118.620 | 302.315 |
| Loans Under Follow-up | 16.632 | 231.980 | 239.315 | 487.927 |
| Specific Provision (-) | (12.739) | (106.029) | (69.666) | (188.434) |
| Total | 10.186.325 | 9.249.479 | 2.371.067 | 21.806.871 |

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

Information on past due loan and other receivables:

| 31 December 2015 | Corporate | Commercial | Retail | Total |
|-----------------------------------|-------------------|-------------------|------------------|-------------------|
| Not past due and 30 days past due | 10.182.432 | 8.939.833 | 2.082.798 | 21.205.063 |
| 30-60 days past due | - | 119.885 | 71.460 | 191.345 |
| 60-90 days past due | - | 63.810 | 47.160 | 110.970 |
| Total | 10.182.432 | 9.123.528 | 2.201.418 | 21.507.378 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

| Moody's | A1 | BAA3 | B2 | Total |
|---|--------------|------------------|----------------|------------------|
| Financial assets at fair value through profit and loss (net) | - | 24.812 | - | 24.812 |
| Financial assets available for sale (net) | 5.285 | 619.040 | 472.853 | 1.097.178 |
| Held to maturity investments (net) | - | 364.449 | - | 364.449 |
| Total | 5.285 | 1.008.301 | 472.853 | 1.486.439 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Significant Risks that are significant on the profile of the regions

| Risk Classifications (*) | | | | | | | | | | | | | | | | |
|--|---|--|--|---|--|---|---|--|--|---|-------------------------|--|---|-------------------|------------|--|
| 31 Dec 2015 | | | | | | | | | | | | | | | | |
| | Due from Central Governments or Central Banks | Regional Governments or Local Government Receivables | Receivables on Administrative Units and Non-commercial Enterprises | Receivables on Multilateral Development Banks | Receivables on International Organizations | Receivables on Banks and Brokerage Houses | Contingent and Non-Contingent Receivables | Contingent and Non-Contingent Receivables Secured by Mortgages | Receivables defined in high risk category by Regulator | Collateralized Mortgage Marketable Securities | Securitization Portions | Short-Term Receivables from Banks, Brokerage houses and Corporates | Investment similar to collective investment funds | Other Receivables | Total | |
| Domestic | 5,003,113 | - | 7,592 | - | - | 150,971 | 12,690,943 | 1,429,276 | 6,799,480 | 369,449 | 1,027,026 | - | - | 596,470 | 28,064,310 | |
| European Union Countries | - | - | - | - | - | 95,969 | 17,414 | 630 | - | 25 | 241 | - | - | - | 214,279 | |
| OECD Countries** | - | - | - | - | - | 605 | - | 525 | - | - | - | - | - | - | 1,130 | |
| Off-shore Banking Regions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| USA, Canada | - | - | - | - | - | 16,887 | - | - | - | 109 | - | - | - | - | 16,996 | |
| Other Countries | 452,766 | - | - | - | - | 21,241 | 455,817 | 3,632 | - | 79 | - | - | - | 74 | 933,805 | |
| Associates, Subsidiaries and Jointly Controlled Entities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Unallocated Assets/Liabilities *** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | 5,455,869 | - | 7,592 | - | - | 286,673 | 13,264,174 | 1,434,263 | 6,799,480 | 369,480 | 1,027,465 | - | - | 596,544 | 29,230,520 | |
| 31 Dec 2014 | | | | | | | | | | | | | | | | |
| | Due from Central Governments or Central Banks | Regional Governments or Local Government Receivables | Receivables on Administrative Units and Non-commercial Enterprises | Receivables on Multilateral Development Banks | Receivables on International Organizations | Receivables on Banks and Brokerage Houses | Contingent and Non-Contingent Receivables | Contingent and Non-Contingent Receivables Secured by Mortgages | Receivables defined in high risk category by Regulator | Collateralized Mortgage Marketable Securities | Securitization Portions | Short-Term Receivables from Banks, Brokerage houses and Corporates | Investment similar to collective investment funds | Other Receivables | Total | |
| Domestic | 3,640,382 | - | - | - | - | 1,201,134 | 11,247,949 | 1,403,734 | 4,848,777 | 134,264 | 734,689 | - | - | 421,739 | 23,533,698 | |
| European Union Countries | - | - | - | - | - | 33,464 | 46,690 | 207 | 707 | - | 4,101 | - | - | - | 86,169 | |
| OECD Countries** | - | - | - | - | - | 181 | - | 205 | - | - | - | - | - | - | 386 | |
| Off-shore Banking Regions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| USA, Canada | - | - | - | - | - | 8,261 | - | - | - | - | - | - | - | - | 8,261 | |
| Other Countries | 377,100 | - | - | - | - | 17,626 | 177,502 | 1,796 | - | - | - | - | - | - | 574,094 | |
| Associates, Subsidiaries and Jointly Controlled Entities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Unallocated Assets/Liabilities *** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | 3,917,552 | - | - | - | - | 1,260,856 | 11,471,941 | 1,406,110 | 4,850,484 | 134,264 | 738,790 | - | - | 421,739 | 24,201,766 | |

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

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

Sector concentrations for cash loans:

| 31 December 2016 | | | | | | | | | | | | | | | | | | | |
|--|---|--|--|---|--|---|---|--|--|---|--------------------------|--|--|-------------------|------------|------------|------------|--|--|
| Risk Classifications (*) | | | | | | | | | | | | | | | | | | | |
| Sectors/Counterparties | Due from Central Governments or Central Banks | Regional Governments or Local Government Receivables | Receivables on Administrative Units and Non-commercial Enterprises | Receivables on Multilateral Development Banks | Receivables on International Organizations | Receivables on Banks and Brokerage Houses | Contingent and Non-Contingent Receivables | Contingent and Non-Contingent Receivables Secured by Mortgages | Receivables defined in high risk category by Regular | Collateralized Mortgage Marketable Securities | Securitization Positions | Short-Term receivables from Banks, brokerage houses and Corporates | Investment similar to investment funds | Other Receivables | TL | FC | Total | | |
| 1 Agriculture | - | - | - | - | - | - | 93.865 | 18.351 | 28.115 | 390 | 8 | - | - | - | 110.957 | 29.882 | 140.719 | | |
| 1.1 Farming and Raising Livestock | - | - | - | - | - | - | 72.737 | 16.511 | 26.793 | 355 | 8 | - | - | - | 101.975 | 31.519 | 116.394 | | |
| 1.2 Forestry | - | - | - | - | - | - | - | - | 562 | 35 | - | - | - | - | 1.364 | - | 1.364 | | |
| 1.3 Fishery | - | - | - | - | - | - | 2.118 | 2.288 | 555 | - | - | - | - | - | 7.618 | 16.343 | 23.961 | | |
| 2 Manufacturing | - | - | - | - | - | - | 4.953.017 | 197.474 | 961.015 | 120.155 | 1.186 | - | - | - | 2.339.698 | 3.893.139 | 6.232.837 | | |
| 2.1 Mining and Quarry | - | - | - | - | - | - | 217.763 | 12.321 | 125.213 | 84.374 | 6 | - | - | - | 344.175 | 96.502 | 438.677 | | |
| 2.2 Production | - | - | - | - | - | - | 3.754.910 | 185.103 | 824.134 | 35.752 | 1.128 | - | - | - | 1.938.610 | 2.852.417 | 4.801.027 | | |
| 2.3 Electricity, Gas and Water | - | - | - | - | - | - | 980.344 | 50 | 11.688 | 69 | 2 | - | - | - | 56.913 | 935.220 | 992.133 | | |
| 3 Construction | - | - | - | - | - | - | 2.975.465 | 108.406 | 2.842.970 | 79.791 | 758 | - | - | - | 2.219.865 | 3.787.525 | 6.007.390 | | |
| 3.1 Services | - | - | 131 | - | - | - | 3.719.204 | 362.309 | 2.148.473 | 92.360 | 315 | - | - | - | 3.586.048 | 3.044.556 | 6.610.602 | | |
| 4.1 Wholesale and Retail Trade | - | - | - | - | - | - | 1.492.370 | 278.736 | 625.940 | 83.981 | - | - | - | - | 2.043.369 | 439.645 | 2.483.014 | | |
| 4.2 Hotel, Tourism, Food and Beverage Services | - | - | - | - | - | - | 280.376 | 14.729 | 993.654 | 872 | 21 | - | - | - | 222.069 | 1.067.593 | 1.289.652 | | |
| 4.3 Transportation and Communication | - | - | - | - | - | - | 1.425.225 | 45.170 | 202.629 | 4.709 | 289 | - | - | - | 551.200 | 127.021 | 1.678.221 | | |
| 4.4 Financial Institutions | - | - | - | - | - | - | 39.611 | 4.275 | 874.34 | 1028 | 18 | - | - | - | 230.948 | 186.637 | 417.585 | | |
| 4.5 Real Estate and Renting Services | - | - | - | - | - | - | 100.479 | 8.444 | 69.714 | 84 | 501 | - | - | - | 89.058 | 90.164 | 179.222 | | |
| 4.6 Self-Employment Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| 4.7 Education Services | - | - | 131 | - | - | - | 11.771 | 3.030 | 47.409 | - | - | - | - | - | 168.401 | - | 168.401 | | |
| 4.8 Health and Social Services | - | - | - | - | - | - | 262.172 | 78.85 | 222.453 | 16.76 | - | - | - | - | 291.000 | 832.206 | 384.206 | | |
| 5 Other | 5.455.689 | - | 7.451 | - | - | 653 | 1.513.633 | 7.477.23 | 817.807 | 76.754 | 1.022.438 | - | - | - | 5.96.544 | 4.894.466 | 10.238.972 | | |
| Total | 5.455.689 | - | 7.582 | - | - | 2.85.673 | 13.254.174 | 1.434.263 | 6.799.480 | 389.480 | 1.027.465 | - | - | - | 13.070.922 | 16.159.598 | 29.239.520 | | |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Maturity Distribution of Remaining Maturities of time exposures:

| 31 December 2015 | | | | | | |
|--|-------------------------|-------------------|-------------------|--------------------|--------------------|-------------------|
| Risk Types | Time to Maturity | | | | | Total |
| | 1 Month | 1-3 Months | 3-6 Months | 6-12 Months | Over 1 Year | |
| Due from central governments or central banks | 3.482.134 | - | - | - | 1.456.338 | 4.938.472 |
| Regional or Local Government Receivables | - | - | - | - | - | - |
| Receivables on Administrative Units and Non-commercial Enterprises | 1.409 | 5.433 | 635 | 99 | 6 | 7.582 |
| Receivables on Multilateral Development Banks | - | - | - | - | - | - |
| Receivables on International Organizations | - | - | - | - | - | - |
| Receivables on Banks and Brokerage Houses | 59.957 | 15.297 | 4.195 | 77.418 | 37.235 | 194.102 |
| Receivables from Corporates | 872.372 | 879.203 | 942.466 | 2.321.779 | 8.153.828 | 13.169.648 |
| Retail Receivables | 102.314 | 113.492 | 169.800 | 410.960 | 400.657 | 1.197.223 |
| Receivables Secured by Mortgages | 130.883 | 78.435 | 110.398 | 406.704 | 6.072.988 | 6.799.408 |
| Past Due Receivables | - | - | 52 | 291 | 85.238 | 85.581 |
| Receivables defined in high risk category by Regulators | - | - | - | - | 997.275 | 997.275 |
| Secured by mortgages | - | - | - | - | - | - |
| Short-Term Receivables from Banks, brokerage houses and Corporates | - | - | - | - | - | - |
| Investment similar to collective investment funds | - | - | - | - | - | - |
| Other Receivables | 73 | - | - | - | - | 73 |
| Total | 4.649.142 | 1.091.860 | 1.227.546 | 3.217.251 | 17.203.565 | 27.389.364 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

| 31 December 2014 | | | | | | |
|--|------------------|----------------|------------------|------------------|-------------------|-------------------|
| Risk Types | Time to Maturity | | | | | Total |
| | 1 Month | 1-3 Months | 3-6 Months | 6-12 Months | Over 1 Year | |
| Due from central governments or central banks | 2,415.653 | - | - | - | 1,164.994 | 3,580.647 |
| Regional or Local Government Receivables | - | - | - | - | - | - |
| Receivables on Administrative Units and Non-commercial Enterprises | - | - | - | - | - | - |
| Receivables on Multilateral Development Banks | - | - | - | - | - | - |
| Receivables on International Organizations | - | - | - | - | - | - |
| Receivables on Banks and Brokerage Houses | 1,117.200 | 7.623 | 25.041 | 26.032 | 67.410 | 1,243.306 |
| Receivables from Corporates | 972.911 | 799.894 | 1,044.794 | 2,572.121 | 6,011.691 | 11,401.411 |
| Retail Receivables | 76.904 | 100.439 | 163.218 | 444.526 | 397.607 | 1,182.694 |
| Receivables Secured by Mortgages | 150.453 | 78.410 | 179.859 | 380.829 | 4,060.890 | 4,850.441 |
| Past Due Receivables | - | - | - | - | - | - |
| Receivables defined in high risk category by Regulators | - | - | - | - | 716.315 | 716.315 |
| Secured by mortgages | - | - | - | - | - | - |
| Short-Term Receivables from Banks, brokerage houses and Corporates | - | - | - | - | - | - |
| Investment similar to collective investment funds | - | - | - | - | - | - |
| Other Receivables | 1 | - | - | - | - | 1 |
| Total | 4,733.122 | 986.366 | 1,412.912 | 3,423.508 | 12,418.907 | 22,974.815 |

Risk by Risk Weights Balances:

| Risk Weights ⁽¹⁾ | 0% | 10% | 20% | 50% | 75% | 100% | 150% | 200% | 250% | 1250% | Deductions from the shareholders' equity | Total |
|--|-----------|-----|---------|-----------|-----------|------------|---------|---------|------|-------|--|------------|
| | | | | | | | | | | | | |
| 1 Amount before the credit risk mitigation | 4,657,938 | - | 156,588 | 705,546 | 1,977,419 | 20,490,379 | 619,100 | 623,551 | - | - | 4,353 | 29,234,874 |
| 2 Amount after the credit risk mitigation | 4,651,138 | - | 156,588 | 5,803,781 | 1,368,583 | 14,964,502 | 599,569 | 602,825 | - | - | 4,353 | 28,151,339 |

⁽¹⁾ Balances with financial collateral are shown as 0% risk weight.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Important sectors or type of information according to counterparty

| Sectors/Counterparties | Loans ^(*) | | | |
|--------------------------------------|----------------------|----------------------|--------------|----------------|
| | Impaired Receivables | Past Due Receivables | Impairment | Provisions |
| Agricultural | 2.581 | 853 | 17 | 1.197 |
| Farming and raising livestock | 2.581 | 853 | 17 | 1.197 |
| Forestry | - | - | - | - |
| Fishing | - | - | - | - |
| Manufacturing | 67.841 | 33.763 | 675 | 32.843 |
| Mining | 1.342 | 3.230 | 65 | 853 |
| Production | 55.299 | 26.314 | 526 | 29.360 |
| Electricity, Gas, Water | 11.200 | 4.219 | 84 | 2.630 |
| Construction | 105.225 | 26.573 | 531 | 25.057 |
| Services | 161.362 | 79.892 | 1.599 | 65.794 |
| Wholesale and retail trade | 136.125 | 63.330 | 1.267 | 49.935 |
| Hotel, Food, Beverage services | 946 | - | - | 68 |
| Transportation and Telecommunication | 10.611 | 13.944 | 279 | 5.496 |
| Financial Institutions | 2.856 | - | - | 1.726 |
| Real Estate and Lending Service | - | - | - | - |
| Self employment service | - | - | - | - |
| Education Service | - | 586 | 12 | - |
| Health and social services | 10.824 | 2.032 | 41 | 8.569 |
| Other ^(*) | 150.918 | 161.234 | 3.224 | 63.543 |
| Total | 487.927 | 302.315 | 6.046 | 188.434 |

^(*) Includes individual credit cards, retail loans and other loans.**Information related to Impairment and Loan Loss Provisions:**

| | Opening Balance | The amount of provision in the period | Reversal of Provision ^(*) | Other Provisions ^(**) | Closing Balance |
|-----------------------|-----------------|---------------------------------------|--------------------------------------|----------------------------------|-----------------|
| 1 Specific Provisions | 107.587 | 254.915 | (37.954) | (136.114) | 188.434 |
| 2 General Provisions | 154.545 | 41.679 | - | - | 196.224 |

^(*) Includes reversal of provisions relating to collections from non-performing loans.^(**) As of December 31, 2015 with the decision of Board of Directors and in accordance with laws of "Regulations of Provisions", retail loans with special provision at the rate of 100%, without any collateral, amounting to TL 45.618 have been removed from the assets, by the bank [December 31, 2014: TL 5.510].

The Bank completed to transfer previously written off and provision at the rate of 100% non performing loans of TL 35.326 to Sumer Varlık (Asset Management Company) on June 24, 2015 for TL 3.800, TL 47.786 to Turkasset Varlık (Asset Management Company) on September 30, 2015 for TL 6.749 and TL 29.148 to Turkasset Varlık (Asset Management Company) on December 23, 2015 for TL 4.757.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Internal credit rating system

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

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

| Debtors financial Position | Degree | Portion |
|---|--------|---------|
| Debtor has a solid financial position | 1 | 7% |
| Debtor has a good financial position | 2 | 70% |
| Debtor's financial position is at risk within short and medium term | 3 | 12% |
| Debtor's financial position is at high risk within short term | 4 | 0% |
| Debtor has been defaulted | 5 | 0% |
| Debtor has not been rated | 6 | 11% |

Collateral Distribution^(*)

| 31 December 2015 | Corporate | Commercial | Retail | Total |
|---------------------|------------------|------------------|----------------|-------------------|
| Deposit | 965.818 | 577.212 | 40.187 | 1.583.217 |
| Mortgage | 2.647.658 | 5.074.117 | 623.781 | 8.345.556 |
| Assignment of claim | 2.197.583 | 623.796 | - | 2.821.379 |
| Cheque | 283.829 | 656.485 | - | 940.314 |
| Pledge of vehicle | 44.588 | 69.927 | 43.658 | 158.173 |
| TOTAL | 6.139.476 | 7.001.537 | 707.626 | 13.848.639 |

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

^(*) Represents the amounts weighted by taking into consideration the credit risks of the customers.

III. Explanations Related to Market Risk :

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

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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 | 16.169 |
| (II) Capital Requirement to be Employed For Specific Risk - Standard Method | - |
| (III) Capital requirement for specific risk in securitisation positions- Standard Method | - |
| (IV) Capital Requirement to be Employed For Currency Risk – Standard Method | 6.398 |
| (V) Capital Requirement to be Employed For Commodity Risk – Standard Method | - |
| (VI) Capital Requirement to be Employed For Settlement Risk - Standard Method | - |
| (VII) Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method | 3.957 |
| (VIII) Capital requirement for counterparty credit risk - Standard Method | 12.466 |
| (IX) Capital requirement for market risk for banks applying Risk Measurement Model | - |
| (X) Total Capital Requirement to be Employed For Market Risk [(I+II+III+IV+V+VI+VII+VIII)] | 38.990 |
| (XI) Capital requirement for market risk [12.5 x IX] or [12.5 x X] | 487.375 |

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

| | December 31, 2015 ^(*) | | | December 31, 2014 ^(*) | | |
|------------------------------------|----------------------------------|---------------|---------------|----------------------------------|---------------|---------------|
| | Average | Maximum | Minimum | Average | Maximum | Minimum |
| Interest Rate Risk | 12.095 | 16.169 | 8.832 | 6.457 | 8.055 | 4.316 |
| Common Stock Risk | - | - | - | - | - | - |
| Currency Risk | 7.941 | 21.644 | 165 | 5.604 | 16.781 | 1.645 |
| Commodity Risk | - | - | - | - | - | - |
| Settlement Risk | - | - | - | - | - | - |
| Option Risk | 972 | 3.957 | 307 | 441 | 746 | 155 |
| Counterparty Risk | 19.813 | 32.511 | 10.674 | 7.917 | 12.484 | 3.716 |
| Total Value Subject to Risk | 40.821 | 56.293 | 29.100 | 20.419 | 33.232 | 14.457 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Quantitative Counterparty Risk Information

| | Amount |
|--|---------|
| Interest Rate Based Contracts | 18.286 |
| Exchange Rate Based Contracts ^(*) | 122.479 |
| Commodity Based Contracts | - |
| Common Stock Based Contracts | - |
| Gross Profit Fair Value ^(**) | 72.627 |
| Benefits to Clarify | - |
| Net Amount of Current Risk | - |
| Guarantees Held | - |
| The Net Position of Derivatives ^(***) | 213.393 |
| Other | - |

^(*) Principal^(**) Positive Replacement Cost^(***) Calculated Counterparty Credit Risk

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

Other price risks:

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

IV. Explanations Related to Operational Risk**Basic indicators approach:**

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

| | 2 PY Amount | 1 PY Amount | CY Amount | Total / Total number of years for which gross income is positive | Rate (%) | Total |
|--|----------------|----------------|--------------|---|----------|---------|
| Gross income | 61.830 | 188.661 | 589.769 | 280.086 | 15 | 42.013 |
| The amount subject to operational risk (Total*12,5) | | | | | | 525.163 |

V. Explanations Related to Currency Risk

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

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

The announced current foreign exchange buying rates of the Bank at December 31, 2015 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

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

| | 24 Dec 2014 | 25 Dec 2014 | 28 Dec 2014 | 29 Dec 2014 | 30 Dec 2014 | 31 Dec 2014 |
|---------|-------------|-------------|-------------|-------------|-------------|-------------|
| USD | 2,3197 | 2,3154 | 2,3183 | 2,3217 | 2,3278 | 2,3316 |
| CHF | 2,3522 | 2,3478 | 2,3462 | 2,3528 | 2,3565 | 2,3518 |
| GBP | 3,6053 | 3,5986 | 3,6057 | 3,6070 | 3,6211 | 3,6282 |
| 100 JPY | 0,0193 | 0,0193 | 0,0193 | 0,0193 | 0,0196 | 0,0195 |
| EURO | 2,8305 | 2,8374 | 2,8221 | 2,8309 | 2,8344 | 2,8295 |

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before December 31, 2015 are as follows:

| | Monthly Average Foreign Exchange Rate |
|---------|---------------------------------------|
| USD | 2,9191 |
| CHF | 2,9388 |
| GBP | 4,3795 |
| 100 JPY | 0,0240 |
| EURO | 3,1845 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

| December 31, 2015 | 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 | 29.782 | 3.511.658 | 3.559 | 3.544.999 |
| Banks | 17.311 | 16.865 | 1.696 | 35.872 |
| Financial Assets at Fair Value Through Profit and Loss ^(**) | - | - | - | - |
| Money Market Placements | - | - | - | - |
| Available-For-Sale Financial Assets | 5.285 | 620.032 | - | 625.317 |
| Loans ^(*) | 4.857.612 | 7.598.420 | - | 12.456.032 |
| Subsidiaries, Associates and Jointly Controlled Entities | - | - | - | - |
| Held-To-Maturity Investments | - | 364.449 | - | 364.449 |
| Derivative Financial Assets for Hedging Purposes | - | - | - | - |
| Tangible Assets | - | - | - | - |
| Intangible Assets | - | - | - | - |
| Other Assets | 7.170 | 58.881 | - | 66.051 |
| Total Assets | 4.917.160 | 12.170.305 | 5.255 | 17.092.720 |
| Liabilities | | | | |
| Bank Deposits | 396.371 | 603.573 | - | 999.944 |
| Other Deposits | 5.701.056 | 9.029.800 | 34.125 | 14.764.981 |
| Derivative financial liabilities ^(****) | - | - | - | - |
| Funds Provided From Other Financial Institutions | 704.869 | 2.379.719 | 43.751 | 3.128.339 |
| Subordinated Loan ^(*****) | - | 1.310.209 | - | 1.310.209 |
| Miscellaneous Payables | 38 | 151 | 2 | 191 |
| Derivative Financial Liabilities for Hedging Purposes | - | - | - | - |
| Other Liabilities ^(***) | 7.542 | 7.205 | 290 | 15.037 |
| Total Liabilities | 6.809.876 | 13.330.657 | 78.168 | 20.218.701 |
| Net Balance Sheet Position | (1.892.716) | (1.160.355) | (72.913) | (3.125.981) |
| Net Off-Balance Sheet Position | 2.253.564 | 914.718 | 73.216 | 3.241.498 |
| Financial Derivative Assets | 4.345.123 | 6.354.179 | 419.434 | 11.118.736 |
| Financial Derivative Liabilities | 2.091.559 | 5.439.461 | 346.218 | 7.877.238 |
| Forward deposit purchase commitments | 21.391 | 52.693 | 1.075 | 75.159 |
| Forward deposit sales commitments | 43.575 | 27.730 | 437 | 71.742 |
| Non-Cash Loans ^(**) | 350.292 | 872.630 | 702 | 1.223.624 |
| December 31, 2014 | | | | |
| Total Assets | 3.493.555 | 8.994.730 | 2.244 | 12.490.529 |
| Total Liabilities | 4.276.585 | 9.626.897 | 41.887 | 13.945.369 |
| Net Balance Sheet Position | (783.030) | (632.167) | (39.643) | (1.454.840) |
| Net Off-Balance Sheet Position | 788.435 | 383.711 | 66.500 | 1.238.646 |
| Financial Derivative Assets | 2.310.584 | 4.521.093 | 232.813 | 7.064.490 |
| Financial Derivative Liabilities | 1.489.723 | 4.197.819 | 163.974 | 5.851.516 |
| Forward deposit purchase commitments | 50.195 | 151.565 | - | 201.760 |
| Forward deposit sales commitments | 82.621 | 91.128 | 2.339 | 176.088 |
| Non-Cash Loans ^(**) | 210.618 | 469.664 | 1.505 | 681.787 |

^(*) Foreign currency indexed loans amounting to TL 1.375.174 are included in the loan portfolio.^(**) There are no effects on the net off-balance sheet position.^(***) GLLP with FC were not included in currency risk calculation.^(****) Prepaid expenses, financial assets at fair value through profit and loss and derivative financial liabilities and equities were not included in currency risk calculation.^(*****) TIER 1 subordinated loan amounting to TL 873.420 is included.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Foreign currency sensitivity:

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

| Change in currency rate in % | Effect on profit or loss ^(*) | | Effect on equity | |
|------------------------------|---|----------------------|----------------------|----------------------|
| | December 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| USD %10 | (24.564) | (24.846) | (24.564) | (24.846) |
| USD %10] | 24.564 | 24.846 | 24.564 | 24.846 |
| EUR %10 | 36.085 | 541 | 36.085 | 541 |
| EUR %10] | (36.085) | (541) | (36.085) | (541) |

(*) Represents before tax amounts

VI. Explanations Related to Interest Rate Risk

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

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

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

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

| | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Non-interest bearing | Total |
|---|--------------------|--------------------|--------------------|--------------------|------------------|-------------------------|---------------------|
| December 31, 2015 | | | | | | | |
| Assets | | | | | | | |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey | 3.937.140 | - | - | - | - | 137.444 | 4.074.584 |
| Banks | - | - | - | - | - | 35.986 | 35.986 |
| Financial Assets at Fair Value Through Profit and Loss | 17.064 | 20.728 | 41.271 | 21.325 | 25.337 | - | 125.725 |
| Money Market Placements | 4.061.196 | - | - | - | - | - | 4.061.196 |
| Available-For-Sale Financial Assets | 41.042 | 598.091 | 452.760 | - | - | 5.285 | 1.097.178 |
| Loans | 3.688.373 | 5.081.545 | 6.500.236 | 4.674.337 | 1.562.886 | 299.494 | 21.806.871 |
| Held-To-Maturity Investments | - | - | - | 364.449 | - | - | 364.449 |
| Other Assets | - | - | - | - | - | 516.719 | 516.719 |
| Total Assets | 11.744.815 | 5.700.364 | 6.994.267 | 5.060.267 | 1.588.223 | 994.928 | 32.082.708 |
| Liabilities | | | | | | | |
| Bank Deposits | 496.754 | 238.524 | 268.957 | - | - | 175 | 1.004.410 |
| Customer Deposits | 13.530.074 | 9.073.643 | 342.758 | 4.325 | - | 1.378.286 | 24.329.086 |
| Money Market Borrowings | 156.858 | - | - | - | - | - | 156.858 |
| Miscellaneous Payables | - | - | - | - | - | 4.770 | 4.770 |
| Marketable Securities Issued | 154.995 | - | - | - | - | - | 154.995 |
| Subordinated Loans | - | - | - | - | 436.789 | 873.420 | 1.310.209 |
| Funds Provided From Other Financial Institutions | 560.687 | 1.092.197 | 862.064 | 284.872 | 333.649 | - | 3.133.469 |
| Other Liabilities ⁽¹⁾ | 32.478 | 30.802 | 61.650 | 16.265 | 1.524 | 1.846.192 | 1.988.911 |
| Total Liabilities | 14.931.846 | 10.435.166 | 1.535.429 | 305.462 | 771.962 | 4.102.843 | 32.082.708 |
| Balance Sheet Long Position | - | - | 5.634.688 | 4.754.649 | 1.253.051 | - | 11.650.422 |
| Balance Sheet Short Position | (3.187.031) | (5.347.440) | - | - | - | (3.107.917) | (11.650.422) |
| Off-Balance Sheet Long Position | 5.600.129 | 3.349.807 | 3.434.632 | 2.187.155 | 818.828 | - | 15.390.551 |
| Off-Balance Sheet Short Position | (5.635.791) | (3.384.390) | (3.488.817) | (2.183.467) | (818.828) | - | (15.511.293) |
| Total Position | (3.222.693) | (5.382.023) | 5.580.503 | 4.758.337 | 1.253.051 | (3.107.917) | (120.742) |

⁽¹⁾ The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 1.347.139, TL 47.976 tax liabilities, TL 255.055 provisions and TL 196.022 other liabilities.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

| | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Non-interest bearing | Total |
|---|--------------------|--------------------|------------------|------------------|------------------|-------------------------|-------------------|
| December 31, 2014 | | | | | | | |
| Assets | | | | | | | |
| Cash [Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals] and Balances with the Central Bank of Turkey | 302.555 | - | - | - | - | 2.528.107 | 2.830.662 |
| Banks | 1.004.428 | - | - | - | - | 8.135 | 1.012.563 |
| Financial Assets at Fair Value Through Profit and Loss | 12.775 | 10.171 | 14.015 | 5.094 | 5.059 | - | 47.114 |
| Money Market Placements | 2.235.688 | - | - | - | - | - | 2.235.688 |
| Available-For-Sale Financial Assets | 103.079 | 258.970 | 82.212 | 41.623 | 377.170 | - | 863.054 |
| Loans | 2.183.851 | 4.459.815 | 5.938.515 | 3.952.861 | 1.319.830 | 156.588 | 18.011.460 |
| Held-To-Maturity Investments | - | - | - | 300.091 | - | - | 300.091 |
| Other Assets | - | - | - | - | - | 321.505 | 321.505 |
| Total Assets | 5.842.376 | 4.728.956 | 6.034.742 | 4.299.669 | 1.702.059 | 3.014.335 | 25.622.137 |
| Liabilities | | | | | | | |
| Bankalar Mevduatı | 368.753 | 153.982 | 8.900 | - | - | 96.605 | 628.240 |
| Müşteri Mevduatı | 12.115.909 | 6.765.051 | 370.008 | 3.587 | - | 1.178.245 | 20.432.800 |
| Para Piyasalarına Borçlar | 138.889 | - | - | - | - | - | 138.889 |
| Muhtelif Borçlar | - | - | - | - | - | 3.663 | 3.663 |
| İhraç Edilen Menkul Kıymetler | - | 137.483 | - | - | - | - | 137.483 |
| Sermaye benzeri krediler ^(*) | - | - | - | - | 353.655 | 699.480 | 1.053.135 |
| Alınan Krediler | 476.873 | 434.666 | 325.102 | 117.400 | 57.082 | - | 1.411.123 |
| Diğer Yükümlülükler ^(**) | 7.973 | 13.990 | 19.297 | 9.118 | 285 | 1.766.141 | 1.816.804 |
| Total Liabilities | 13.108.397 | 7.505.172 | 723.307 | 130.105 | 411.022 | 3.744.134 | 25.622.137 |
| Balance Sheet Long Position | - | - | 5.311.435 | 4.169.564 | 1.291.037 | - | 10.772.036 |
| Balance Sheet Short Position | [7.266.021] | [2.776.216] | - | - | - | [729.799] | [10.772.036] |
| Off-Balance Sheet Long Position | 4.169.166 | 1.643.491 | 1.320.579 | 1.901.511 | 353.216 | - | 9.387.953 |
| Off-Balance Sheet Short Position | [4.189.510] | [1.658.673] | [1.386.234] | [1.941.168] | [258.204] | - | [9.433.789] |
| Total Position | [7.286.365] | [2.791.398] | 5.245.780 | 4.129.907 | 1.386.049 | [729.799] | [45.836] |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Interest rates applied to monetary financial instruments:

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

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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 |
|-----------------------------------|--|------------------|--|
| TRY | 500 | (369.108] | (13,73)% |
| | (400] | 356.882 | 13,28% |
| EURO | 200 | (21.722] | (0,81)% |
| | (200] | (459] | (0,02)% |
| USD | 200 | (47.030] | (1,75)% |
| | (200] | (27.570] | (1,03)% |
| Total (For Positive Shock) | | (437.860] | (16,29)% |
| Total (For Negative Shock) | | 328.853 | 12,24% |

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

VII. Explanations Related to Share Certificates Position Risk

The Bank has no outstanding share certificate position.

VIII. Explanations Related to Liquidity Risk

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

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

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

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

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

Funding method of the Bank is carried out in the framework of ALC decisions. Funding and lending strategies are developed through the evaluation of Bank's liquidity. A significant part of Bank's liquidity need is met with deposit when funding and liquidity sources are taken into consideration. On the other hand, when it is deemed necessary, syndication, bond issuance and pre-financing products can be provided in addition to the aforementioned sources.

Almost all the liabilities of the Bank are TL, USD or EUR and fund sources are monitored closely while determining the concentration risk with respect to funding. Concentration analyses related to deposits, establishing funding base of the Bank, are performed and factors, which can deteriorate access to funding sources and trigger a sudden withdrawal of funds at a significant level are analysed.

Liquidity risk exposed by the Bank is closely monitored and managed through a risk reduction appropriate to risk appetite and liquidity risk management policies, diversification of funding sources, keeping high quality liquid assets and limits. It is evaluated to accept current risk level, reduction or termination of activities causing risks for the risks which are subject to limit excess.

The bank has stress liquidity indicators in scope of Liquidity Stress Test, formed through taking high quality liquid assets, deposit, other balance sheet items generating cash outflow, loans and other cash inflows into consideration, in order to meet both a general liquidity stress sourcing from market conditions and also a specific liquidity stress sourcing from internal grounds. There are determined risk limits towards indicators. Compliance to risk and determined risk limits are shared with Senior Management and related business units ensuring to take necessary actions.

The bank established a Liquidity Contingency Plan to explain actions which are required to be taken during a possible liquidity crisis scenario. Normal market conditions and various stress levels are defined in this scope and action plans for each situation are determined. Additionally, Baseline Risk Indicators and Liquidity Early Warning Signals are defined with Immediate Contingency Plan in scope of Liquidity Risk Management Policy and these indicators are monitored periodically.

The liquidity coverage ratios are calculated in accordance with the "Regulation on Liquidity Coverage Ratio Calculation of Banks" published in Official Gazette dated 21March 2014 and numbered 28948. Liquidity coverage ratios should be at least 40% for foreign currency assets and liabilities and 60% for total assets and liabilities for the year 2015. Both of the aforementioned rates shall be increased by 10% annually until 2019 and foreign currency shall be applied as 80% while total shall be applied as 100%.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Information regarding weekly solo liquidity coverage ratios realized in the fourth quarter of 2015 is as follows:

| Current Period-31.12.2015 | | Rate of "Percentage to be taken into account" not implemented Total value ^(*) | | Rate of "Percentage to be taken into account" implemented Total value ^(*) | |
|-----------------------------------|--|--|------------------|--|------------------|
| | | TP+YP | YP | TP+YP | YP |
| HIGH QUALITY LIQUID ASSETS | | | | 6.064.442 | 2.945.037 |
| 1 | High quality liquid assets | 7.349.775 | 4.230.369 | 6.064.442 | 2.945.037 |
| CASH OUTFLOWS | | | | | |
| 2 | Retail and Small Business Customer Deposits | 13.500.995 | 7.605.381 | 1.301.172 | 750.517 |
| 3 | Stable deposits | 978.555 | 200.420 | 48.928 | 10.021 |
| 4 | Less stable deposits | 12.522.440 | 7.404.961 | 1.252.244 | 740.496 |
| 5 | Unsecured Funding other than Retail and Small Business Customer Deposits | 9.721.066 | 7.103.915 | 4.724.319 | 3.504.049 |
| 6 | Operational deposits | 27.329 | 159 | 6.832 | 40 |
| 7 | Non-Operational Deposits | 8.836.495 | 6.538.928 | 3.860.245 | 2.939.182 |
| 8 | Other Unsecured Funding | 857.241 | 564.828 | 857.241 | 564.828 |
| 9 | Secured funding | - | - | - | - |
| 10 | Other Cash Outflows | - | - | - | - |
| 11 | Liquidity needs related to derivatives and market | 162.948 | 1.051.338 | 162.948 | 1.051.338 |
| 12 | Debts related to the structured financial products | - | - | - | - |
| 13 | Commitment related to debts to financial markets and other off balance sheet liabilities | 3.882.383 | 1.462.952 | 378.835 | 159.138 |
| 14 | Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments | - | - | - | - |
| 15 | Other irrevocable or conditionally revocable commitments | - | - | - | - |
| 16 | TOTAL CASH OUTFLOWS | | | 6.567.274 | 5.465.043 |
| CASH INFLOWS | | | | | |
| 17 | Secured Lending Transactions | 2.346.846 | - | - | - |
| 18 | Unsecured Lending Transactions | 2.776.275 | 1.129.796 | 2.226.959 | 911.834 |
| 19 | Other contractual cash inflows | 53.162 | 2.455.946 | 53.162 | 2.455.946 |
| 20 | TOTAL CASH INFLOWS | 5.176.283 | 3.585.742 | 2.280.121 | 3.367.780 |
| | | | | Upper limit applied amounts | |
| 21 | TOTAL HQLA | | | 6.064.442 | 2.945.037 |
| 22 | TOTAL NET CASH OUTFLOWS | | | 4.287.153 | 2.117.458 |
| 23 | Liquidity Coverage Ratio [%] | | | 142,74 | 144,14 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Information regarding weekly solo liquidity coverage ratios realized in the fourth quarter of 2014 is as follows:

| Prior Period-31.12.2014 | Rate of "Percentage to be taken into account" not implemented Total value ^(*) | | Rate of "Percentage to be taken into account" implemented Total value ^(*) | |
|---|--|------------------|--|------------------|
| | TL+FC | FC | TL+FC | FC |
| HIGH QUALITY LIQUID ASSETS | | - | 4.437.576 | 2.100.633 |
| 1 High quality liquid assets | 5.186.699 | 2.849.756 | 4.437.576 | 2.100.633 |
| CASH OUTFLOWS | | | | |
| 2 Retail and Small Business Customer Deposits | 10.251.926 | 5.207.074 | 1.014.452 | 519.103 |
| 3 Stable deposits | 214.818 | 32.089 | 10.741 | 1.604 |
| 4 Less stable deposits | 10.037.108 | 5.174.986 | 1.003.711 | 517.499 |
| 5 Unsecured Funding other than Retail and Small Business Customer Deposits | 7.113.708 | 4.848.156 | 3.496.531 | 2.461.391 |
| 6 Operational deposits | 2.138 | - | 534 | - |
| 7 Non-Operational Deposits | 6.411.154 | 4.341.182 | 2.795.580 | 1.954.417 |
| 8 Other Unsecured Funding | 700.416 | 506.974 | 700.416 | 506.974 |
| 9 Secured funding | - | - | - | - |
| 10 Other Cash Outflows | - | - | - | - |
| 11 Liquidity needs related to derivatives and market | 9.322 | - | 9.322 | - |
| 12 Debts related to the structured financial products | - | - | - | - |
| 13 Commitment related to debts to financial markets and other off balance sheet liabilities | 2.244.557 | 672.234 | 212.959 | 72.815 |
| 14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments | - | - | - | - |
| 15 Other irrevocable or conditionally revocable commitments | - | - | - | - |
| 16 TOTAL CASH OUTFLOWS | | | 4.733.264 | 3.053.308 |
| CASH INFLOWS | | | | |
| 17 Secured Lending Transactions | 1.633.152 | - | - | - |
| 18 Unsecured Lending Transactions | 1.727.174 | 704.172 | 1.389.336 | 617.076 |
| 19 Other contractual cash inflows | 2.429 | 810.717 | 2.429 | 810.717 |
| 20 TOTAL CASH INFLOWS | 3.362.756 | 1.514.889 | 1.391.765 | 1.427.793 |
| | | | Upper limit applied amounts | |
| 21 TOTAL HQLA | | | 4.437.576 | 2.100.633 |
| 22 TOTAL NET CASH OUTFLOWS | | | 3.341.499 | 1.625.515 |
| 23 Liquidity Coverage Ratio [%] | | | 133,71 | 132,55 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

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

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

| Current Year-31/12/2015 | | |
|-------------------------|------------|------------|
| | TL+FC | FC |
| Lowest | 114,40 | 109,96 |
| Week | 25.12.2015 | 20.11.2015 |
| Highest | 178,36 | 217,73 |
| Week | 09.10.2015 | 16.10.2015 |
| Average | 142,74 | 144,14 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Presentation of assets and liabilities according to their remaining maturities:

| December 31, 2015 | 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 | 4.074.584 | - | - | - | - | - | - | 4.074.584 |
| Banks | 35.986 | - | - | - | - | - | - | 35.986 |
| Financial Assets at Fair Value Through Profit and Loss | - | 14.318 | 19.586 | 33.340 | 25.191 | 33.290 | - | 125.725 |
| Money Market Placements | - | 4.061.196 | - | - | - | - | - | 4.061.196 |
| Available-For-Sale Financial Assets | - | - | - | 41.042 | 254.965 | 795.886 | 5.285 | 1.097.178 |
| Loans | - | 1.300.977 | 886.056 | 4.053.857 | 9.248.413 | 6.018.074 | 299.494 | 21.806.871 |
| Held-To-Maturity Investments | - | - | - | - | 364.449 | - | - | 364.449 |
| Other Assets | - | - | - | - | - | - | 516.719 | 516.719 |
| Total Assets | 4.110.570 | 5.376.491 | 905.642 | 4.128.239 | 9.893.018 | 6.847.250 | 821.498 | 32.082.708 |
| Liabilities | | | | | | | | |
| Bank Deposits | 175 | 496.754 | 238.524 | 268.957 | - | - | - | 1.004.410 |
| Customer Deposits | 1.378.286 | 13.530.074 | 9.073.643 | 342.758 | 4.325 | - | - | 24.329.086 |
| Funds Provided From Other Financial Institutions | - | 560.687 | 1.092.197 | 862.064 | 284.872 | 333.649 | - | 3.133.469 |
| Money Market Borrowings | - | 156.858 | - | - | - | - | - | 156.858 |
| Marketable Securities Issued | - | 154.995 | - | - | - | - | - | 154.995 |
| Subordinated Loans | - | - | - | - | - | 436.789 | 873.420 | 1.310.209 |
| Miscellaneous Payables | - | - | - | - | - | - | 4.770 | 4.770 |
| Other Liabilities ^(**) | - | 30.145 | 30.589 | 59.907 | 19.524 | 2.554 | 1.846.192 | 1.988.911 |
| Total Liabilities | 1.378.461 | 14.929.513 | 10.434.953 | 1.533.686 | 308.721 | 772.992 | 2.724.382 | 32.082.708 |
| Liquidity Gap | 2.732.109 | [9.553.022] | [9.529.311] | 2.594.553 | 9.584.297 | 6.074.258 | [1.902.885] | - |
| Prior period | | | | | | | | |
| Total Assets | 2.850.724 | 4.762.798 | 935.921 | 4.519.905 | 6.696.183 | 5.378.513 | 478.093 | 25.622.137 |
| Total Liabilities | 1.274.850 | 13.119.068 | 7.504.224 | 715.591 | 127.551 | 411.569 | 2.469.284 | 25.622.137 |
| Liquidity Gap | 1.575.874 | [8.356.270] | [6.568.303] | 3.804.314 | 6.568.632 | 4.966.944 | [1.991.191] | - |

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Analysis of financial liabilities by remaining contractual maturities:

| | Demand | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Adjustments | Total |
|--|------------------|-------------------|-------------------|------------------|----------------|------------------|-------------|-------------------|
| As of December 31, 2015 | | | | | | | | |
| Bank Deposits | 175 | 497.228 | 239.541 | 271.753 | - | - | - | 1.008.697 |
| Customer deposits | 1.378.286 | 13.559.994 | 9.164.838 | 347.025 | 4.457 | - | - | 24.454.600 |
| Subordinated Loans | - | - | - | - | - | 1.562.215 | - | 1.562.215 |
| Funds Provided From Other Financial Institutions | - | 561.925 | 1.099.569 | 916.013 | 339.993 | 377.019 | - | 3.294.519 |
| Funds From interbank money market | - | 157.026 | - | - | - | - | - | 157.026 |
| Total | 1.378.461 | 14.776.173 | 10.503.948 | 1.534.791 | 344.450 | 1.939.234 | - | 30.477.057 |
| As of December 31, 2014 | | | | | | | | |
| Bank Deposits | 96.605 | 465.896 | 155.076 | 9.029 | - | - | - | 726.606 |
| Customer deposits | 1.178.245 | 12.609.460 | 6.987.429 | 390.728 | 3.709 | - | - | 21.169.571 |
| Subordinated Loans | - | - | - | - | - | 1.277.940 | - | 1.277.940 |
| Funds Provided From Other Financial Institutions | - | 479.859 | 436.815 | 328.895 | 145.447 | 75.608 | - | 1.466.624 |
| Funds From interbank money market | - | 139.264 | - | - | - | - | - | 139.264 |
| Total | 1.274.850 | 13.694.479 | 7.579.320 | 728.652 | 149.156 | 1.353.548 | - | 24.780.005 |

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

| | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Total |
|---------------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| As of December 31, 2015 | | | | | | |
| Gross settled | | | | | | |
| Foreign exchange forward contracts | 1.634.972 | 1.076.593 | 927.425 | 672 | - | 3.639.662 |
| Currency swaps | 5.514.190 | 3.501.742 | 3.056.019 | 898.203 | - | 12.970.154 |
| Interest rate swap agreement | 245.848 | - | 595.430 | 3.377.840 | 1.181.150 | 5.400.268 |
| Foreign currency sell and buy options | 3.623.239 | 2.155.862 | 2.344.575 | 93.906 | - | 8.217.582 |
| Interest rate sell and buy options | - | - | - | - | 456.508 | 456.508 |
| Total | 11.018.249 | 6.734.197 | 6.923.449 | 4.370.621 | 1.637.658 | 30.684.174 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

IX. Explanations Related to Securitization Positions

None.

X. Explanations Related to Credit Risk Mitigation Techniques

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Collateral on the basis of risk classes**December 31, 2015**

| 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 | 5,473.336 | - | - | - |
| Contingent and Non-Contingent Receivables on Regional and Local governments | - | - | - | - |
| Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises | 7.646 | - | - | - |
| 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 | 489.862 | - | - | - |
| Contingent and Non-Contingent receivables from corporates | 14.575.196 | 1.053.745 | - | - |
| Contingent and Non-Contingent Retail Receivables | 1.800.139 | 57.731 | - | - |
| Contingent and Non-Contingent Receivables Secured by Mortgages | 6.843.401 | - | - | - |
| Past Due Receivables | 369.481 | 10 | - | - |
| Receivables defined in high risk category by Regulator | 1.027.455 | 40.248 | - | - |
| Securities collateralized by mortgages | - | - | - | - |
| Securitization positions | - | - | - | - |
| Short-Term Receivables from Banks, brokerage houses and Corporate | - | - | - | - |
| Investment similar to collective investment funds | - | - | - | - |
| Other Receivables | 596.545 | - | - | - |
| Total | 31.183.061 | 1.151.734 | - | - |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

December 31, 2014

| 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 | 3.919.478 | - | - | - |
| Contingent and Non-Contingent Receivables on Regional and Local governments | - | - | - | - |
| Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises | - | - | - | - |
| Contingent and Non-Contingent Receivables on Multilateral Development Banks | - | - | - | - |
| Contingent and Non-Contingent Receivables on International Organizations | - | - | - | - |
| Contingent and Non-Contingent Receivables on Banks and brokerage houses | 1.852.277 | - | - | - |
| Contingent and Non-Contingent receivables from corporates | 12.300.652 | 1.006.279 | - | - |
| Contingent and Non-Contingent Retail Receivables | 1.720.517 | 34.951 | - | - |
| Contingent and Non-Contingent Receivables Secured by Mortgages | 4.939.341 | - | - | - |
| Past Due Receivables | 134.294 | - | - | - |
| Receivables defined in high risk category by Regulator | 738.790 | 22.067 | - | - |
| Securities collateralized by mortgages | - | - | - | - |
| Securitization positions | - | - | - | - |
| Short-Term Receivables from Banks, brokerage houses and Corporate | - | - | - | - |
| Investment similar to collective investment funds | - | - | - | - |
| Other Receivables | 421.739 | - | - | - |
| Total | 26.027.088 | 1.063.297 | - | - |

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

XI. Explanations on Leverage Ratio**Information on subjects that causes difference in leverage ratio between current and prior periods:**

"Regulation on the Measurement and Evaluation of Banks Leverage Levels" regulates the procedures and principles regarding the ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 5,82% [December 31, 2014: 7,00%]. Changes in the Leverage Ratio is mainly due to increase in the amount of balance sheet assets. According to Regulations, minimum leverage ratio is 3%.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Disclosure of Leverage ratio template:

| | Current Period 31 December 2015 ^(*) | Prior Period 31 December 2014 ^(*) |
|--|--|--|
| Balance sheet transactions | | |
| 1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals) | 31.865.370 | 23.765.318 |
| 2 (Assets deducted from Core capital) | [80.499] | [67.073] |
| 3 Total risk amount of balance sheet assets (sum of lines 1 and 2) | 31.748.871 | 23.698.245 |
| Derivative financial assets and credit derivatives | | |
| 4 Cost of replenishment for derivative financial assets and credit derivatives | 292.073 | 73.729 |
| 5 Potential credit risk amount of derivative financial assets and credit derivatives | - | - |
| 6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5) | 292.073 | 73.729 |
| Financing transactions secured by marketable security or commodity | | |
| 7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet) | - | - |
| 8 Risk amount arising from intermediary transactions | - | - |
| 9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8) | - | - |
| Off-balance sheet transactions | | |
| 10 Gross notional amount of off-balance sheet transactions | 3.654.590 | 3.548.194 |
| 11 (Correction amount due to multiplication with credit conversion rates) | - | - |
| 12 Total risk of off-balance sheet transactions (sum of lines 10 and 11) | 3.654.590 | 3.548.194 |
| Capital and total risk | | |
| 13 Core Capital | 2.078.091 | 1.907.296 |
| 14 Total risk amount (sum of lines 3, 6, 9 and 12) | 35.731.534 | 27.320.169 |
| Leverage ratio | | |
| 15 Leverage ratio | 5,82 | 7,00 |

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

XII. 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.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

Objective of risk policies: In line with "Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks (published in the Official Gazette dated July 11, 2014 numbered 29057)", sustaining the Bank's operations in accordance with the Banks's strategic plans, mission, targets, profitability and productivity principles by determining Bank's risk strategy and maximum risk level in line with the volume, qualification and complexity of the Bank's operations. Moreover, ensuring to conserve the interests of depositors and the Bank's shareholder's interest at a maximum level.

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

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

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

At the Bank, by considering Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks published in the Official Gazette No. 29057 dated July 11, 2014 banking processes and policies were established. Consequently, related procedures/policies are formed and then approved by the Board of Directors.

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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.

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.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

| | Book Value | Fair Value | Book Value | Fair Value |
|--|-------------------|-------------------|-------------------|-------------------|
| | December 31, | December 31, | December 31, | December 31, |
| | 2015 | 2015 | 2014 | 2014 |
| Financial Assets | 27.365.680 | 27.522.505 | 22.422.856 | 23.128.060 |
| Money Market Placements | 4.061.196 | 4.061.196 | 2.235.688 | 2.235.688 |
| Banks | 35.986 | 35.986 | 1.012.563 | 1.012.563 |
| Available-For-Sale Financial Assets | 1.097.178 | 1.097.178 | 863.054 | 863.054 |
| Held-To-Maturity Investments | 364.449 | 360.260 | 300.091 | 301.775 |
| Loans | 21.806.871 | 21.967.885 | 18.011.460 | 18.714.980 |
| Financial Liabilities | 29.936.939 | 29.959.673 | 23.666.444 | 23.605.256 |
| Bank Deposits | 1.004.410 | 1.004.410 | 628.240 | 628.240 |
| Other Deposits | 24.329.086 | 24.331.418 | 20.432.800 | 20.456.278 |
| Funds Borrowed From Other Financial Institutions | 3.133.469 | 3.137.794 | 1.411.123 | 1.330.155 |
| Subordinated Loans | 1.310.209 | 1.326.198 | 1.053.135 | 1.049.220 |
| Issued Bonds | 154.995 | 155.083 | 137.483 | 137.700 |
| Miscellaneous Payables | 4.770 | 4.770 | 3.663 | 3.663 |

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

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

Aforesaid fair value hierarchy is determined as follows.

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

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

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

| December 31, 2015 | Level 1 | Level 2 | Level 3 | Total |
|--|------------------|----------------|----------------|------------------|
| Financial Assets | 1.116.705 | 100.913 | 5.285 | 1.222.903 |
| Financial Assets at Fair Value through Profit and Loss | 24.812 | 100.913 | - | 125.725 |
| Available-For-Sale Financial Assets | 1.091.893 | - | 5.285 | 1.097.178 |
| Financial Liabilities | - | 142.719 | - | 142.719 |
| Derivative financial liabilities held for trading | - | 142.719 | - | 142.719 |
| December 31, 2014 | Level 1 | Level 2 | Level 3 | Total |
| | 866.211 | 43.957 | - | 910.168 |
| Financial Assets | 3.157 | 43.957 | - | 47.114 |
| Financial Assets at Fair Value through Profit and Loss | 863.054 | - | - | 863.054 |
| Available-For-Sale Financial Assets | - | 50.663 | - | 50.663 |
| Financial Liabilities | - | 50.663 | - | 50.663 |
| Derivative financial liabilities held for trading | - | - | - | - |

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

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

XV. Explanations Related to Hedge Accounting

None.

SECTION FIVE**EXPLANATIONS AND DISCLOSURES ON FINANCIAL STATEMENTS****I. Explanations and Disclosures Related to the Assets****1. a) Information on Cash and Balances with the Central Bank of Turkey:**

| | December 31, 2015 | | December 31, 2014 | |
|--|-------------------|------------------|-------------------|------------------|
| | TL | FC | TL | FC |
| Cash in Vault | 65.252 | 72.078 | 56.353 | 56.883 |
| Balances with the Central Bank of Turkey | 464.333 | 3.472.921 | 302.555 | 2.414.871 |
| Other | - | - | - | - |
| Total | 529.585 | 3.544.999 | 358.908 | 2.471.754 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

| | December 31, 2015 | | December 31, 2014 | |
|------------------------------|-------------------|------------------|-------------------|------------------|
| | TL | FC | TL | FC |
| Unrestricted demand deposits | 464.333 | 84 | 302.555 | 49 |
| Unrestricted time deposits | - | - | - | - |
| Restricted time deposits | - | 3.472.837 | - | 2.414.822 |
| Total | 464.333 | 3.472.921 | 302.555 | 2.414.871 |

c) Explanations related to reserve deposits:

In accordance with the declaration by the T.C. Central Bank on March 10, 2015 numbered 2015-19, as of the February 27, 2015 obligation schedule, the compulsory rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11.5% depending on the maturity of deposits (December 31, 2014 – 5% to 11.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 9% to 13% depending on the maturity of deposits (December 31, 2014 – 6% to 13%), the Banks shall book required reserves at the rate of 5% to 11.5% depending on the structure of the maturity for non-deposit Turkish Lira obligations (December 31, 2014 – 5% to 11.5%) and at the rate of 5% to 25% depending on the structure of the maturity for non-deposit foreign currency obligations (December 31, 2014 – 6% to 18%), which they need to hold as required reserve in the account of the T.C. Central Bank's.

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

2. Information on financial assets at fair value through profit and loss (net):**a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked:**

| | December 31, 2015 | | December 31, 2014 | |
|----------------------------------|-------------------|----------|-------------------|--------------|
| | TL | FC | TL | FC |
| Classified as unrestricted | 24.812 | - | 1.778 | 1.379 |
| Subject to repurchase agreements | - | - | - | - |
| Given as collateral/blocked | - | - | - | - |
| Total | 24.812 | - | 1.778 | 1.379 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

| | December 31, 2015 | | December 31, 2014 | |
|----------------------|-------------------|---------------|-------------------|---------------|
| | TL | FC | TL | FC |
| Forward Transactions | 19.104 | 4.952 | 1.491 | 4.255 |
| Swap Transactions | 37.022 | 16.135 | 2.471 | 18.960 |
| Futures Transactions | - | - | - | - |
| Options | 20.063 | 3.637 | 4.267 | 12.513 |
| Other | - | - | - | - |
| Total | 76.189 | 24.724 | 8.229 | 35.728 |

3. a) Information on banks:

| | December 31, 2015 | | December 31, 2014 | |
|---------------------------------|-------------------|---------------|-------------------|----------------|
| | TL | FC | TL | FC |
| Banks | | | | |
| Domestic | 114 | - | 866.973 | 137.565 |
| Foreign | - | 35.872 | - | 8.025 |
| Branches and head office abroad | - | - | - | - |
| Total | 114 | 35.872 | 866.973 | 145.590 |

b) Information on foreign bank accounts:

| | Unrestricted Amount | | Restricted Amount | |
|-------------------------------|---------------------|-------------------|-------------------|-------------------|
| | December 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| European Union Countries | 18.335 | 3.550 | - | - |
| USA and Canada | 16.887 | 4.325 | - | - |
| OECD Countries ^(*) | 597 | 130 | - | - |
| Other | 53 | 20 | - | - |
| Total | | | | |
| Toplam | 35.872 | 8.025 | - | - |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

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

| | December 31, 2015 | | December 31, 2014 | |
|--|-------------------|----------|-------------------|----------|
| | TL | FC | TL | FC |
| Share certificates | - | - | - | - |
| Bond, Treasury bill and similar securities | 285.673 | - | 205.577 | - |
| Other | - | - | - | - |
| Total | 285.673 | - | 205.577 | - |

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

As of December 31, 2015, available-for-sale financial assets subject to repurchase agreements amount to TL 157.575
(31 December 2014: TL 139.264).

b) Information on financial assets available for sale portfolio:

| | December 31, 2015 | December 31, 2014 |
|-----------------------------------|-------------------|-------------------|
| Debt securities | 1.091.893 | 863.054 |
| Quoted on a stock exchange | 1.091.893 | 863.054 |
| Not quoted | - | - |
| Share certificates | 5.285 | - |
| Quoted on a stock exchange | - | - |
| Not quoted | 5.285 | - |
| Value Decrease [-] / Increase [+] | - | - |
| Total | 1.097.178 | 863.054 |

5. Information on loans:

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

| | December 31, 2015 | | December 31, 2014 | |
|--|-------------------|----------|-------------------|----------|
| | Cash | Non-cash | Cash | Non-cash |
| Direct loans granted to shareholders | - | - | - | - |
| Corporate shareholders | - | - | - | - |
| Real person shareholders | - | - | - | - |
| Indirect loans granted to shareholders | - | - | - | - |
| Loans granted to employees | 7.071 | - | 4.846 | - |
| Total | 7.071 | - | 4.846 | - |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

| | Standard Loans and Other Receivables | | | Loans and Other Receivables Under Close Monitoring | | |
|------------------------------------|--|-----------------------------------|----------|---|-----------------------------------|----------|
| | Loans and Other Receivables [Total] | Restructured or Rescheduled | Other | Loas and Other Receivables [Total] | Restructured or Rescheduled | Other |
| Cash Loans | | | | | | |
| Non-specialized loans | 20.667.192 | 57.030 | - | 302.315 | 480.841 | - |
| Discount notes | - | - | - | - | - | - |
| Export loans | 1.287.990 | 2.396 | - | 6.934 | 3.313 | - |
| Import loans | - | - | - | - | - | - |
| Loans given to financial sector | 118.109 | - | - | - | - | - |
| Foreign loans | 445.591 | - | - | - | - | - |
| Consumer loans | 1.875.707 | 3.134 | - | 101.536 | 36.171 | - |
| Credit cards | 178.016 | - | - | 13.649 | - | - |
| Precious metals loans | - | - | - | - | - | - |
| Other | 16.761.779 | 51.500 | - | 180.196 | 441.357 | - |
| Specialized loans | - | - | - | - | - | - |
| Other receivables | - | - | - | - | - | - |
| Total | 20.667.192 | 57.030 | - | 302.315 | 480.841 | - |

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

| | Standard loans and other receivables | Loans and other receivables under close monitoring |
|-------------------------------|---|--|
| Number of extensions | | |
| Extended by 1 or 2 times | 57.030 | 480.841 |
| Extended by 3,4 or 5 times | - | - |
| Extended by more than 5 times | - | - |
| Total | 57.030 | 480.841 |

| | Standard loans and other receivables | Loans and other receivables under close monitoring |
|--------------------------|---|--|
| Extension periods | | |
| 0 - 6 Months | 9.529 | 395.382 |
| 6 - 12 Months | 7.445 | 2.440 |
| 1 - 2 Years | 30.513 | 16.030 |
| 2 - 5 Years | 9.543 | 56.626 |
| 5 Years and over | - | 10.363 |
| Total | 57.030 | 480.841 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

d) Loans according to their maturity structure:

| | Standard Loans and Other Receivables | | Loans and Other Receivables Under Close Monitoring | |
|---|---|----------------------------------|---|----------------------------------|
| | Loans and Other Receivables (Total) | Agreement Conditions Modified | Loans and Other Receivables (Total) | Agreement Conditions Modified |
| Cash Loans | | | | |
| Short term loans and other receivables | 4.567.636 | 2.762 | 130.847 | 29.194 |
| Non-Specialized loans | 4.567.636 | 2.762 | 130.847 | 29.194 |
| Specialized loans | - | - | - | - |
| Other Receivables | - | - | - | - |
| Medium and long- term loans and other receivables | 16.099.556 | 54.268 | 171.468 | 451.647 |
| Non-Specialized loans | 16.099.556 | 54.268 | 171.468 | 451.647 |
| Specialized loans | - | - | - | - |
| Other receivables | - | - | - | - |
| Total | 20.667.192 | 57.030 | 302.315 | 480.841 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

| | Short Term | Medium and Long Term | Total |
|--|----------------|----------------------|------------------|
| Consumer Loans-TL | 173.434 | 1.742.050 | 1.915.484 |
| Housing Loans | 321 | 670.891 | 671.212 |
| Car Loans | 861 | 42.052 | 42.913 |
| General Purpose Loans | 172.252 | 1.029.107 | 1.201.359 |
| Other | - | - | - |
| Consumer Loans -Indexed to FC | - | - | - |
| Housing Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | - | - | - |
| Other | - | - | - |
| Consumer Loans-FC | - | 80.184 | 80.184 |
| Housing Loans | - | 80.184 | 80.184 |
| Car Loans | - | - | - |
| General Purpose Loans | - | - | - |
| Other | - | - | - |
| Individual Credit Cards-TL | 183.484 | 20 | 183.504 |
| With Installments | 41.924 | 20 | 41.944 |
| Without Installments | 141.560 | - | 141.560 |
| Individual Credit Cards-FC | 11 | - | 11 |
| With Installments | 6 | - | 6 |
| Without Installments | 5 | - | 5 |
| Personnel Loans-TL | 312 | 5.404 | 5.716 |
| Housing Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | 312 | 5.404 | 5.716 |
| Other | - | - | - |
| Personnel Loans- Indexed to FC | - | - | - |
| Housing Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | - | - | - |
| Other | - | - | - |
| Personnel Loans-FC | - | - | - |
| Housing Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | - | - | - |
| Other | - | - | - |
| Personnel Credit Cards-TL | 1.353 | 2 | 1.355 |
| With Installments | 480 | 2 | 482 |
| Without Installments | 873 | - | 873 |
| Personnel Credit Cards-FC | - | - | - |
| With Installments | - | - | - |
| Without Installments | - | - | - |
| Overdraft Accounts-TL(Real Persons) | 15.165 | - | 15.165 |
| Overdraft Accounts-FC(Real Persons) | - | - | - |
| Total | 373.759 | 1.827.660 | 2.201.419 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

| Current Period- 31.12.2015 | Short Term | Medium and Long Term | Total |
|---|----------------|----------------------|------------------|
| Commercial loans with installment facility-TL | 51.706 | 2.033.070 | 2.084.776 |
| Business Loans | - | 2.835 | 2.835 |
| Car Loans | 835 | 38.387 | 39.222 |
| General Purpose Loans | 50.871 | 1.991.848 | 2.042.719 |
| Other | - | - | - |
| Commercial loans with installment facility - Indexed to FC | 7.997 | 299.313 | 307.310 |
| Business Loans | - | - | - |
| Car Loans | - | 10.380 | 10.380 |
| General Purpose Loans | 7.997 | 288.933 | 296.930 |
| Other | - | - | - |
| Commercial loans with installment facility –FC | - | 662.315 | 662.315 |
| Business Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | - | 662.315 | 662.315 |
| Other | - | - | - |
| Corporate Credit Cards-TL | 6.778 | - | 6.778 |
| With Installments | - | - | - |
| Without Installments | 6.778 | - | 6.778 |
| Corporate Credit Cards-FC | 17 | - | 17 |
| With Installments | - | - | - |
| Without Installments | 17 | - | 17 |
| Overdraft Accounts-TL(Legal Entities) | 183.051 | - | 183.051 |
| Overdraft Accounts-FC(Legal Entities) | - | - | - |
| Total | 249.549 | 2.994.698 | 3.244.247 |

g) Loans according to types of borrowers:

| | December 31, 2015 | December 31, 2014 |
|--------------|-------------------|-------------------|
| Private | 21.507.378 | 17.854.872 |
| Public | - | - |
| Total | 21.507.378 | 17.854.872 |

h) Distribution of domestic and foreign loans:

| | December 31, 2015 | December 31, 2014 |
|----------------|-------------------|-------------------|
| Domestic loans | 21.061.787 | 17.598.480 |
| Foreign loans | 445.591 | 256.392 |
| Total | 21.507.378 | 17.854.872 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

i) Loans granted to subsidiaries and associates: None.

j) Specific provisions provided against loans:

| | December 31, 2015 | December 31, 2014 |
|--|-------------------|-------------------|
| Specific provisions | | |
| Loans and receivables with limited collectability | 16.516 | 15.296 |
| Loans and receivables with doubtful collectability | 72.275 | 39.573 |
| Uncollectible loans and receivables | 99.643 | 52.718 |
| Total | 188.434 | 107.587 |

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

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

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

| | III. Group Loans and other receivables with limited collectability | IV. Group Loans and other receivables with doubtful collectability | V. Group Uncollectible loans and other receivables |
|---|--|--|---|
| December 31, 2014 balance | 110.470 | 95.136 | 58.569 |
| Additions (+) | 467.358 | - | - |
| Transfers from other categories of non-performing loans (+) | - | 423.211 | 266.113 |
| Transfers to other categories of non-performing loans (-) | 423.211 | 266.113 | - |
| Collections (-) | 34.349 | 34.318 | 22.456 |
| Write-offs (-) ^(*) | - | - | 45.618 |
| Corporate and commercial loans | - | - | - |
| Retail loans | - | - | 32.950 |
| Credit cards | - | - | 12.668 |
| Other (-) ^(**) | - | - | 106.867 |
| Corporate and commercial loans | - | - | 56.440 |
| Retail loans | - | - | 39.201 |
| Credit cards | - | - | 11.224 |
| December 31, 2015 balance | 120.268 | 217.916 | 149.743 |
| Specific provision (-) | 16.516 | 72.275 | 99.643 |
| Net Balances on Balance Sheet | 103.752 | 145.641 | 50.100 |

^(*) As of December 31, 2015 with the decision of Board of Directors and in accordance with laws of "Regulations of Provisions", retail loans with special provision at the rate of 100%, without any collateral, amounting to TL 45.618 have been removed from the assets, by the bank (December 31, 2014: TL 5.510).

^(**) The Bank completed to transfer previously written off and provision at the rate of 100% non performing loans of TL 35.326 to Sumer Varlık (Asset Management Company) on June 24, 2015 for TL 3.800, TL 47.786 to Turkasset Varlık (Asset Management Company) on September 30, 2015 for TL 6.749 and TL 29.148 to Turkasset Varlık (Asset Management Company) on December 23, 2015 for TL 4.757.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

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

| | III. Group Loans and other receivables with limited collectability | IV. Group Loans and other receivables with doubtful collectability | V. Group Uncollectible loans and other receivables |
|--|--|--|---|
| December 31, 2015 (Net) | 103.752 | 145.641 | 50.100 |
| Loans to Real Persons and Legal Entities (Gross) | 120.268 | 217.916 | 149.742 |
| Specific provision [-] | 16.516 | 72.275 | 99.642 |
| Loans to Real Persons and Legal Entities (Net) | 103.752 | 145.641 | 50.100 |
| Banks (Gross) | - | - | - |
| Specific provision [-] | - | - | - |
| Banks (Net) | - | - | - |
| Other Loans and Receivables (Gross) | - | - | - |
| Specific provision [-] | - | - | - |
| Other Loans and Receivables (Net) | - | - | - |
| December 31, 2014 (Net) | 95.174 | 55.563 | 5.851 |
| Loans to Real Persons and Legal Entities (Gross) | 110.470 | 95.136 | 58.569 |
| Specific provision [-] | 15.296 | 39.573 | 52.718 |
| Loans to Real Persons and Legal Entities (Net) | 95.174 | 55.563 | 5.851 |
| Banks (Gross) | - | - | - |
| Specific provision [-] | - | - | - |
| Banks (Net) | - | - | - |
| Other Loans and Receivables (Gross) | - | - | - |
| Specific provision [-] | - | - | - |
| Other Loans and Receivables (Net) | - | - | - |

l) Main principles of liquidation policies of nonperforming loans and receivables:

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of December 31, 2015, the net amount after provisions of the non-performing loans and receivables in the fifth group is TL 50.100 (December 31, 2014: TL 5.851).

m) Explanations on write-off policy:

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

The Bank completed to transfer previously written off and provision at the rate of 100% non performing loans of TL 35.326 to Sumer Varlık (Asset Management Company) on June 24, 2015 for TL 3.800, TL 47.786 to Turkasset Varlık (Asset Management Company) on September 30, 2015 for TL 6.749 and TL 29.148 to Turkasset Varlık (Asset Management Company) on December 23, 2015 for TL 4.757.

6. Information on held-to-maturity investments:

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

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

c) The Bank has TL 364.449 held-to-maturity investments as of December 31, 2015 (December 31, 2014: TL 300.091).

d) Movement on held-to-maturity investments:

| | December 31, 2015 | December 31, 2014 |
|---|-------------------|-------------------|
| Beginning Balance | 300.091 | - |
| Foreign Currency Differences on Monetary Assets | - | - |
| Purchases during year | - | 300.091 |
| Disposals Through Sales and Redemptions | - | - |
| Impairment Provision | - | - |
| Change in Amortized Cost ^(*) | 64.358 | - |
| Total | 364.449 | 300.091 |

^(*)Represents exchange differences

7. Information on associates (Net):

The Bank has no associates in the current period

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period.

9. Information on jointly controlled entities:

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

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period.

11. Information on derivative financial assets for hedging purposes:

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

12. Information on tangible assets (Net):

| | Closing Balance December 31, 2014 | Additions | Disposals | Other | Change in estimate | Ending Balance December 31, 2015 |
|---|--|---------------|-----------|----------|-----------------------|---|
| Cost: | | | | | | |
| Land and buildings | 9.174 | - | - | - | - | 9.174 |
| Leased tangible assets | - | - | - | - | - | - |
| Vehicles | - | - | - | - | - | - |
| Other | 146.354 | 61.879 | - | - | - | 208.233 |
| Total Cost | 155.528 | 61.879 | - | - | - | 217.407 |
| Accumulated Depreciation: | | | | | | |
| Land and buildings | 397 | 183 | - | - | - | 580 |
| Leased tangible assets | - | - | - | - | - | - |
| Vehicles | - | - | - | - | - | - |
| Other | 38.169 | 35.756 | - | - | - | 73.925 |
| Total Accumulated Depreciation | 38.566 | 35.939 | - | - | - | 74.505 |
| Net Book Value | 116.962 | 25.940 | - | - | - | 142.902 |

a) Disclosure for impairment losses or releases individually material for financial statements:

a.1) Conditions for allocating/releasing any impairment: None.

a.2) Amount of impairment losses provided or released in financial statements during current period: None.

b) Other impairment losses provided or released in current period that are immaterial for the financial statement individually: None.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

c) Pledges, Commitments and other restrictions to acquire tangible assets: None.

13. Information on intangible assets:

| | Closing Balance December 31, 2014 | Additions | Disposals | Other | Change in estimate | Ending Balance December 31, 2015 |
|---|--|------------------|-----------|----------|-----------------------|---|
| Cost: | | | | | | |
| Software cost | 76.973 | 60.274 | - | - | - | 137.247 |
| Other intangible assets | 1.129 | - | - | - | - | 1.129 |
| Total Cost | 78.102 | 60.274 | - | - | - | 138.376 |
| | Closing Balance December 31, 2014 | Period Charge | Disposals | Other | Change in estimate | Ending Balance December 31, 2015 |
| Accumulated Depreciation: | | | | | | |
| Software cost | 20.379 | 18.617 | - | - | - | 38.996 |
| Other intangible assets | 281 | 71 | - | - | - | 352 |
| Total Accumulated Depreciation | 20.660 | 18.688 | - | - | - | 39.348 |
| Net Book Value | 57.442 | 41.586 | - | - | - | 99.028 |

14. Investment Property [Net]: None.**15. Explanations on deferred tax assets:**

a) As of December 31, 2015, the Bank has deferred tax asset amounting to TL 40.866 arising from deductible temporary differences [December 31, 2014: TL 18.398].

b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.

c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

| | December 31, 2015 | | December 31, 2014 | |
|--|-------------------|---------------|-------------------|---------------|
| | Tax Base | Deferred Tax | Tax Base | Deferred Tax |
| Reserve for Employee Benefits | 10.146 | 2.029 | 6.303 | 1.261 |
| Other provisions | 45.185 | 9.038 | 35.615 | 7.123 |
| Net Book Value and Tax Value Differences of Financial Assets: | 162.062 | 32.412 | 66.786 | 13.357 |
| Deferred Commissions | 67.422 | 13.484 | 55.605 | 11.121 |
| Other | 56.459 | 11.292 | 2.507 | 501 |
| Deferred Tax Assets | 341.274 | 68.255 | 166.816 | 33.363 |
| Net Book Value and Tax Value Differences of Financial Liabilities: | 100.913 | 20.183 | 46.136 | 9.227 |
| Amortization Differences | 29.862 | 5.972 | 26.247 | 5.249 |
| Other | 6.169 | 1.234 | 2.441 | 489 |
| Deferred Tax Liability [-] | 136.944 | 27.389 | 74.824 | 14.965 |
| Deferred Tax Asset (Net) | 204.330 | 40.866 | 91.992 | 18.398 |

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

As of December 31, 2015 the Bank has assets held for sale and discontinued operations amounting to TL 29.879 [December 31, 2014 : TL 6.132].

17. Information on other assets

a) Other assets do not exceed 10% of the balance sheet total (excluding off balance sheet commitments).

b) Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

II. Explanations and Disclosures Related to the Liabilities**1. Information on maturity structure of deposits:****a.1) December 31, 2015**

| | Demand | 7 Day Call Accounts | Up to 1 month | 1-3 Months | 3-6 Months | 6 Month- 1 Year | 1 Year And over | Accumulating Deposits | Total |
|--------------------------------|------------------|------------------------|------------------|-------------------|----------------|--------------------|--------------------|--------------------------|-------------------|
| Saving deposits | 93.895 | - | 440.258 | 5.549.307 | 1.257 | 11.308 | 21.058 | - | 6.117.083 |
| Foreign currency deposits | 786.076 | - | 1.769.195 | 11.736.065 | 313.341 | 87.283 | 72.100 | - | 14.764.060 |
| Residents in Turkey | 760.665 | - | 1.668.163 | 11.633.646 | 313.117 | 84.331 | 56.456 | - | 14.516.378 |
| Residents abroad | 25.411 | - | 101.032 | 102.419 | 224 | 2.952 | 15.644 | - | 247.682 |
| Public sector deposits | 24.861 | - | - | 403 | - | - | - | - | 25.264 |
| Commercial deposits | 472.221 | - | 508.143 | 2.025.806 | 4.843 | 18.475 | 1.120 | - | 3.030.608 |
| Other institutions deposits | 312 | - | 3.931 | 386.907 | - | - | - | - | 391.150 |
| Precious metals deposits | 921 | - | - | - | - | - | - | - | 921 |
| Interbank deposits | 175 | - | 106.319 | 572.602 | 49.578 | 275.736 | - | - | 1.004.410 |
| Central Bank of Turkey | - | - | - | - | - | - | - | - | - |
| Domestic Banks | 175 | - | - | - | - | - | - | - | 175 |
| Foreign Banks | - | - | 106.319 | 572.602 | 49.578 | 275.736 | - | - | 1.004.235 |
| Participation Banks | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 1.378.461 | - | 2.827.846 | 20.271.090 | 369.019 | 392.802 | 94.278 | - | 25.333.496 |

December 31, 2014

| | Demand | 7 Day Call Accounts | Up to 1 month | 1-3 Months | 3-6 Months | 6 Month- 1 Year | 1 Year And over | Accumulating Deposits | Total |
|-----------------------------|------------------|------------------------|------------------|-------------------|----------------|--------------------|--------------------|--------------------------|-------------------|
| Saving deposits | 41.968 | - | 336.897 | 4.842.773 | 361.345 | 122.035 | 7.807 | - | 5.712.825 |
| Foreign currency deposits | 798.959 | - | 1.144.548 | 8.445.565 | 354.593 | 106.486 | 23.987 | - | 10.874.138 |
| Residents in Turkey | 684.009 | - | 1.136.918 | 8.349.355 | 352.280 | 104.289 | 21.727 | - | 10.648.578 |
| Residents abroad | 114.950 | - | 7.630 | 96.210 | 2.313 | 2.197 | 2.260 | - | 225.560 |
| Public sector deposits | 27.844 | - | - | 915 | - | - | - | - | 28.759 |
| Commercial deposits | 297.072 | - | 643.696 | 1.980.234 | 102.086 | 17.599 | 27 | - | 3.040.714 |
| Other institutions deposits | 12.402 | - | 9.470 | 609.253 | 65.701 | 79.538 | - | - | 776.364 |
| Precious metals deposits | - | - | - | - | - | - | - | - | - |
| Interbank deposits | 96.605 | - | 531.635 | - | - | - | - | - | 628.240 |
| Central Bank of Turkey | - | - | - | - | - | - | - | - | - |
| Domestic Banks | - | - | 57.076 | - | - | - | - | - | 57.076 |
| Foreign Banks | 96.605 | - | 474.559 | - | - | - | - | - | 571.164 |
| Participation Banks | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total | 1.274.850 | - | 2.666.246 | 15.878.740 | 883.725 | 325.658 | 31.821 | - | 21.061.040 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

i. Information on saving deposits:

| Saving deposits ^(*) | Under the Guarantee of Insurance | | Exceeding the Limit of Insurance | |
|--|----------------------------------|-------------------|----------------------------------|-------------------|
| | December 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| Saving deposits | 1.263.479 | 896.447 | 4.853.604 | 4.816.378 |
| Foreign currency saving deposits | 298.778 | 193.456 | 7.717.182 | 5.478.381 |
| Other deposits in the form of saving deposits | - | - | - | - |
| Foreign branches' deposits under foreign authorities' insurance | - | - | - | - |
| Off-shore banking regions' deposits under foreign authorities' insurance | - | - | - | - |
| Total | 1.562.257 | 1.089.903 | 12.570.786 | 10.294.759 |

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

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

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

| | December 31, 2015 | December 31, 2014 |
|--|-------------------|-------------------|
| Deposits and accounts in branches abroad | - | - |
| Deposits of ultimate shareholders and their close families | - | - |
| Deposits of chairman, members of the Board of Directors and assistant general managers and their close families | 20.850 | 12.737 |
| Deposits obtained through illegal acts defined in the 282nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004. | - | - |
| Saving deposits in banks established in Turkey exclusively for off shore banking activities | - | - |

2. Information on derivative financial liabilities:

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

| | December 31, 2015 | | December 31, 2014 | |
|----------------------|-------------------|---------------|-------------------|---------------|
| | TL | FC | TL | FC |
| Forward Transactions | 10.350 | 2.978 | 3.447 | 4.165 |
| Swap Transactions | 81.239 | 10.258 | 4.163 | 14.478 |
| Futures Transactions | - | - | - | - |
| Options | 32.641 | 5.253 | 12.231 | 12.179 |
| Other | - | - | - | - |
| Total | 124.230 | 18.489 | 19.841 | 30.822 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

3. Information on borrowings:

a) Information on banks and other financial institutions:

| | December 31, 2015 | | December 31, 2014 | |
|--|-------------------|------------------|-------------------|------------------|
| | TL | FC | TL | FC |
| From Domestic Banks and Institutions | 5.130 | 39.792 | 8.760 | 13.683 |
| From Foreign Banks, Institutions and Funds | - | 3.088.547 | - | 1.388.680 |
| Total | 5.130 | 3.128.339 | 8.760 | 1.402.363 |

b) Maturity analysis of borrowings

| | December 31, 2015 | | December 31, 2014 | |
|----------------------|-------------------|------------------|-------------------|------------------|
| | TL | FC | TL | FC |
| Short-term | 4.666 | 1.822.297 | 6.721 | 771.114 |
| Medium and long-term | 464 | 1.306.042 | 2.039 | 631.249 |
| Total | 5.130 | 3.128.339 | 8.760 | 1.402.363 |

4. Information on funds provided from repurchase agreement transactions:

a) Funds Provided Under Repurchase Agreements

| | December 31, 2015 | December 31, 2014 |
|--|-------------------|-------------------|
| Funds Provided Under Repurchase Agreements | 156.858 | 138.889 |
| Total | 156.858 | 138.889 |

5. Marketable Securities Issued (Net)

| | December 31, 2015 | December 31, 2014 |
|--------------|-------------------|-------------------|
| Bank Bills | 154.995 | 137.483 |
| Total | 154.995 | 137.483 |

In accordance with the Board of Directors' decision and permits taken from the CMB and BRSA, the Bank has issued a bill with a nominal value of TL 160.160, January 18, 2016 and with a simple interest rate of 10.75 % on July 24, 2015 sold to qualified investors in the domestic market.

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

None.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

7. Explanations on lease obligations (Net):

a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the Bank: None.

b) Explanations regarding operational leases: The Bank enters into operating lease agreements for some branches. In operating leases, the lease prepayments are recorded as expense in equal amounts over the leasing period and recognized under prepaid expenses in the account of other assets. The Bank has no liability arising from operating lease agreement.

c) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

8. Information on derivative financial liabilities for hedging purposes: None.**9. Information on provisions**

a) Information on general provisions

| | December 31, 2015 | December 31, 2014 |
|--|-------------------|-------------------|
| General Provisions | 196.224 | 154.545 |
| I. Provisions for First Group Loans and Receivables | 160.744 | 131.642 |
| o/w Provision for extended loans | 1.786 | 6.353 |
| II. Provisions for Second Group Loans and Receivables | 30.159 | 18.276 |
| o/w Provision for extended loans | 23.793 | 14.065 |
| Provisions for Non-cash Loans and Derivative Financial Instruments | 5.321 | 4.627 |
| Total | 196.224 | 154.545 |

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

c) Provisions for NPL customers' non-cash loans that are not converted into cash: As of December 31, 2015 provision for NPL customers' non-cash loans that are not converted into cash is TL 3.501 (December 31, 2014: TL 1.333).

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

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

| | December 31, 2015 | December 31, 2014 |
|---|-------------------|-------------------|
| Employee termination benefit provision | 4.983 | 2.689 |
| Unused vacation provision | 5.163 | 3.614 |
| Total of provision for employee benefits | 10.146 | 6.303 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

| | Current Period | Prior Period |
|--|----------------|--------------|
| Discount rate in real terms | 3,24% | 3,24% |
| Interest rate | 8,04% | 8,04% |
| Estimated salary/ Employee termination benefit increase rate | 5,00% | 5,00% |
| | | |
| | Current Period | Prior Period |
| Balance at the beginning of period | 2.689 | 905 |
| Paid in during the period | [200] | [76] |
| The amount of provision | 2.494 | 1.860 |
| Balance at the end of period | 4.983 | 2.689 |

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 44.477 for the year of 2015 (December 31, 2014: TL 35.615)

f) Liabilities on pension rights: None.

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

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

10. Explanations on taxes payable

a) Information on current tax liability:

a.1) Information on corporate tax:

As of December 31, 2015, the Bank has corporate income tax provision amounting to TL 42.489, which is netted with prepaid taxes amounting to TL 42.504 and shown as TL 15 in the current taxes (December 31, 2014: Tax Provision TL 4.090).

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

a.2) Explanations on taxes payable:

| | December 31, 2015 | December 31, 2014 |
|----------------------------------|-------------------|-------------------|
| Payroll Tax | 3.622 | 2.921 |
| Taxation on Securities | 23.767 | 16.827 |
| BSMV | 15.637 | 13.598 |
| Property Tax | 260 | 414 |
| Value Added Tax Payable | 1.163 | 786 |
| Stamp Tax | 106 | 30 |
| Corporate Taxes Payable | - | 4.090 |
| Foreign Exchange Transaction Tax | - | - |
| Other | 534 | 457 |
| Total | 45.089 | 39.123 |

a.3) Information on premiums:

| | December 31, 2015 | December 31, 2014 |
|--|-------------------|-------------------|
| Social Security Premiums-Employer | 1.393 | 1.091 |
| Social Security Premiums-Employee | 1.233 | 966 |
| Unemployment Insurance-Employer | 174 | 137 |
| Unemployment Insurance-Employee | 87 | 68 |
| Pension Fund Membership Fees and Provisions-Employee | - | - |
| Pension Fund Membership Fees and Provisions-Employer | - | - |
| Bank Social Aid Pension Fund Premium-Employee | - | - |
| Bank Social Aid Pension Fund Premium-Employer | - | - |
| Other | - | - |
| Total | 2.887 | 2.262 |

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

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

None.

12. Information on Subordinated Loans

| | December 31, 2015 | | December 31, 2014 | |
|---------------------|-------------------|------------------|-------------------|------------------|
| | TC | FC | TC | FC |
| From domestic banks | - | - | - | - |
| From foreign banks | - | 1.310.209 | - | 1.053.135 |
| Total | - | 1.310.209 | - | 1.053.135 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

13. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

As of December 31, 2015 the Bank's paid in capital consists of TL 1.496.150.000 shares which nominal value is TL 1.

| TL | December 31, 2015 | December 31, 2014 |
|-----------------------------|-------------------|-------------------|
| Common stock ^(*) | 1.496.150 | 1.496.150 |
| Preferred stock | - | - |
| Total | 1.496.150 | 1.496.150 |

^(*) Nominal Capital

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

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

d) Information on share capital increases from revaluation funds in the current period: None.

e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.

f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

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

g) Information on preferred shares: None.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

h) Information on marketable securities value increase fund:

| | December31, 2015 | December31, 2013 |
|-----------------------------|------------------|------------------|
| Valuation Difference | [43.071] | [2.669] |
| Foreign Exchange Difference | - | - |
| Total | [43.071] | [2.669] |

i) Information on legal reserves : None.

j) Information on extraordinary reserves: None.

14. Information on minority shares:

None.

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments**1. Information on off-balance sheet liabilities:**

a) Nature and amount of irrevocable loan commitments:

| | December31, 2015 | December31, 2013 |
|--|------------------|------------------|
| Forward asset purchase and sales commitments | 217.670 | 585.464 |
| Loan granting commitments | 269.068 | 250.945 |
| Commitments for checks | 95.023 | 81.805 |
| Credit card limit commitments | 314.447 | 216.925 |
| Other irrevocable commitments | 5.242 | 7.962 |
| Total | 901.450 | 1.143.101 |

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:

| | December31, 2015 | December31, 2013 |
|----------------------------------|------------------|------------------|
| Other guarantees and collaterals | 1.748.730 | 1.005.914 |
| Letters of credit | 480.011 | 431.685 |
| Bank acceptance loans | 68.037 | 54.686 |
| Total | 2.296.778 | 1.492.285 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

| | December31, 2015 | December31, 2013 |
|--------------------------------|------------------|------------------|
| Definite letter of guarantees | 1.019.448 | 720.177 |
| Temporary letter of guarantees | 32.949 | 58.567 |
| Other letter of guarantees | 696.333 | 227.170 |
| Total | 1.748.730 | 1.005.914 |

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

| | December31, 2015 | December31, 2013 |
|---|------------------|------------------|
| Non-cash loans given to cover cash loans | | |
| With maturity of 1 year or less than 1 year | 40.687 | 14.383 |
| With maturity of more than 1 year | - | - |
| Other non-cash loans | 2.256.091 | 1.477.902 |
| Total | 2.296.778 | 1.492.285 |

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

| | December 31, 2015 | | | |
|--------------------------------------|-------------------|---------------|------------------|---------------|
| | TP | [%] | YP | [%] |
| Agricultural | 13.211 | 1,23 | 1.019 | 0,08 |
| Farming and raising livestock | 10.211 | 0,95 | 1.019 | 0,08 |
| Fores TL | - | - | - | - |
| Fishery | 3.000 | 0,28 | - | - |
| Manufacturing | 160.734 | 14,98 | 712.336 | 58,22 |
| Mining | 3.017 | 0,28 | 19.583 | 1,60 |
| Production | 111.611 | 10,40 | 392.496 | 32,08 |
| Electric, gas and water | 46.106 | 4,30 | 300.257 | 24,54 |
| Construction | 562.675 | 52,43 | 138.161 | 11,29 |
| Services | 330.506 | 30,80 | 362.500 | 29,63 |
| Wholesale and retail trade | 190.587 | 17,76 | 111.551 | 9,12 |
| Hotel, food and beverage services | 4.874 | 0,45 | - | - |
| Transportation and telecommunication | 37.910 | 3,53 | 174.874 | 14,29 |
| Financial institutions | 26.243 | 2,45 | 22.182 | 1,81 |
| Real estate and renting services | 51.666 | 4,81 | 9.668 | 0,79 |
| Self-employment services | 17.977 | 1,68 | 20.068 | 1,64 |
| Education services | 306 | 0,03 | - | - |
| Health and social services | 943 | 0,09 | 24.157 | 1,97 |
| Other | 6.028 | 0,56 | 9.608 | 0,79 |
| Total | 1.073.154 | 100,00 | 1.223.624 | 100,00 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

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

| Non-cash loans | I st Group | | II nd Group | |
|--|------------------|------------------|--------------|--------------|
| | TL | FC | TL | FC |
| Letters of guarantee | 1.057.679 | 681.073 | 7.900 | 2.078 |
| Bank acceptances | 7.575 | 60.462 | - | - |
| Letters of credit | - | 480.011 | - | - |
| Endorsements | - | - | - | - |
| Securities issue purchase and guarantees | - | - | - | - |
| Factoring Commitments | - | - | - | - |
| Other commitments and contingencies | - | - | - | - |
| Total | 1.065.254 | 1.221.546 | 7.900 | 2.078 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

2) Information related to derivative financial instruments:

| | Derivative transactions according to purposes | | | |
|---|---|----------------------|----------------------|----------------------|
| | Trading | Hedging | Trading | Hedging |
| | December 31, 2015 | December 31, 2015 | December 31, 2014 | December 31, 2014 |
| Types of trading transactions | | | | |
| Foreign currency related derivative transactions (I): | | | | |
| Forward transactions | 3.639.662 | - | 1.340.262 | - |
| Swap transactions | 12.970.154 | - | 6.140.511 | - |
| Futures transactions | - | - | - | - |
| Option transactions | 8.217.582 | - | 6.693.607 | - |
| Interest related derivative transactions (II) : | | | | |
| Forward rate transactions | - | - | - | - |
| Interest rate swap transactions | 5.400.268 | - | 2.597.894 | - |
| Interest option transactions | 456.508 | - | 2.049.476 | - |
| Futures interest transactions | - | - | - | - |
| Other derivative transactions for trade (III) | - | - | - | - |
| A. Total trading derivative transactions (I+II+III) | 30.684.174 | - | 18.821.750 | - |
| Types of hedging transactions | | | | |
| Fair value hedges | - | - | - | - |
| Cash flow hedges | - | - | - | - |
| Net investment hedges | - | - | - | - |
| B.Total hedging related derivatives | - | - | - | - |
| Total Derivative Transactions (A+B) | 30.684.174 | - | 18.821.750 | - |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

| December 31, 2015 | Forward Buy | Forward Sell | Swap Buy | Swap Sell | Option Buy | Option Sell | Interest Swap Buy | Interest Swap Sell | Interest Option Buy | Interest Option Sell | Total |
|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|---------------------|----------------------|-------------------|
| TL | 796.564 | 576.126 | 1.136.845 | 4.570.705 | 1.604.114 | 1.753.428 | 625.209 | 625.209 | - | - | 11.688.200 |
| USD | 455.433 | 836.446 | 3.049.603 | 1.399.530 | 1.523.370 | 1.877.700 | 1.097.517 | 1.097.517 | 228.254 | 228.254 | 11.793.624 |
| EURO | 509.529 | 328.880 | 1.913.652 | 310.740 | 944.534 | 474.541 | 977.408 | 977.408 | - | - | 6.436.692 |
| Other | 67.112 | 69.572 | 332.376 | 256.703 | 19.948 | 19.947 | - | - | - | - | 765.658 |
| Total | 1.828.638 | 1.811.024 | 6.432.476 | 6.537.678 | 4.091.966 | 4.125.616 | 2.700.134 | 2.700.134 | 228.254 | 228.254 | 30.684.174 |

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

3. Information related to credit derivatives and risk exposures:

None.

4. Explanations on contingent liabilities and assets:

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

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

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

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

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

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

5. Custodian and intermediary services:

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(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:**

| | December 31, 2015 | | December 31, 2014 | |
|----------------------------------|-------------------|----------------|-------------------|----------------|
| | TL | FC | TL | FC |
| Interest on loans ^(*) | | | | |
| Short term loans | 616.627 | 45.652 | 503.975 | 31.423 |
| Medium and long term loans | 728.640 | 557.119 | 544.258 | 329.584 |
| Interest on non-performing loans | | | - | - |
| Total | 1.345.267 | 602.771 | 1.048.233 | 361.007 |

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

b) Information on interest received from banks:

| | December 31, 2015 | | December 31, 2014 | |
|---|-------------------|--------------|-------------------|------------|
| | TL | FC | TL | FC |
| The Central Bank of Republic of Turkey (CBRT) | 10.140 | 5.033 | 881 | - |
| Domestic banks | 92.049 | 732 | 43.821 | 516 |
| Foreign banks | 9 | 286 | - | 95 |
| Branches and head office abroad | - | - | - | - |
| Total | 102.198 | 6.051 | 44.702 | 611 |

c) Interest received from marketable securities portfolio:

| | December 31, 2015 | | December 31, 2014 | |
|--|-------------------|---------------|-------------------|---------------|
| | TL | FC | TL | FC |
| Trading securities | 2.043 | - | 278 | - |
| Financial assets at fair value through profit and loss | - | - | - | - |
| Available-for-sale securities | 40.980 | 36.757 | 56.375 | 19.750 |
| Held-to-maturity securities | - | 13.070 | - | 6.349 |
| Total | 43.023 | 49.827 | 56.653 | 26.099 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

2. a) Information on interest on funds borrowed:

| | December 31, 2015 | | December 31, 2014 | |
|---------------------------------|-------------------|---------------|-------------------|---------------|
| | TL | FC | TL | FC |
| Interest on funds borrowed | | | | |
| Banks | 504 | 72.058 | 249 | 34.582 |
| The Central Bank of Turkey | - | - | - | - |
| Domestic banks | 504 | 313 | 249 | 152 |
| Foreign banks | - | 71.745 | - | 34.430 |
| Branches and head office abroad | - | - | - | - |
| Other financial institutions | - | - | - | - |
| Total | 504 | 72.058 | 249 | 34.582 |

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

c. Information on interest expense to marketable securities issued: As of December 31, 2015; The bank has interest expense to marketable securities issued amounting to TL 18.685 [December 31, 2014 : TL 11.697]

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

| December 31, 2015 | | | | | | | | |
|---------------------------|-----------------|---------------|----------------|----------------|--------------|------------------|-----------------------|-----------|
| 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 | - | 2.135 | - | - | - | - | - | 2.135 |
| Saving deposits | 83 | 40.999 | 538.680 | 12.151 | 10.388 | 1.846 | - | 604.147 |
| Public sector deposits | - | - | 2.050 | - | - | - | - | 2.050 |
| Commercial deposits | 53 | 29.799 | 204.913 | 7.357 | 5.251 | 86 | - | 247.459 |
| Other deposits | - | 1.371 | 52.060 | 2.976 | 3.910 | - | - | 60.317 |
| 7 days call accounts | - | - | - | - | - | - | - | - |
| Precious metal deposits | - | - | - | - | - | - | - | - |
| | | | | | | | | |
| Total | 136 | 74.304 | 797.703 | 22.484 | 19.549 | 1.932 | - | 916.108 |
| | | | | | | | | |
| Foreign Currency | | | | | | | | |
| Foreign currency deposits | 4 | 34.056 | 280.015 | 13.797 | 3.904 | 1.934 | - | 333.710 |
| Bank deposits | - | 19.970 | - | - | - | - | - | 19.970 |
| 7 days call accounts | - | - | - | - | - | - | - | - |
| Precious metal deposits | - | - | - | - | - | - | - | - |
| | | | | | | | | |
| Total | 4 | 54.026 | 280.015 | 13.797 | 3.904 | 1.934 | - | 353.680 |
| | | | | | | | | |
| Grand Total | 140 | 128.330 | 1.077.718 | 36.281 | 23.453 | 3.866 | - | 1.269.788 |

3. Information on Dividend Income: None.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

4. Information on net trading income:

| | December 31, 2015 | December 31, 2014 |
|--|----------------------|----------------------|
| Income | 9.252.326 | 2.219.676 |
| Gains on capital market operations | 5.936 | 20.156 |
| Gains on derivative financial instruments | 1.557.670 | 367.747 |
| Foreign exchange gains | 7.688.720 | 1.831.773 |
| Losses (-) | 9.468.234 | 2.255.745 |
| Losses on capital market operations | 7.846 | 394 |
| Losses on derivative financial instruments | 1.288.389 | 432.151 |
| Foreign exchange losses | 8.171.999 | 1.823.200 |
| Net Amount | [215.908] | [36.069] |

5. Information on other operating income: As of December 31, 2015 other operating income includes the adjustment account for previous years' expenses and other operating income.

6. Provision for impairment of loans and other receivables:

| | December 31, 2015 | December 31, 2014 |
|--|----------------------|----------------------|
| Specific provisions for loans and other receivables ^(*) | 216.961 | 104.353 |
| III. Group Loans and Receivables | 18.771 | 8.715 |
| IV. Group Loans and Receivables | 72.275 | 37.634 |
| V. Group Loans and Receivables | 125.915 | 58.004 |
| General loan loss provision expenses | 41.679 | 63.470 |
| 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 | 258.640 | 167.823 |

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

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

7. Information on other operating expenses:

| | December 31, 2015 | December 31, 2014 |
|---|----------------------|----------------------|
| Personnel expenses | 249.428 | 190.050 |
| Unused vacation provision | 2.294 | 1.376 |
| Taxes and duties | - | - |
| Bank social aid fund deficit provision | - | - |
| Impairment expenses of fixed assets | - | - |
| Depreciation expenses of fixed assets | 36.457 | 25.209 |
| Impairment expenses of intangible assets | - | - |
| Impairment expense of goodwill | - | - |
| Amortization expenses of intangible assets | 18.689 | 12.603 |
| Impairment for investments accounted for under equity method | - | - |
| Impairment expenses of assets to be disposed | - | - |
| Depreciation expenses of assets to be disposed | 125 | - |
| Impairment expenses of assets held for sale and discontinued operations | - | - |
| Other operating expenses | 225.657 | 175.408 |
| Rent expenses | 55.081 | 37.550 |
| Maintenance expenses | 3.228 | 1.533 |
| Advertisement expenses | 36.077 | 28.327 |
| Other expenses ⁽⁴⁾ | 131.271 | 107.998 |
| Loss on sales of assets | - | - |
| Total | 532.650 | 404.646 |

⁽⁴⁾ As of December 31, 2015, other operating expenses include IT expenses amounting to TL 29.818, outsource services amounting to TL 16.935, communication expenses amounting to TL 10.704, taxes and similar disbursements expenses amounting to TL 10.851, premiums for saving deposit insurance fund amounting to TL 10.625 and other expenses.

8. Information on profit/[loss] from continued and discontinued operations before taxes:

As of December 31, 2015, the Bank's profit before tax from continued operations is TL 73.936.

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

As of December 31, 2015, The Bank has deferred tax expense amounting to TL 12.367 through temporary difference and The Bank has current tax expense TL 36.013. [December 31, 2014: TL 1.548 deferred tax expenses]

10. Information on net profit/[loss] from continued and discontinued operations:

As of December 31, 2015 the Bank's net profit from continued operations is TL 50.290.

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.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

c) Profit or loss attributable to minority shares: None.

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

None.

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

a) Decrease resulting from revaluation of financial assets available for sale is TL 43.071.

b) Increase in cash flow risk hedging items: None.

c) The reconciliation related with foreign currency translation reserves at the beginning and end of the period: None.

d) Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements: None.

e) Amounts transferred to legal reserves: None.

f) Information on shares issued:

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

VI. Explanations and Disclosures Related To Statement Of Cash Flows

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

"Other Income" line amounting to TL consists of fees and commissions paid, other operating incomes except for collection of non-cash provisions and other operating expenses except for personnel expenses and "Others" line amounting to TL 31.773 consist of effect of change in foreign exchange rate on cash and cash equivalents in "Bank Operating profit before changes in operating assets and liabilities".

"Net increase/decrease in other liabilities" line amounting to TL 59.693 in "Changes in bank operations assets and liabilities" consists of changes in miscellaneous payables, other liabilities and tax liability.

"Net increase/decrease in other assets" line amounting to TL 191.820 consists of changes in temporary accounts.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

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

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

| | December 31, 2015 | December 31, 2014 |
|---|----------------------|----------------------|
| End of the period | | |
| Cash | 593.713 | 415.338 |
| Cash in TL/foreign currency | 137.330 | 113.236 |
| Central Bank of Republic of Turkey | 456.383 | 302.102 |
| Cash equivalents | 4.095.986 | 3.247.000 |
| Receivables from banks and other financial institutions | 35.986 | 1.012.000 |
| Receivables from money market placements | 4.060.000 | 2.235.000 |
| Total cash and cash equivalents | 4.689.699 | 3.662.338 |
| | | |
| | December 31, 2015 | December 31, 2014 |
| Prior period | | |
| Cash | 415.338 | 158.538 |
| Cash in TL/foreign currency | 113.236 | 78.456 |
| Central Bank of Republic of Turkey | 302.102 | 80.082 |
| Cash equivalents | 3.247.000 | 1.609.396 |
| Receivables from banks and other financial institutions | 1.012.000 | 1.149.396 |
| Receivables from money market placements | 2.235.000 | 460.000 |
| Total cash and cash equivalents | 3.662.338 | 1.767.934 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

VII. Explanations on the Risk Group of the Bank

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

a) December 31, 2015:

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

December 31, 2014 :

| Risk Group of The Bank | Subsidiaries, associates and jointly controlled entities | | Direct and indirect shareholders of the Bank | | Other entities included in the risk group | |
|--------------------------------|--|----------|--|----------|---|----------|
| | Cash | Non-cash | Cash | Non-cash | Cash | Non-cash |
| Loans and other receivables | | | | | | |
| Balance at beginning of period | - | - | - | 16.119 | - | - |
| Balance at end of period | - | - | - | 18.221 | 53 | 787 |
| Interest and commission income | - | - | 7 | - | - | - |

b.1) Information on related party deposits balances:

| Risk Group of The Bank | Subsidiaries, associates and jointly controlled entities | Direct and indirect shareholders of the Bank ^(*) | Other entities included in the risk group |
|--------------------------------|--|---|---|
| | December 31, 2015 | December 31, 2015 | December 31, 2015 |
| Deposits | | | |
| Balance at beginning of period | - | - | 583.474 |
| Balance at end of period | - | 298.961 | 749.101 |
| Interest on deposits | - | 1.308 | 18.268 |

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

December 31, 2014:

| Risk Group of The Bank | Subsidiaries, associates and jointly controlled entities | Direct and indirect shareholders of the Bank^(*) | Other entities included in the risk group |
|--------------------------------|---|---|--|
| Deposits | December 31, 2015 | December 31, 2015 | December 31, 2015 |
| Balance at beginning of period | - | 95 | 343.870 |
| Balance at end of period | - | - | 583.474 |
| Interest on deposits | - | - | 11.484 |

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

The Bank has obtained Subordinated Loan amounting to TL 873.420 TIER I, TL 436.710 TIER II and short term loans amounting to TL 305.697 from the risk group and realized interest expense amounting to TL 32.190.

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

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

December 31, 2014

| Risk Group of The Bank | Subsidiaries, associates and jointly controlled entities | Direct and indirect shareholders of the Bank | Other entities included in the risk group |
|---|---|---|--|
| Financial assets at fair value through profit and loss | December 31, 2015 | December 31, 2015 | December 31, 2015 |
| Balance at beginning of period | - | 198.695 | - |
| Balance at end of period | - | - | - |
| Total Loss/ Profit | - | 1 | - |

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

Gross payment made to the executive management as of December 31, 2015 is TL 23.046.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2015**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

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

| | Number | Employees | | | |
|--------------------|--------|-----------|---------|--------------|---------|
| Domestic branches | 55 | 1.538 | | | |
| | | | Country | | |
| Rep-offices abroad | - | - | - | | |
| | | | | Total Assets | Capital |
| Branches abroad | - | - | - | - | - |
| Off-shore branches | - | - | - | - | - |

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

None.

IX. Explanations And Disclosures Related To Subsequent Events

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

Pursuant to the approval of BRSA dated 8 December 2015, The Bank, on 1 March 2016, converted into TL the Tier-1 subordinated loans which were obtained from its controlling shareholder Bank Audi sal amounting to total USD 300 million, and is completing the necessary legal and administrative procedures with the relevant authorities in order to add the funds to the paid in capital.

TRANSLATED INTO ENGLISH FROM THE ORIGINAL TURKISH REPORT AND FINANCIAL STATEMENTS

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2015

[AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA (TL) UNLESS OTHERWISE STATED.]

SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations on the Operations of the Bank

None.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report:

The unconsolidated financial statements for the year ended December 31, 2014 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. [A member firm of Ernst & Young Global Limited]. The independent auditor's report dated March 16, 2016 is presented preceding the unconsolidated financial statements.

II. Explanations And Notes Prepared By Independent Auditor:

None.

ODEA BANK ANONİM ŞİRKETİ

4 YEARS COMPERATIVE FINANCIAL STATEMENTS

| ASSETS | 31-12-2015 | 31-12-2014 | 31-12-2013 | 31-12-2012 |
|---|-------------------|-------------------|-------------------|------------------|
| I. CASH AND BALANCES WITH THE CENTRAL BANK | 4.074.584 | 2.830.662 | 1.777.178 | 409.777 |
| II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net) | 125.725 | 47.114 | 101.183 | 5.611 |
| 2.1 Financial assets held for trading | 125.725 | 47.114 | 101.183 | 5.611 |
| 2.1.1 Public sector debt securities | 24.812 | 3.157 | 2.610 | - |
| 2.1.2 Share certificates | - | - | - | - |
| 2.1.3 Derivative financial assets held for trading | 100.913 | 43.957 | 98.573 | 5.611 |
| 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 | 35.986 | 1.012.563 | 1.149.844 | 387.412 |
| IV. MONEY MARKET PLACEMENTS | 4.061.196 | 2.235.688 | 460.098 | 935.738 |
| 4.1 Interbank money market placements | - | - | - | - |
| 4.2 Istanbul Stock Exchange money market placements | - | - | - | - |
| 4.3 Receivables from reverse repurchase agreements | 4.061.196 | 2.235.688 | 460.098 | 935.738 |
| V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net) | 1.097.178 | 863.054 | 942.532 | 78.132 |
| 5.1 Share certificates | - | - | - | - |
| 5.2 Public sector debt securities | 1.097.178 | 863.054 | 942.532 | 78.132 |
| 5.3 Other marketable securities | - | - | - | - |
| VI. LOANS AND RECEIVABLES | 21.806.871 | 18.011.460 | 11.344.470 | 1.731.688 |
| 6.1 Loans and receivables | 21.507.378 | 17.854.872 | 11.307.041 | 1.731.688 |
| 6.1.1 Loans to risk group of the Bank | 64 | 53 | - | - |
| 6.1.2 Public sector debt securities | - | - | - | - |
| 6.1.3 Other | 21.507.314 | 17.854.819 | 11.307.041 | 1.731.688 |
| 6.2 Non-performing loans | 487.927 | 264.175 | 46.186 | - |
| 6.3 Specific provisions (-) | 188.434 | 107.587 | 8.757 | - |
| VII. FACTORING RECEIVABLES | - | - | - | - |
| VIII. HELD TO MATURITY INVESTMENTS (Net) | 364.449 | 300.091 | - | - |
| 8.1 Public sector debt securities | 364.449 | 300.091 | - | - |
| 8.2 Other marketable securities | - | - | - | - |
| IX. INVESTMENTS IN ASSOCIATES (Net) | - | - | - | - |
| 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) | - | - | - | - |
| 10.1 Unconsolidated financial subsidiaries | - | - | - | - |
| 10.2 Unconsolidated non-financial subsidiaries | - | - | - | - |
| XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net) | - | - | - | - |
| 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) | - | - | - | - |
| 12.1 Finance lease receivables | - | - | - | - |
| 12.2 Operating lease receivables | - | - | - | - |
| 12.3 Other | - | - | - | - |
| 12.4 Unearned income (-) | - | - | - | - |
| XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES | - | - | - | - |
| 13.1 Fair value hedge | - | - | - | - |
| 13.2 Cash flow hedge | - | - | - | - |
| 13.3 Hedge of net investment in foreign operations | - | - | - | - |
| XIV. TANGIBLE ASSETS (Net) | 142.902 | 116.962 | 104.438 | 41.342 |
| XV. INTANGIBLE ASSETS (Net) | 99.028 | 57.442 | 48.246 | 17.790 |
| 15.1 Goodwill | - | - | - | - |
| 15.2 Other | 99.028 | 57.442 | 48.246 | 17.790 |
| XVI. INVESTMENT PROPERTY (Net) | - | - | - | - |
| XVII. TAX ASSET | 40.881 | 18.398 | 30.154 | 7.100 |
| 17.1 Current tax asset | 15 | - | 11.834 | 5.423 |
| 17.2 Deferred tax asset | 40.866 | 18.398 | 18.320 | 1.677 |
| XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net) | 29.879 | 6.132 | - | - |
| 18.1 Held for sale | 29.879 | 6.132 | - | - |
| 18.2 Discontinued operations | - | - | - | - |
| XIX. OTHER ASSETS | 204.029 | 122.571 | 151.653 | 19.569 |
| TOTAL ASSETS | 32.082.708 | 25.622.137 | 16.109.796 | 3.634.179 |

ODEA BANK ANONİM ŞİRKETİ

4 YEARS COMPERATIVE FINANCIAL STATEMENTS

| LIABILITIES | | 31-12-2015 | 31-12-2014 | 31-12-2013 | 31-12-2012 |
|-------------------------------------|---|-------------------|-------------------|-------------------|------------------|
| I. | DEPOSITS | 25.333.496 | 21.061.040 | 12.371.958 | 2.517.146 |
| 1.1 | Deposits from risk group of the Bank | 1.025.773 | 583.473 | 343.965 | 9.109 |
| 1.2 | Other | 24.307.723 | 20.477.567 | 12.027.993 | 2.508.037 |
| II. | DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING | 142.719 | 50.663 | 103.355 | 4.390 |
| III. | FUNDS BORROWED | 3.133.469 | 1.411.123 | 1.167.373 | 360.942 |
| IV. | MONEY MARKET BALANCES | 156.858 | 138.889 | 221.454 | - |
| 4.1 | Interbank money market takings | - | - | - | - |
| 4.2 | Istanbul Stock Exchange money market takings | - | - | - | - |
| 4.3 | Funds provided under repurchase agreements | 156.858 | 138.889 | 221.454 | - |
| V. | MARKETABLE SECURITIES ISSUED (Net) | 154.995 | 137.483 | - | - |
| 5.1 | Bills | 154.995 | 137.483 | - | - |
| 5.2 | Asset backed securities | - | - | - | - |
| 5.3 | Bonds | - | - | - | - |
| VI. | FUNDS | - | - | - | - |
| 6.1 | Borrower funds | - | - | - | - |
| 6.2 | Other | - | - | - | - |
| VII. | SUNDY CREDITORS | 4.770 | 3.663 | 2.748 | 1.226 |
| VIII. | OTHER LIABILITIES | 196.022 | 189.709 | 128.200 | 21.439 |
| IX. | FACTORING PAYABLES | - | - | - | - |
| X. | LEASE PAYABLES (Net) | - | - | - | - |
| 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 | - | - | - | - |
| 11.1 | Fair value hedge | - | - | - | - |
| 11.2 | Cash flow hedge | - | - | - | - |
| 11.3 | Hedge of net investment in foreign operations | - | - | - | - |
| XII. | PROVISIONS | 255.055 | 197.796 | 120.159 | 33.398 |
| 12.1 | General loan loss provisions | 196.224 | 154.545 | 91.075 | 16.489 |
| 12.2 | Restructuring reserves | - | - | - | - |
| 12.3 | Reserve for employee benefits | 10.146 | 6.303 | 3.143 | 859 |
| 12.4 | Insurance technical reserves (Net) | - | - | - | - |
| 12.5 | Other provisions | 48.685 | 36.948 | 25.941 | 14.050 |
| XIII. | TAX LIABILITY | 47.976 | 41.385 | 24.313 | 3.974 |
| 13.1 | Current tax liability | 47.976 | 41.385 | 24.313 | 3.974 |
| 13.2 | Deferred tax liability | - | - | - | - |
| XIV. | PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS | - | - | - | - |
| 14.1 | Held for sale | - | - | - | - |
| 14.2 | Discontinued operations | - | - | - | - |
| XV. | SUBORDINATED LOANS | 1.310.209 | 1.053.135 | 639.209 | 177.849 |
| XVI. | SHAREHOLDERS' EQUITY | 1.347.139 | 1.337.251 | 1.331.027 | 513.815 |
| 16.1 | Paid-in capital | 1.496.150 | 1.496.150 | 1.496.150 | 533.520 |
| 16.2 | Supplementary capital | (43.071) | (2.669) | (8.546) | (133) |
| 16.2.1 | Share premium | - | - | - | - |
| 16.2.2 | Share cancellation profits | - | - | - | - |
| 16.2.3 | Marketable securities value increase fund | (43.071) | (2.669) | (8.546) | (133) |
| 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 | (105.940) | (156.230) | (156.577) | (19.572) |
| 16.4.1 | Prior years' income/ (losses) | (156.230) | (156.577) | (19.572) | - |
| 16.4.2 | Current year income/ (losses) | 50.290 | 347 | (137.005) | (19.572) |
| 16.5 | Minority shares | - | - | - | - |
| TOTAL LIABILITIES AND EQUITY | | 32.082.708 | 25.622.137 | 16.109.796 | 3.634.179 |

ODEA BANK ANONİM ŞİRKETİ

OFF BALANCE SHEET

| | 31-12-2015 | 31-12-2014 | 31-12-2013 | 31-12-2012 |
|---|-------------------|-------------------|-------------------|------------------|
| A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III) | 33.892.402 | 21.457.138 | 14.134.002 | 1.443.493 |
| I. GUARANTEES | 2.296.778 | 1.492.285 | 934.333 | 90.014 |
| 11 Letters of guarantee | 1.748.730 | 1.005.914 | 744.241 | 76.074 |
| 11.1 Guarantees subject to State Tender Law | - | - | - | - |
| 11.2 Guarantees given for foreign trade operations | - | - | - | - |
| 11.3 Other letters of guarantee | 1.748.730 | 1.005.914 | 744.241 | 76.074 |
| 12 Bank loans | 68.037 | 54.685 | 44.079 | - |
| 12.1 Import letter of acceptance | 68.037 | 54.685 | 44.079 | - |
| 12.2 Other bank acceptances | - | - | - | - |
| 13 Letters of credit | 480.011 | 431.685 | 146.013 | 13.940 |
| 13.1 Documentary letters of credit | 480.011 | 431.685 | 146.013 | 13.940 |
| 13.2 Other letters of credit | - | - | - | - |
| 14 Prefinancing given as guarantee | - | - | - | - |
| 15 Endorsements | - | - | - | - |
| 15.1 Endorsements to the Central Bank of Turkey | - | - | - | - |
| 15.2 Other endorsements | - | - | - | - |
| 16 Securities issue purchase guarantees | - | - | - | - |
| 17 Factoring guarantees | - | - | - | - |
| 18 Other guarantees | - | - | - | - |
| 19 Other collaterals | - | - | - | - |
| II. COMMITMENTS | 901.450 | 1.143.101 | 2.147.346 | 72.596 |
| 21 Irrevocable commitments | 901.450 | 1.143.101 | 2.147.346 | 72.596 |
| 21.1 Forward asset purchase and sales commitments | 217.670 | 585.464 | 1.655.680 | 61.522 |
| 21.2 Forward deposit purchase and sales commitments | - | - | - | - |
| 21.3 Share capital commitment to associates and subsidiaries | - | - | - | - |
| 21.4 Loan granting commitments | 269.068 | 250.945 | 314.401 | 9.547 |
| 21.5 Securities underwriting commitments | - | - | - | - |
| 21.6 Commitments for reserve deposit requirements | - | - | - | - |
| 21.7 Payment commitment for checks | 95.023 | 81.805 | 37.369 | 263 |
| 21.8 Tax and fund liabilities from export commitments | - | - | - | - |
| 21.9 Commitments for credit card expenditure limits | 314.447 | 216.925 | 139.816 | - |
| 21.10 Commitments for promotions related with credit cards and banking activities | - | - | - | - |
| 21.11 Receivables from short sale commitments | - | - | - | - |
| 21.12 Payables for short sale commitments | - | - | - | - |
| 21.13 Other irrevocable commitments | 5.242 | 7.962 | 80 | 1.244 |
| 22 Revocable commitments | - | - | - | - |
| 22.1 Revocable loan granting commitments | - | - | - | - |
| 22.2 Other revocable commitments | - | - | - | - |
| III. DERIVATIVE FINANCIAL INSTRUMENTS | 30.684.174 | 18.821.750 | 11.052.323 | 1.280.823 |
| 31 Derivative financial instruments for hedging purposes | - | - | - | - |
| 31.1 Fair value hedge | - | - | - | - |
| 31.2 Cash flow hedge | - | - | - | - |
| 31.3 Hedge of net investment in foreign operations | - | - | - | - |
| 32 Held for trading transactions | 30.684.174 | 18.821.750 | 11.052.323 | 1.280.823 |
| 32.1 Forward foreign currency buy/sell transactions | 3.639.662 | 1.340.262 | 947.036 | 173.731 |
| 32.1.1 Forward foreign currency transactions-buy | 1.828.638 | 669.346 | 478.282 | 86.644 |
| 32.1.2 Forward foreign currency transactions-sell | 1.811.024 | 670.916 | 468.754 | 87.087 |
| 32.2 Swap transactions related to foreign currency and interest rates | 18.370.422 | 8.738.405 | 4.358.919 | 862.916 |
| 32.2.1 Foreign currency swaps-buy | 6.432.476 | 3.064.584 | 1.410.522 | 387.114 |
| 32.2.2 Foreign currency swaps-sell | 6.537.678 | 3.075.927 | 1.440.037 | 384.802 |
| 32.2.3 Interest rate swaps-buy | 2.700.134 | 1.298.947 | 754.180 | 45.500 |
| 32.2.4 Interest rate swaps-sell | 2.700.134 | 1.298.947 | 754.180 | 45.500 |
| 32.3 Foreign currency, interest rate and securities options | 8.674.090 | 8.743.083 | 5.746.368 | 244.176 |
| 32.3.1 Foreign currency options-buy | 4.091.966 | 3.330.487 | 2.880.371 | 121.761 |
| 32.3.2 Foreign currency options-sell | 4.125.616 | 3.363.120 | 2.865.997 | 122.415 |
| 32.3.3 Interest rate options-buy | 228.254 | 1.024.738 | - | - |
| 32.3.4 Interest rate options-sell | 228.254 | 1.024.738 | - | - |
| 32.3.5 Securities options-buy | - | - | - | - |
| 32.3.6 Securities options-sell | - | - | - | - |
| 32.4 Foreign currency futures | - | - | - | - |
| 32.4.1 Foreign currency futures-buy | - | - | - | - |
| 32.4.2 Foreign currency futures-sell | - | - | - | - |
| 32.5 Interest rate futures | - | - | - | - |
| 32.5.1 Interest rate futures-buy | - | - | - | - |
| 32.5.2 Interest rate futures-sell | - | - | - | - |
| 32.6 Other | - | - | - | - |
| B. CUSTODY AND PLEDGED ITEMS (IV+V+VI) | 61.610.224 | 30.459.538 | 14.697.854 | 267.100 |
| IV. ITEMS HELD IN CUSTODY | 1.345.927 | 893.061 | 300.786 | 458 |
| 41 Assets under management | 184.697 | 236.022 | 13.612 | - |
| 42 Investment securities held in custody | 29.955 | 59.381 | 53.742 | - |
| 43 Checks received for collection | 272.848 | 226.172 | 123.034 | 458 |
| 44 Commercial notes received for collection | 858.427 | 371.486 | 110.398 | - |
| 45 Other assets received for collection | - | - | - | - |
| 46 Assets received for public offering | - | - | - | - |
| 47 Other items under custody | - | - | - | - |
| 48 Custodians | - | - | - | - |
| V. PLEDGED ITEMS | 60.264.297 | 29.566.477 | 14.397.068 | 266.642 |
| 51 Marketable securities | - | - | - | - |
| 52 Guarantee notes | 16.070.302 | 2.068.805 | 916.879 | 28.512 |
| 53 Commodities | 2.314.283 | 2.105.178 | 820.095 | - |
| 54 Warrants | - | - | - | - |
| 55 Properties | 27.197.956 | 19.767.146 | 11.306.765 | 238.130 |
| 56 Other pledged items | 14.681.756 | 5.625.348 | 1.353.329 | - |
| 57 Pledged items depository | - | - | - | - |
| VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES | - | - | - | - |
| TOTAL OFF BALANCE SHEET ACCOUNTS (A+B) | 95.492.626 | 51.916.674 | 28.831.856 | 1.710.533 |

ODEA BANK ANONİM ŞİRKETİ

INCOME STATEMENT

| | 31-12-2015 | 31-12-2014 | 31-12-2013 | 31-12-2012 |
|--|------------------|------------------|------------------|-----------------|
| I. INTEREST INCOME | 2.352.473 | 1.637.812 | 673.175 | 44.145 |
| 1.1 Interest on loans | 1.948.124 | 1.409.240 | 523.446 | 11.213 |
| 1.2 Interest received from reserve deposits | 15.173 | 881 | - | - |
| 1.3 Interest received from banks | 93.076 | 44.432 | 14.972 | 31.302 |
| 1.4 Interest received from money market placements | 191.093 | 96.648 | 78.235 | 1.025 |
| 1.5 Interest received from marketable securities portfolio | 92.850 | 82.752 | 56.393 | 605 |
| 1.5.1 Held-for-trading financial assets | 2.043 | 278 | 6.597 | 123 |
| 1.5.2 Financial assets at fair value through profit and loss | - | - | - | - |
| 1.5.3 Available-for-sale financial assets | 77.737 | 76.125 | 49.796 | 482 |
| 1.5.4 Investments held-to-maturity | 13.070 | 6.349 | - | - |
| 1.6 Finance lease income | - | - | - | - |
| 1.7 Other interest income | 12.157 | 3.859 | 129 | - |
| II. INTEREST EXPENSE | 1.376.088 | 1.057.937 | 534.868 | 12.518 |
| 2.1 Interest on deposits | 1.269.788 | 994.688 | 500.157 | 12.186 |
| 2.2 Interest on funds borrowed | 72.562 | 34.831 | 24.547 | 322 |
| 2.3 Interest on money market borrowings | 12.056 | 16.334 | 10.164 | - |
| 2.4 Interest on securities issued | 18.685 | 11.697 | - | - |
| 2.5 Other interest expense | 2.897 | 387 | - | - |
| III. NET INTEREST INCOME (I - II) | 976.385 | 579.875 | 138.307 | 31.627 |
| IV. NET FEES AND COMMISSIONS INCOME | 98.608 | 42.327 | 7.114 | 5.280 |
| 4.1 Fees and commissions received | 126.126 | 56.915 | 13.855 | 5.407 |
| 4.1.1 Non-cash loans | 24.295 | 15.216 | 6.418 | 59 |
| 4.1.2 Other | 101.831 | 41.699 | 7.437 | 5.348 |
| 4.2 Fees and commissions paid | 27.518 | 14.588 | 6.741 | 127 |
| 4.2.1 Non-cash loans | - | - | - | - |
| 4.2.2 Other | 27.518 | 14.588 | 6.741 | 127 |
| V. DIVIDEND INCOME | - | - | - | - |
| VI. NET TRADING INCOME | (215.908) | (36.069) | 43.236 | 24.922 |
| 6.1 Securities trading gains/ (losses) | (1.910) | 19.762 | 1.080 | 305 |
| 6.2 Gain/(losses) from derivative financial instruments | 269.281 | (64.404) | (11.206) | 2.875 |
| 6.3 Foreign exchange gains/ (losses) | (483.279) | 8.573 | 53.362 | 21.742 |
| VII. OTHER OPERATING INCOME | 6.141 | 3.636 | 1.289 | - |
| VIII. NET OPERATING INCOME (III+IV+V+VI+VII) | 865.226 | 589.769 | 189.946 | 61.829 |
| IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-) | 258.640 | 167.823 | 82.233 | 18.489 |
| X. OTHER OPERATING EXPENSES (-) | 532.650 | 404.646 | 260.741 | 63.073 |
| XI. NET OPERATING INCOME/(LOSS) (VIII-X-XI) | 73.936 | 17.300 | (153.028) | (19.733) |
| 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) | 73.936 | 17.300 | (153.028) | (19.733) |
| XVI. TAX PROVISION FOR CONTINUED OPERATIONS (+) | (23.646) | (16.953) | 16.023 | 161 |
| 16.1 Provision for current income taxes | (36.013) | (18.501) | 1.483 | (1.516) |
| 16.2 Provision for deferred taxes | 12.367 | 1.548 | 14.540 | 1.877 |
| XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV+XVI) | 50.290 | 347 | (137.005) | (19.572) |
| 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) | 50.290 | 347 | (137.005) | (19.572) |

ODEABANK ANONİM ŐİRKETİ

Maslak Mahallesi Ahi Evran Caddesi No: 11 Olive Plaza Kat: 6-7-8-9, ŐiŐli-İSTANBUL

Tel.: 0212 304 84 44

Faks: 0212 304 84 45

Web: www.odeabank.com.tr

E-mail: info@odeabank.com.tr