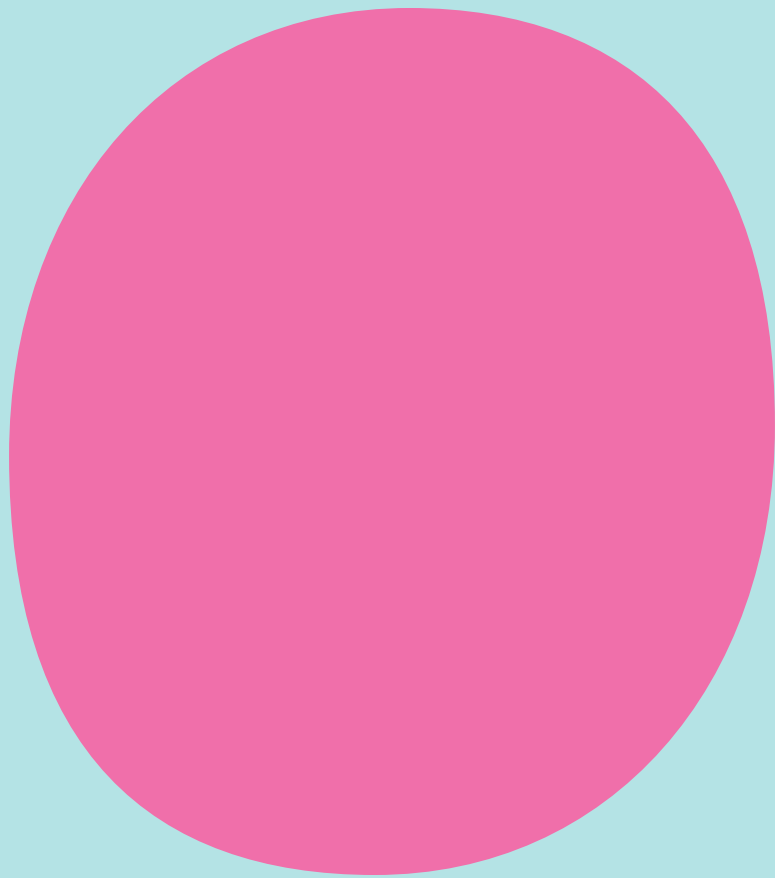


# odeabank

ANNUAL REPORT 2014



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### **“We Have Set Our Sight on Bigger Goals”**

Embracing the slogan ‘Not everyone’s bank but yours’, we have differentiated ourselves in the banking sector and continued to grow. In just 2 years, we have become a bank that serves more than 400 thousand customers with nearly 50 branches.

Now we are aiming even higher: We continue to make a difference in the banking sector to join the giants’ league in the coming years.

## Odeabank in Brief

Following a powerful entry into the sector, we maintained steady growth and continued to solidify our achievements in 2014.

Having entered the Turkish banking industry as a young bank in 2012, we maintained steady growth and continued to solidify our achievements in 2014. In our second operating year, we moved up to 13<sup>th</sup> place among deposit banks from the 49<sup>th</sup> place, which we held when we first entered the sector. Moreover, we have climbed to 10<sup>th</sup> place among all private deposit banks. We owe this rapid growth to our customer-oriented and innovative approach to banking, which has set us apart from the competition. Thanks to our superior performance, our assets increased to TL 25.6 billion, loans to TL 18 billion, and deposits to TL 21 billion. Today, we operate with 48 branches and 1.388 employees.

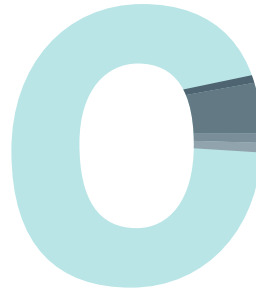
As Odeabank we have proved our distinctive service quality in the banking sector thanks to our service model built on well-thought processes, our technological infrastructure, and our qualified and experienced human resources. "Personalized banking" concept, the underlying pillar of our service policy, was met with the deserved appreciation by our client base. As a result, we were able to surpass our target number of customers and made profit.

The prestigious international awards we received in 2014 as a young and innovative bank also prove that we are on the right track

We believe that we will achieve even greater success with the support of our dedicated and dynamic team, our shareholder Bank Audi Group, the largest and the most reputable financial institution in Lebanon, and a leading bank in the Middle East, and more importantly our valuable customers, who trust and render us more powerful.

### 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	90,698,400.00	90,698,400.00	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
<b>Total</b>	<b>1,496,150,000</b>	<b>1,496,150,000</b>	<b>100</b>



- Bank Audi s.a.l. **93.827%**
- Audi Private Bank **6.062%**
- Raymond Audi **0.037%**
- Samir Hanna **0.037%**
- Freddie Baz **0.037%**

### The Articles of Association

Pursuant to the license numbered 20008792.84.1-15704 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 20008792.84.1-31580 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, 2014, all operations are organized and allowed within the framework of Banking Law Article 4 in corporate, commercial and retail banking fields with its 48 branches

in Turkey and 1,388 employees. The Bank does not have any direct subsidiaries in the financial sector.

### Bank Info

#### Trade Name

Odea Bank Anonim Şirketi

#### Head Office Address

Maslak Mahallesi Ahi Evran Caddesi  
No: 11 Olive Plaza Kat: 6-7-8-9  
Şişli-İSTANBUL Turkey

#### 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

# Bank Audi Group is ranked first among the Lebanese banks.

Bank Audi Group is a full-fledged regional bank with a presence in 13 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 2014, based on unaudited financial statements, the Bank's total assets reached US\$ 42 billion, shareholders' equity US\$ 3.3 billion, customers' deposits US\$ 35.8 billion, loans and advances US\$ 17.2 billion and profit US\$ 350 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, 2014, Bank Audi Group had one of the largest branch networks in Lebanon, with 80 branches covering the Greater Beirut area and other strategic regions in Lebanon, as well as a network of 124 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.

As of 2014, Bank Audi Group had one of the largest branch networks in Lebanon.

## 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 in order to ensure employee satisfaction. 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

# Odeabank aims to serve 95% of the Turkish economy.

### 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:

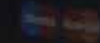
To be a bank that manages to transfer what it earns to the society and that is sensitive towards the needs of the society in which it exists, undertaking efforts to improve the well-being of the society by way of corporate social responsibility projects and responsible business conduct.



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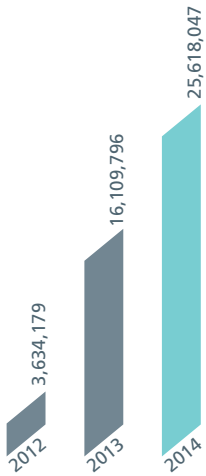
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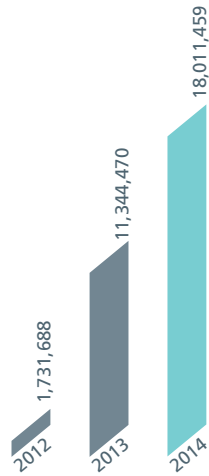
## Key Highlights

(TL THOUSAND)

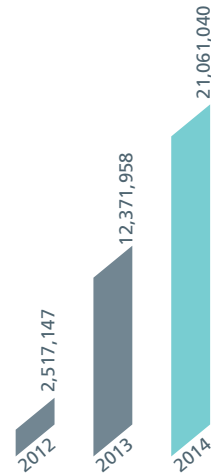
Total Assets



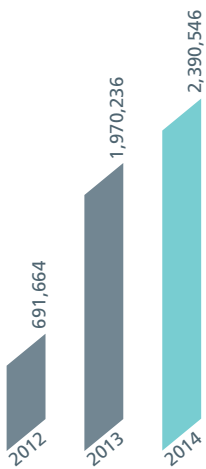
Loans



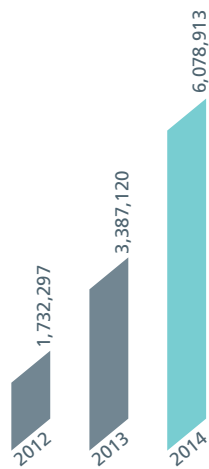
Deposits



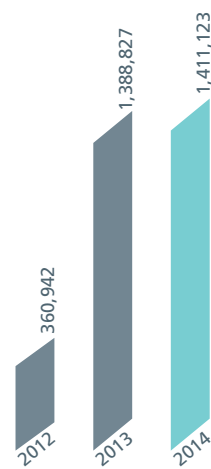
Shareholders Equity



Liquid Assets



Bank Borrowings







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## Prominent Developments

Odeabank's teller queue tablet application received the "Most Innovative Customer Service" award.



### March 2014

#### Odeabank continued to lead the way for the banking sector

In 2014, Odeabank hosted an exclusive panel entitled, "Is 2014 a Turning Point for Turkey and Developing Countries?" Daron Acemoğlu, one of the most prominent economists in the world, and famous economist Deniz Gökçe attended the panel as speakers.

Cem Muratoğlu, Assistant General Manager of Retail Banking, delivered the opening speech for the panel, which brought together Odeabank's customers and the economy press. Evaluating the recent developments in Turkey and the world, the panelists shared their views on what the year 2014 beholds for Turkey and developing countries with the audience. In addition, the economic developments in the aftermath of the Arab Spring, the impact of Russia's policy towards Georgia and Ukraine on the regional economy, the future of China-USA-Russia relations, and the threats and opportunities awaiting developing countries in the coming period were also discussed at the panel.



### May 2014

#### Odeabank undertook its first bond issuance.

Odeabank issued its debut Turkish Lira-denominated bonds on May 26, 2014. The Bank planned to sell bonds with a maturity of 179 days and nominal amount of TL 150,000,000 only to qualified investors. Due to high demand from a total of 16 corporate investors, the bond was closed with an oversubscription.



### June 2014

#### Bank'O Card Axess cardholders enjoyed the Ramadan offer!

During the month of Ramadan, Odeabank offered VAT discount to the Bank'O Card Axess users. Cardholders were entitled to an 8% VAT discount on their supermarket and grocery purchases of TL 75 and more.

### July 2014

#### "Energy" collaboration between Odeabank and Proparco

Odeabank signed a EUR 20-million loan agreement with Proparco, the private sector arm of the French Development Agency. The Loan has a maturity of 8 years (2 years grace) and to be on lent to renewable energy and energy efficiency projects.



### September 2014

#### Festival gift to Bank'O Card holders

Odeabank celebrated the Festival of Sacrifice with a special campaign tailored for customers, whose spending increases before the Festival. The privileged users of Odeabank's Bank'O Card were entitled to a discount of TL 25 on their third purchases of TL 100 or more between September 29 and October 31.

### November 2014

#### Odeabank launched a first-of-its-kind service in Turkey: Check deposits through ATMs

In accordance with its "personalized banking" vision, which aims to make every customer feel special, Odeabank once again set itself apart with its ATM services. The Bank launched its "check deposits through ATMs" project, achieving yet another first in Turkey. With this initiative, customers are able to make check deposits 24/7 without having to wait in line at the branches.

Aiming to make life easier for its customers, Odeabank offers its customers a variety of ATM services including cash withdrawal and deposit in USD and EUR, and bill payment without a card.



#### A fabulous concert from the Grammy-winning famous conductor Eric Whitacre and Rezonans!

Celebrated classical music star Eric Whitacre performed a concert in Istanbul under the sponsorship of Odeabank. The Grammy-winning star shared the stage with Rezonans, one of Turkey's leading contemporary classical music choirs. Eric Whitacre and Rezonans delivered an unforgettable performance of contemporary choral music at Zorlu Center.

#### Grand Opening of Odeabank's Mersin Branch

On November 18, Odeabank held the opening event of its Mersin Branch, which was hosted by the managers of the Bank and the branch. Odeabank's Mersin Branch offers commercial and retail banking services.



#### Economic progress discussed at Odeabank Asset Management Economy Summit

The second edition of Odeabank's Asset Management Economy Summit, which was held in March 2014 under the theme "The Present and Future of Turkish Economy", attracted a lot of attention. Daron Acemoğlu, one of the most prominent economists in the world, was the headline speaker of the summit, which brought together Odeabank's customers and important representatives of economy press. Other customers of Odeabank, who couldn't attend the conference, watched the webcast via their computers and mobile devices by logging into Odeabank's website. In addition, participants submitted their questions to the speakers during the conference using the hashtag "#odeazirve" via Twitter.



## Awards

### Rain of awards to Odeabank...

#### Stevie Awards - Gold awards received by Odeabank



Bank'O Card Axess Launch Campaign	Marketing Campaign of the Year - Financial Cards
Odeabank Corporate Website	Best Corporate Website in Banking
Bank'O Card Website	Best Interface Design

#### Stevie Awards - Silver awards received by Odeabank



Odeabank A.Ş.	Company of the Year- Banking
Odeabank A.Ş.	Fastest Growing Company of the Year in Europe
Odeabank Corporate Website	Best Home/Welcome Page
Bank'O Card Website	Best Overall Web Design
Figen Karatan, Head of Human Resources at Odeabank	Human Resources Executive of the Year.

#### Stevie Awards - Bronze awards received by Odeabank



Odeabank A.Ş.	Most Innovative Company of the Year in Europe
Tayfun Küçük, Chief Technology Officer	IT Executive of the Year
Odeabank HR Department	Human Resources Department of the Year
Odeabank Facebook Fan page	Best Facebook Fan page or Group
Bank'O Card Facebook Fan page	Best Facebook Fan page or Group
Ready Cash – Customer Financing Solution	Best New Product or Service of the Year - Financial Services

## Communicator Awards 2014

[odeabank.com.tr](http://odeabank.com.tr)

Banking&amp;Finance Category

Award of excellence

Corporate Communication Category

Award of supremacy

[bankocard.com.tr](http://bankocard.com.tr)

Banking&amp;Finance Category

Award of supremacy

## Horizon Interactive Awards 2014

[odeabank.com.tr](http://odeabank.com.tr)

Banking&amp;Finance Category

Silver

Corporate&amp;B2B Category

Bronze

[bankocard.com.tr](http://bankocard.com.tr)

Banking&amp;Finance Category

Silver

## Altın Örümcek 2014

[odeabank.com.tr](http://odeabank.com.tr)

Banking&amp;Finance Category

Second in "The Best Web Site"

The Best Corporate Website

Third in "The Best Web Site"

[bankocard.com.tr](http://bankocard.com.tr)

The Best Mobile Website

First in "The Best Mobile Web Site"

## Global Banking &amp; Finance Review Awards 2014

"Teller Tablet"  
Interactive ProjectMost Innovative Customer  
Service Bank in Turkey

## The European Eurasia Awards 2014



Odeabank

Fastest Growing Bank of the Year

## International Finance Magazine 2014 Financial Awards



Odeabank

"Best Customer Service Bank in Turkey 2014"

## Strateji Forum Banking

Tayfun Küçük, Chief Technology Officer at Odeabank, was voted 'Influencer of the Year' by the participants of the Strategic Banking Forum.

Galatasaray Odeabank Women's Basketball Team made a hit in 2014 and became the champion of Turkish Women's Basketball League, the Turkish Cup and the Euroleague.









## Chairman's Statement

As one of the young, fast-growing, and important players of our sector, Odeabank has been a source of pride for us.

Dear Stakeholders,

In 2014, we began to reap the fruits of the efforts we have undertaken since October 2012, when we set out on our journey in the Turkish banking industry. Having entered the sector in 49<sup>th</sup> place, Odeabank was the first bank to receive an operating license in 15 years. In our second operating year, we proudly announce that we have risen to 13<sup>th</sup> place among deposit banks, and to 10<sup>th</sup> place among all private deposit banks, and have increased our asset size to TL 25.6 billion.

Over the past 12 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 13 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 2014, Bank Audi Group's total assets amounted to US\$ 42 billion, with deposits of US\$ 35.8 billion, loans of US\$ 17.2 billion, and shareholders' equity of US\$ 3.3 billion. As a result of this superior performance, we posted a net profit of US\$ 350 million.

Launched from scratch with a significant investment from Bank Audi Group, Odeabank is a new, fast-growing, and important player in the sector and is the source of great pride for us. We are happily keeping a close watch over the Bank's achievements in Turkey. We know that Odeabank's successes are the results of the efforts of its young, dynamic, ambitious, and results-oriented team, which strives to reach perfection while placing a priority on customer satisfaction. Thanks to its right business models, technology infrastructure and excellent human resources strategies, Odeabank has differentiated itself in the banking sector and achieved very rapid growth in corporate, commercial and retail banking segments.

We have great confidence that these achievements will continue in the future.

At this point I'd like to share my views about the global economy. While global economic recovery remains fragile, many economies continue to rely on political support due to ongoing weaknesses and geopolitical risks. The risk perception toward developing countries deteriorated rapidly in the first quarter of 2014; and while volatility remained high during the rest of the year, the general mood was relatively more optimistic. The Turkish economy expanded 2.8% in the first three quarters of the year, however growth picked up, albeit modestly, during the last quarter. Deriving force from its strong banking sector and low level of public debt, Turkey has been implementing the Transition to Sustainable Growth Program since the end of 2010. In 2014, both domestic and foreign demand positively contributed

to Turkey's economic growth for the first time in the country's history. During this time two elections have passed, and the general elections are drawing near, but the efforts undertaken by Turkey's economy management to strengthen macroeconomic stability reassure investors that the country is moving toward a more reliable and predictable environment. If investors' perception of Turkey, which has been deteriorating over the last one and a half years, improves, the country could over perform expectations in the coming period, especially if the global conjuncture starts to contribute more favorably to the current conjuncture.

While the Eurozone implemented additional expansionary monetary policies in the third quarter due to fear of deflation, the end of U.S. bond purchase program caused fluctuations in financial markets. Due to U.S.'s data-driven monetary policy, ongoing geopolitical concerns, and expansionary monetary policies implemented in the Eurozone and other developed countries, and therefore by many developing countries, volatility will most likely remain high in the coming period. This situation might further deepen the differences between countries, and may ironically indicate that full recovery from the global financial crises will be much slower and later than expected. On the other hand, despite the ongoing geopolitical risks, the current conjuncture presents a unique opportunity for the Turkish economy in terms of introducing structural reforms and managing investors' perception. If this process is managed well, we believe that inflation can permanently be reduced to low single-digit rates, current account deficit can decline to a sustainable level, particularly with the impact of falling oil prices, and a balanced growth can be achieved. This



At Odeabank, we have improved our key performance indicators and achieved profitability on a quarterly basis in less than two years since we opened our first branch.

conviction forms the basis of Odeabank's willingness to contribute to the economy by adopting a customer-oriented approach, despite challenging economic and financial conditions. The fact that we have improved our key performance indicators and achieved profitability on a quarterly basis in less than two years since we opened our first branch is also the result of this strong belief as much as the fact that we have moved up to 13<sup>th</sup> place among deposit banks from the 49<sup>th</sup> place, which we held when we first entered the sector. In the coming period, Odeabank aims to maintain its success and continue to contribute to the economy thanks to the strong support of its shareholders as well as effective risk management and business strategies, productive use of technology and successful human resources management.

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 and became the biggest subsidiary of Bank Audi Group, which has a history of nearly two centuries. 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.

In 2014, Odeabank reinforced its achievements in the market, while taking significant steps forward to break new ground in the Turkish banking sector. In order to extend its track record of success, Odeabank invests in technology use to increase efficiency, and recruits the most experienced and skilled professionals in the sector.

With confidence in these significant developments and in the Turkish market, we plan to continue strengthening our capital structure, investing in the country and providing support to the economy.

On behalf of our Board of Directors, I sincerely extend thanks to all our staff who has contributed to our Bank's success and to all our customers who honor us with their trust.

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

## Message from General Manager

We demonstrated our difference in the sector thanks to our roadmap and modern technology infrastructure.

As our second operating year, 2014 represents a very important period for us. I am highly pleased to welcome you through our annual report following such an important year, where we grew beyond our targets.

As known our Bank was established with the investment of Bank Audi Group, our shareholder, in Turkey. As an organization which was built from scratch our Bank inspired a different and innovative perspective in its sector. Following a powerful entry into the sector, we maintained steady growth and continued to solidify our achievements in 2014. Thanks to our customer-oriented and innovative approach to banking, we moved up one more step in the sector ranking, climbing to 13<sup>th</sup> place among deposit banks from the 49<sup>th</sup> place, which we held when we first entered the sector. We also became the 10<sup>th</sup> biggest private deposit bank. I would like to share that achieving these results in the highly competitive Turkish Banking Industry is considered a "success story" not only in Turkey, but also in international platforms.

Thanks to our positive performance, as of December 2014, our assets increased to TL 25.6 billion, loans to TL 18 billion, and deposits to TL 21 billion. Today, we operate with 48 branches and 1.388 employees. While we take each and every step with great enthusiasm, it makes us happy to see that the structure we have established is growing strongly and yielding good results.

Since our establishment, our main goal has been to explain to our customers the creative business idea behind our organization and who we are. Our current position shows that we have proved our differentiated services in the banking sector thanks to our service model built on well-thought processes, our technological infrastructure, and our qualified and experienced human resources.

Meanwhile, we cannot ignore the effects of certain developments, which took place in our country during the same period, on the banking sector. During the first half of 2014, risks increased for the overall sector and net interest margins narrowed due to rising funding costs. Starting from the second half of the year, both loans and profitability picked up as interest rates fell. We predict that the inflation rate in Turkey will drop significantly in 2015 due to the recent decline in energy prices and the fears of deflation around the world. We think that the current account deficit will also fall with the downward trend in inflation, and as a result, the value of financial assets will likely increase and risk premiums will decline in Turkey. Accordingly, we expect that both funding costs and loan interests will maintain downward trend, especially in the first half of 2015. We think that despite improved financial conditions, loan demand, particularly in the retail segment, will remain modest due to the

macro measures taken while commercial loan volume will grow about 20%, as it did in 2014. In terms of profitability, we believe 2014 was the worst year, and sector profitability will improve reasonably in 2015. On the other hand, the persistent geopolitical risks around the world will lead to increased financial market volatility, and will require stronger focus on asset quality and thus effective risk management.

Looking at the general economic picture of Turkey and the world during this period, financial markets, which had worsened rapidly by the end of 2013, began to pick up gradually, starting from the middle of February, and expectations improved during the second half of the year. Contrary to expectations, the U.S. economy contracted sharply due to extreme cold-weather conditions, causing a decrease in interest rates. Hence, capital flows to developing countries reversed direction. Meanwhile, the Turkish economy was expected to expand about 2% in 2014, but as a result of investors' deteriorated perception of the country, growth forecasts were quickly revised up to 3-3.5% after the announcement of the growth rate for the first quarter. However at Odeabank, we didn't revise our growth forecast of 3.1% during this period because we had correctly assessed the powerful dynamics of Turkey and the global economic environment. At the end of January, the Central Bank raised the interest rate,



“Thanks to our customer-oriented and innovative approach to banking, we also became the 10<sup>th</sup> biggest private deposit bank.”

which led to a sharp increase in market interest rates. However, starting from the second half of the year, risk perception began to improve and cautious reductions in interest rates helped markets rebound. During this difficult period, we explained to investors that this was a short-term shock and we would see gradual improvement, and therefore we continued to meet all financial needs of our customers.

Even though the financial conditions in the banking sector had worsened during the first quarter, profitability began to increase during the second half of the year, as a result of the improvements in market interest rates. Following the rapid growth in 2013, we at Odeabank focused our efforts on maintaining our cautious growth and improving our performance indicators as of the second quarter.

Although the U.S. economy has been showing positive signals, the recession in developed economies such as Europe and Japan, and the economic slowdown in China cause volatility to remain high in financial markets. While the U.S. Central Bank (Fed) is expected to raise interest rates gradually during next year, central banks of Europe, Japan and China will likely continue their expansionary monetary policies. This indicates that interest rates in the U.S. might not increase as fast and early as expected. Fed's interest-rate hike may put some upward pressure on interest rate limits across the world. On the other hand, strengthening of USD has been causing to pull oil prices down and hence to make a positive effect on oil-importing countries, such as Turkey. We think that developing countries including Turkey, which has a high domestic demand potential, has achieved export product diversification, and has a strong public finance structure, will stand out in the

coming period. Additionally, the drop in oil prices makes a positive effect on our country's inflation rate and current account deficit, and therefore facilitates foreign financing. Accordingly, we believe that interest rates will drop by 100-150 basis points in the coming period, particularly in first half of 2015, and that we are entering a period, during which financial conditions will support growth.

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 2014 by providing financing to our clients from a variety of industries, including energy, real estate development, iron and steel, telecom, retail, construction and contracting.

## Message from General Manager

# We considered SMEs a key market segment, and structured our organization accordingly.

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 ten-fold.

Following the approval of our bond/bill issuance application by the Capital Markets Board on May 15, 2014, our Bank successfully issued its first Turkish Lira-denominated bonds on May 26, 2014. The discount bonds with a maturity of 179 days and nominal amount of TL 150,000,000, which we planned to sell to qualified investors, and not through a public offering, received high demand from both qualified individual investors and corporate investors.

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. Odeabank entered into agreement with İş Portföy, Ak Portföy, Finans Portföy, TEB Portföy, Yapı Kredi Portföy and Ata Portföy in order to sell 16 different mutual funds through a single channel. With its "Mutual Funds Deposit Account" product, our Bank provides its customers both fund and deposit earnings through a single account.

Since its establishment, Odeabank has considered SMEs a key market segment, and structured its organization accordingly. To that end, we have developed several financing models such as refinancing, credit structuring, and investment loans to meet the financing needs of SMEs. The US\$ 75 million loan agreement we signed with the International Finance Corporation (IFC) at the end of 2013 further solidified our support to SMEs. We are extending US\$ 50 million of the said loans for financing the investment needs of SMEs.

We have dedicated customer representatives to serve SMEs at our 26 branches. Unlike other banks, we provide individual services to SMEs in accordance with our "Personalized Banking" approach. During this period, we offered our SME clients the convenience of submitting their loan applications via SMS. We also launched the "Credit Scoring" application, which enables the automatic evaluation of loan applications received via SMS. In addition, we completed the infrastructure, certification and front-end applications related to merchant-POS and Virtual POS. In order to diversify our product and service portfolio, we launched a special corporate credit card for our commercial and corporate clients. We also introduced our new deferred payment and installment payment options through our direct banking channels.

Odeabank has recently introduced another breakthrough to make life easier for SMEs and other corporate clients, who frequently use checks in their financial transactions. Our Bank launched its "check deposits through ATMs" project, achieving yet another first

in Turkey. With this initiative, customers will be able to make check deposits 24/7 without having to wait in line at the branches. The fact that Odeabank, as a young bank, has provided many resources to SMEs shows the importance we place on this segment.

I would like to specifically emphasize that we are very proud to sponsor the Galatasaray Women's Basketball Team, which raised the success bar to the top during this period. The fact that Galatasaray and Fenerbahçe teams played the final match in FIBA Euroleague Women is a unique and extraordinary success story for our country. This achievement showed us once again that we have made the right choice by sponsoring the Galatasaray Women's Basketball Team and that this sponsorship greatly conforms to our vision. We are honored to support Galatasaray Sports Club, one of the oldest organizations of Turkish sports clubs and the basketball teams who made our country feel the pride of big successes up to present.

As the youngest and the most innovative player of the Turkish banking industry, we broke the awards record in a very short time thanks to our personalized banking services and technology investments. We received a total of 15 awards in different categories at the Stevie Awards, the world's one of the most respected business awards. In addition, we were named the "Fastest Growing Bank of the Year" at the 2014 European Eurasia Awards. We won the "Most Innovative Customer Service Bank" award for Turkey at the 2014 Global Banking & Finance Review Awards. Odeabank's corporate website and Bank'O Card website received Silver awards in the Banking and Finance category at the



Horizon Interactive Awards. At the same event, Odeabank's corporate website also received the Bronze award in the Corporate & B2B category. In 2014, our Bank won important awards in three different categories at the 12<sup>th</sup> edition of the Golden Spider Web Awards, which consisted of 38 categories related to web and internet technologies; www.bankocard.com.tr website won first prize in the "Best Mobile Website" category, www.odeabank.com.tr won second prize in the "Best Website" category, and third prize in the "Best Corporate Website" category.

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 2015, 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 2015, we will be offering new products and opportunities to our customers. In 2014, we provided our customers with the option to obtain instant credit at technology superstores, under our merchant agreements, during the weekdays or the weekends without having to visit a branch. In 2015, we plan to expand this practice across other businesses as well. We care to

meet all the needs of card holders of Bank'O Card, which has no annual fee, and Bank'O Card Axess, which has features such as installment offerings at more than 250 thousand Axess member businesses and chip-point earning reward system. In the coming year, we will introduce new campaigns to reward our credit card holders. 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 mutual funds distribution channel, which we established as a first-of-its-kind in Turkey in 2013, will further expand and become more accessible with the addition of several new portfolio management companies and new channels. Further, we plan to create an online platform to make equity transactions easier and offer many advantages.

In the coming period, we aim to speed up the growth momentum in Commercial Banking and SME Banking more. Hence, we will be able to offer our services to a broader customer base while sustaining service quality. We aim to maintain our growth rate by utilizing technology more efficiently in our ever-expanding branch network, credit processes, and daily cash transactions. Finally, we will deepen our business relationships with SME clients by increasing the concentration of our customer representatives on this specific area, and without compromising our "personalized banking" principle.

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 second 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.

**Hüseyin Özkaya**

General Manager and Board Member

## The Banking Sector and Odeabank in 2014

Year 2014 had been a year that we moved with firm steps towards our goal of “being in the giants’ league”.

While the world economy entered the recovery phase after the global financial crisis, performance indicators and problems vary between countries, and as a result, volatility remains high. The Turkish economy faced challenging financial conditions during the first months of 2013; however gradual improvement was realized during the rest of the year while a strong dollar put pressure on financial conditions across the world. 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 less than two years once awareness has been attained. 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. Analysts, who expected the Turkish economy to expand about 2% in 2014 due to deterioration in investors’ perception towards Turkey, quickly revised their growth forecasts upward to 3.1% after the growth figures for the first quarter were announced, a level that we had predicted at the beginning of the year. As we mentioned earlier, Turkey has been implementing a series of macroeconomic reforms under the Transition to Sustainable Growth Program since the end of 2010. Thanks to that, the Turkish economy grew 2.8% during the first nine months of 2014, and in the last quarter, growth continued, albeit modestly, due to the recovery in domestic demand. In 2014, both domestic demand and exports positively

contributed to Turkey’s economic growth for the first time in the country’s history. Hence, current account deficit, a serious vulnerability for the economy, dropped from US\$ 65 billion to US\$ 45.7 billion at the end of October. Meanwhile, the ratio of current account deficit to national income, which we expected to drop from 7.9% to 5.6% by the end of 2014, will most likely drop down to a sustainable level, maybe even below 4.0%, in 2015 due to the sharp decline in oil prices. In light of monetary policies implemented over the last period, we expect that Turkey will make significant progress in efforts to reduce inflation and continue to offer new opportunities to investors by further strengthening its macroeconomic stability.

Geopolitical issues and the risk of deflation in Europe, Turkey’s main trade partner, were the most critical indicators of economic outlook during this period. On the other hand, the recent developments present a unique opportunity for Turkey in terms of introducing the much-needed structural reforms. Even though recession had ended in our major export markets, greater focus is being placed on growth-oriented policies due to deflationary concerns. In addition, many countries across the world, with the exception of the U.S.A, are implementing expansionary monetary policies, which point to the possibility that Fed might begin normalizing the stance of monetary policy slower and later than expected. All these factors create an environment, which could support economic growth in Turkey. Another positive development is that the sharp and supply-driven permanent decrease in oil prices, a key indicator of risk premiums in Turkey, will lead to a significant reduction in Turkey’s energy imports. Therefore, even though financial market volatility continues to

remain high, we believe that we have entered a period, which is more positive in terms of macroeconomic stability. A good assessment of this opportunity by policymakers will yield much better results despite all global and geopolitical challenges.

In 2014, macro-prudential measures put some pressure on consumer loans in the Turkish banking industry while strong growth continued in commercial loans. Total loan volume expanded 18% over year-end 2013, and we expect a modest growth of 21% in 2015. Deposits grew by 11% in 2014, and our growth forecast for 2015 is around 19%. Therefore, even if envisaged improvement occurs, Banks’ demand for non-deposit resources, particularly for foreign financing, will remain high in 2015. Due to the delayed effects of the slowdown in domestic demand and depreciation of the Turkish Lira in 2014, loan quality will be the most important factor to watch closely in 2015. Also, easing cost burden preemptive measures may support economic growth in 2015. In 2014; we took firm steps toward our goal of “joining the giants’ league”. At Odeabank, our goal for 2015 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 will continue to offer structured products geared to the needs of its Corporate Banking customers.

Benefiting from the regional strength and strong network of Bank Audi Group mainly in the MENA region, Odeabank serves corporate clients with all products available in the Corporate Banking product range through the requisite system infrastructure as well as its highly potent human capital.

### Sector- and customer-oriented approach

Since it commenced operations the Bank has been offering cash and non-cash loans to corporate customers in its client portfolio with its sector-oriented approach and experienced staff. In addition, the Bank also mediates other banking transactions of customers such as deposit transactions, trade finance transactions, project financing, cash management and various derivative products. Odeabank Corporate Banking launched services in five locations - Maslak, Güneşli, Kozyatağı, İzmir and Ankara Corporate Centers - as well as at representation offices in Bursa and Gaziantep.

Odeabank Corporate Banking aspires for a diversified loan portfolio focusing on health, education, real estate development and investment while also encompassing construction and contracting, iron and steel, energy, telecom and retail industries. As a result of its intensive marketing efforts conducted via 65 branch employees and an overall staff of 73 professionals since it was founded in October 2012, the Bank reached TL 5.1 billion of corporate deposits and TL 7.8 billion of cash loans as of year-end 2014.

### 2015 goals

In 2015 Odeabank Corporate Banking aims to grow in accordance with its goals and position itself as one of the banks that come to mind first in long-term credit needs that require expertise and know-how such as mergers & acquisitions and project financing. Odeabank Corporate Banking will continue to grow its client portfolio, offer structured products geared to the needs of its customers, and raise the profile of its clients within the Bank's portfolio.

## Commercial Banking

In 2014, Odeabank Commercial Banking increased its cash loan volume by 56% and deposits by 123%.

Odeabank Commercial Banking maintained the strong growth momentum it had achieved soon after the Bank's establishment. In 2014, the Department increased its cash loan volume by 56% and deposits by 123% while number of customers reached more than 9,000. In line with the recent improvements in the branch network, Odeabank Commercial Banking is now serving its customers in 26 locations: 7 Commercial Centers and 19 branches. While the number of sales representatives exceeded 100, the Department continued to deliver its services in accordance with Odeabank's "Personalized Banking" principle.

In line with customer segmentation criteria, Odeabank Commercial Banking serves all legal entities with an annual turnover of up to USD 75 million. The Department is divided into two parts as Commercial Banking and SME Banking.

Odeabank Commercial Banking has created its product portfolio in a way to meet all financial needs of customers in both segments. Thanks to its fast and efficient business conduct as well as an approach centered round customer experience and needs, the Department further solidified its strong market position in 2014. Odeabank Commercial Banking was especially successful in serving the financial needs of its clients through its fast and customer-oriented approach.

Odeabank Commercial Banking undertook a series of improvements in 2014. In the third quarter, the Department launched the credit scoring system for evaluating loan applications from small-scale enterprises, and also finalized the pilot implementation of another system, which will enable SME clients to obtain quick loans via alternative distribution channels. During this period, the Department offered SME clients the convenience of submitting their loan applications via SMS and launched the "Credit Scoring" application, which will enable automatic evaluation of loan applications received in this manner. Additionally, the infrastructure, certification and front-end applications related to merchant-POS and Virtual POS terminals were also completed. With the purpose of diversifying product and service portfolio, Odeabank Commercial Banking launched a special corporate credit card tailored to its commercial and corporate clients, and began to offer new deferred payment and installment payment options through all direct banking channels.

Odeabank Commercial Banking took part in large project financing and refinancing deals, and funded several projects requiring substantial amounts of investment.

### 2015 Goals

In 2015, Odeabank Commercial Banking aims to maintain its current growth momentum by further increasing the number of customers and expanding its balance sheet.

The Department will continue to work with SMEs in 2015 with an increased focus on micro and small-scale enterprises.

In addition, Odeabank Commercial Banking will continue to deliver high quality services geared toward the individual needs of its clients while offering new products, which utilize the advanced technology infrastructure of the Bank.

## Retail Banking

Odeabank has reached nearly 450 thousand customers and TRL 12 billion retail deposit volume.

Having invested in the best in banking and launched its operations with the opening of its first branch in 2012 in line with an approach that cares about the lives and time of its customers, Odeabank made a successful entry into Retail Banking in line with its vision of "Not Everyone's but Yours" and reached 48 branches in 2014 with its growing team of dynamic and experienced professionals.

Odeabank set its 2014 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 450 thousand customers and around TRL 12 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.

Odeabank's Wealth Management relationship starts with the customer representatives at the branch, after which the Wealth Management, Treasury and Economic Research & Strategy Departments at the Head Office are also included in the process in accordance with the goal of providing premium service through one-on-one transactions and substantial market reports. These teams feature qualifications unparalleled in the sector as they are headed by managers with 13 to 24 years of banking experience, more than 50% of some units comprised of CMB-certified personnel with graduate degrees, blending experience from 15 local and international banks.

### 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

With the Wealth Management services it differentiates along these axes, Odeabank has reached more than 16,000 time deposit and investment customers, nearly TRL 12 billion in retail deposit balance and a transaction volume of TRL 27.3 billion in retail investment transactions as of the end of 2014.

## Retail Banking

In 2014, Odeabank Ata Portföy was also added to the platform, bringing the offering to 18 funds managed by 6 different Portfolio Management companies on a single platform.

### Multiple Fund Platforms

As a part of its innovative approach to banking, Odeabank achieved a first in 2013 in Turkey with the multiple fund platform created with a total of 11 mutual funds managed by AkPortföy, Finans Portföy, İşPortföy, TEB Portföy, and Yapı Kredi Portföy. And in 2014, Ata Portföy was also added to the platform, bringing the offering to 18 funds managed by 6 different Portfolio Management companies on a single platform.

And in 2015, acting on the same customer-oriented approach and innovative understanding, the bank aims to provide access through all alternative delivery channels to a vast variety of funds managed by a greater number of institutions and to carry out transactions while continuing its efforts to offer a digital platform where customers can closely follow the economic developments. In the meantime, there are plans to diversify the product range with the addition of a variety of deposit products designed to meet the customers' numerous needs and expectations such as gold accounts, long-term time deposit accounts, and daily savings accounts. Plans are also underway to activate in 2015 the infrastructures and services necessary for customers who wish to trade stocks in Turkish and international stock exchanges.

### Insurance and Individual Pensions

In line with its mission of meeting all needs of its customers via a single channel, Odeabank entered the field of bancassurance as a part of its collaboration 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 added 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.

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

Odeabank made a rapid entry into the credit card market with the Bank'O Card it launched in June 2013 and the Bank'O Card Axess launched in October, issuing 100,000 credit cards in just a matter of three months. The bank uses the Axess loyalty program platform to provide its customers with the facility to pay in installments and earn chip-money and shop for free at more than 250,000 points of sale.

In 2014, this success with Credit Cards was maintained as focus shifted to growth through customer acquisition. Within this framework, 250,000 new credit cards were issued.

Bank'O Card Credit Cards, which entered the industry offering a product range with a variety of features and campaigns that differentiated from the rest, focused on effective product sales in 2014 while boosting the penetration in the existing customer portfolio by organizing exclusive campaigns through offerings differentiated depending on customer profiles and needs.

Based on this, Retail Banking Credit Cards will launch new products, engage in new collaborations with joint brands, startup services in digital/mobile channels, and focus on income targets, volume and balance growth in 2015.

Bank'O Card Credit Cards achieved a great success when its operations in 2014 won multiple awards at the International Business Awards—one of the most prestigious awards of the international business world. It was given two gold awards including one in the “Financial Card Marketing Campaign of the Year” with the launch of Bank'O Card Axess credit card and the “Best Interface Design of the Year” category with the Bank'O Card website. Furthermore, the Bank'O Card website was given a Silver Stevie Award in “Best Overall Website Design” category while the Bank'O Card Facebook Fan Page won a Bronze Stevie in the “Best Fan/Group Page” category. Bank'O Card Credit Cards further added to their success and awards as they received the first prize at the “Best Mobile Website” category at Turkey's first and only web awards organization, the Golden Spider Web Awards, with the Bank O'Card website.

Another Odeabank Debit and Credit Card Product is the Bank'O Debit Card.

Delivered to the customers at their addresses, Bank'O Debit Cards 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 2015 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.

### Consumer Loans

In 2014, Odeabank started to offer easily accessible and practical consumer loan solutions in order to meet the financial needs of the consumers. Customers with an immediate need for cash may either visit an Odeabank branch to acquire a credit facility or access Odeabank loans via direct sales teams or contracted couriers with the technical equipment that allow them complete the loan procedures at the customer's location, without ever visiting a branch. Accessible via various channels such as SMS, websites, and call centers, Odeabank consumer loans are reported in the media under the brand NakitHazir. At the International Business Awards, the NakitHazir credit facility process was given a Bronze Stevie Award in the Financial Services “Best Product or Service of the Year” category.

Starting from 2015, Odeabank will provide its customers with consumer loans through a new channel: the extensive PTT branch network.

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. Customers can also apply in the Odeabank website, which offers all information they will need to purchase a property, calculators, and all product varieties.

### Consumer Finance

In March 2013, Odeabank started to offer an instant loan facility in chain stores across Turkey. In 2014, it further strengthened its strategic collaborations, bringing the number of its “in-store branches” to 8 while boosting the number of instant loan access points to 260. Developed with a view to meeting customer needs fully and instantly and creating an alternative channel, its instant loan product was branded as “Trink'O”.

In 2015, the bank plans to further expand its sales network in line with its customers' needs and ensure diversity at the points where this service is provided.

## Direct Banking

With its Direct Banking products and activities, Odeabank won 15 awards in 2014.

By creating effective channels in terms of profitability and efficiency, the Direct Banking unit ensures that Odeabank's customers and prospective customers carry out transactions and procure products/services in a quick, easy and secure manner.

In 2014 the Direct Banking unit increased the utilization of direct banking channels (internet, mobile/SMS, contact center, ATM, self-service channels, social media, etc.); eased the work load of the branches; allowed customers to conduct quick, easy and secure transactions and obtain services-information-products through these channels; and established two-way communication between the customers and the Bank with regard to satisfaction, complaints, suggestions and demands.

With its Direct Banking products and activities, Odeabank won the following awards in 2014:

Organization	Category/Award	Product
Global Banking & Finance Review	Best Customer Service in Banking	Interactive Teller Tablet
International Finance Magazine	Best Customer Service in Banking	Interactive Teller Tablet
International Business - Stevie Awards	Altın - En İyi Bankacılık Web Sitesi	odeabank.com.tr
	Altın - En İyi Arayüz Tasarımı	bankocard.com.tr
	Gümüş - En İyi Ana Sayfa	odeabank.com.tr
	Gümüş - En İyi Web Tasarımı	bankocard.com.tr
	Bronz - En İyi Facebook Fan Sayfası	odeabank & bankocard Facebook Sayfaları
Altın Örümcek	En İyi Mobil Web Sitesi - Birincilik	bankocard.com.tr
	En İyi Bankacılık & Finans Web Sitesi - İkincilik	odeabank.com.tr
	En İyi Kurumsal Web Sitesi - Üçüncülük	odeabank.com.tr
Communicator Awards	Bankacılık & Finasta Mükemmellik	odeabank.com.tr
	Bankacılık & Finasta Üstünlük	bankocard.com.tr
	Kurumsal İletişimde Üstünlük	odeabank.com.tr
Horizon Interactive Awards	Bankacılık & Finasta Gümüş Kurumsal & B2Bde Bronz	odeabank.com.tr & bankocard.com.tr odeabank.com.tr

### Internet/Mobile Banking and Website

Available for access from personal computers, tablet PCs and mobile devices in light of the state-of-the-art technology, the usage of Odeabank Internet Banking is growing rapidly alongside new customer acquisitions. Number of unique customers logging into internet banking neared 25,000 in December 2014. More than 600,000 financial transactions worth TL 3.7 billion were conducted in 2014.

Via Internet Banking, customers can perform basic banking transactions, such as account/card transactions, money transfers, bill payments, and investment transactions. In 2014, the system was further enriched with new functions such as the Alert Service, installment/deferment transactions for credit card debt, new types of bill payments, and loan disbursement via courier, which eliminates the need to visit the branch.

Odeabank customers can set up the Alert Service, launched in 2014, via Internet Banking and receive their account activity, credit card statements, debt information, market data, and deposit account earnings via e-mail or SMS either instantly or on a daily and weekly basis.

### 14 million page views

The Odeabank website, where customers can access detailed information on the Bank's products either in Turkish or English, received 14 million page views in 2014. On the website, customers and potential customers can reach information and tools such as deposit interest rates, credit card cash advance, calculation tools such as loan interest rates, the directory of branches and ATMs, currency converter, REIDIN real estate indices, loan and credit card applications, product and service fees.

In 2014, a new feed function was added to Odeabank website. With this new campaign structure, featuring investment pages, customers can track foreign exchange rates, prices of products including mutual funds, share certificates, bonds and bills, as well as market trends.

### 444 8 444 Contact Center

The Contact Center operates 24/7 with a total of 109 employees, 95 of which are customer service representatives.

Card/account transactions, bond and mutual fund transactions, loan and credit card applications, bill and tax payments, information updates can be performed via the Contact Center. The Center can also be reached via video call through kiosks located at the branches.

The Contact Center, which receives an average of 5,300 calls daily, responds to the questions, problems and demands of existing and potential customers in order to achieve maximum customer satisfaction, and also undertakes selling efforts to meet the financial needs of customers.

The outbound team conducts outbound calls to promote and sell products/services in accordance with business priorities and without compromising quality.

From time to time, 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 2014, the Center continued to update customer information and sell credit cards and loans.

In line with the compact management approach at the Contact Center, customer notification management was also placed under the same roof.

Complaints, demands, questions and suggestions submitted by existing and potential customers via various channels are handled promptly and in full compliance with laws and regulations. In addition, root cause analysis is performed to develop long-lasting solutions.

In 2015, the Bank plans to employ interactive voice response technology at its Contact Center to elevate customer experience and efficiency.

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

### Odeabank ATMs and Self-Service Banking

Rolling out its first ATMs in October 2012, Odeabank expanded its ATM network to 58 ATMs as of year-end 2014. 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. In 2013 the 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 2014, Odeabank began to upgrade the operating system of its ATMs to Windows 7, launched the "check deposit through ATMs" project, a first-of-its-kind in Turkey, and revised ATM front-end applications to align them with other channels in terms of design and consumer experience.

### Self-Service concept

With the temporary cards that can be obtained from the branches, Bank customers can receive their card PIN codes on the day they come to Odeabank and execute transactions immediately via ATMs. As part of the Self-Service concept, customers can access our website or call the contact center through the kiosks located at the branches; 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 while waiting for their transactions to be completed, and view the transaction being executed by the teller as well as the transaction receipt on their tablet PCs. In 2014, the designs of all self-service products were made compatible with other channels of the Bank, Siramatik system (queuing system) was further improved, social media accounts were added to the tablets located at the waiting areas, and denomination tracking function was added to the teller queue tablet application.

### 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 2014 Odeabank has 100,000 followers on Facebook, 1,800 on Twitter and 4,700 on LinkedIn.



## Business Solutions

In 2014, the Business Solutions Unit carried out a total of 38 projects in accordance with Odeabank's goals and needs.

In 2014 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.

### 38 major projects

The Business Solutions Unit implemented 38 projects suitable for Odeabank's objectives and needs during this period.

#### Core Banking

- Odeabank commenced operation to disburse the approved consumer loans, for which applications were received through branches and Direct Banking channels, via PTT (Turkish postal directorate) offices.
- All systems and infrastructure, which are used for the evaluation of credit card and loan applications submitted through branches and direct banking channels, were renewed.

- Odeabank initiated the practice of loan applications and disbursement via direct banking channels for its SME clients.
- New deposit products such as multi-currency deposit account, fixed interest account with daily withdrawal limit, deposit account with periodic interest payments, deposit account with early closure option, and call deposit account were launched.
- Odeabank began collecting custom duties.
- The Online-CRM application, which sends customers information about campaigns and proposals collectively at the end of the day, was launched.
- TCR (Teller Cash Recycler), which supports the open counter concept, was integrated with the Core Banking System, thus enabling the transfer of denomination info in cash transactions to the core banking system via TCR devices.
- Automation solutions were developed for credit monitoring, administrative monitoring, and legal processes.
- Under the FATCA project, regulations for identifying and declaring customers, who have U.S. citizenship, were put into practice.
- Automation systems used for the prevention of money laundering and terrorist financing, and potential frauds were updated.
- Appraisal platform was established.
- The e-invoicing application, which enables invoices to be electronically sent to the Bank, was launched.

#### Credit Cards and Member Merchants

- Odeabank finalized the VISA certifications and began to issue co-branded Visa cards.
- Following the VISA certification process for member merchants, physical POS and Virtual POS terminals were put to the service of customers.
- Corporate Credit Card project was completed and launched.
- The Bank began to offer deferred payment and installment payment plans for credit card debts through SMS, Internet Banking or Contact Center, as directed by customers.
- Development of the 3D Secure system, which is designed to make online shopping transactions with Odeabank credit cards safer, was completed.

#### Direct Banking

- Mobile Banking, Internet Banking, ATM, and Contact Center channels were redesigned in order to offer the exact same experience to Odeabank customers.
- QR Code system was integrated into the Mobile Banking application to verify check transactions.
- Odeabank began to accept check deposits through its ATMs.
- Mobile signature application was launched in Internet Banking transactions.
- Odeabank enabled the loan application, disbursement and repayment processes to be carried out at PTT (Turkish postal directorate) offices.



## Odeabank's Business Intelligence applications reached a capacity of 22 different Dashboards and 115 analyses.

- Odeabank made it possible for customers to track the denomination details and receipts of their transactions, obtain information about new campaigns, and submit their opinions about the service they have received (customer satisfaction surveys) through the tablets located at counter areas.
- The tablet application used by Direct Sales Representatives to receive credit card and loan applications was updated.
- The SMS and e-mail system was updated to achieve more effective and efficient communication with customers.
- E-mail and SMS alert systems were put into practice to better manage customers' choice of communications and notifications.

### Business Intelligence

- The Business Intelligence Applications, which are used for analysis and reporting by all levels starting from the senior management to support units, reached a capacity of 22 different Dashboards and 115 analyses.
- Currently serving 170 individual users with 390 user licenses, the use of Business Intelligence Applications increased 51%\* in 2014.
- In addition to meeting the analytical needs of business units, the Business Intelligence Application sends over 300 analysis reports per day to the Head Office and Branch personnel via Qlikview.

### 2015 goals

In 2015 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.

In 2015, the Bank plans to diversify loan disbursement channels for SME clients, establish automation systems for the evaluation of loan applications, revise and consolidate operational processes at the Head Office and the branches, employ technology in customer segmentation and pricing as well as cost and balance sheet management, develop new credit card products and services, integrate cash register and POS terminals, and acts as an intermediary in stock trading.

In 2015, Odeabank will start using Data Mining in Business Intelligence area, as its database expands and becomes more diversified. The Bank will set up the necessary infrastructure to meet users' self-service analysis needs, and expand the range of analysis in addition to functional improvements.

## Transactional Banking

In 2014, Odeabank launched three different types of corporate credit cards for its Corporate and Commercial clients.

As margins continue to shrink and commission income becomes ever more significant, operational costs and cash flow planning in financial management came to the fore. In this environment, Transactional Banking activities take on a very prominent role for successfully sustaining customer-oriented banking and creating client-based sources of income.

In the Transactional Banking segment in 2014, new products, applications and channels were put in service in collection and payment transactions with the mission to serve the needs of customers in all segment via state-of-the-art technology. This made a major contribution to the Bank's business volume, profitability and demand deposit-based income. 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 aimed 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.

Odeabank was the "first bank" in Turkey to apply the QR Code to checks in 2012. With the "Check Control" system, which was launched in 2014, the Bank can now scan the QR Codes on the checks via the Mobile Banking Application, and thus inform the check holder.

### Payment Management Services

In 2014 the Bank focused primarily on bulk payment and check integration products. The Bulk Payment System, which processes multiple EFT and money transfer transactions at once, mediated domestic payments of clients. In addition, in an effort to diversify its payment products and applications, the "Foreign Currency Bulk Payment System" was rolled out for domestic and overseas bulk foreign exchange money transfers. This product supported the efforts to reduce the customers' and the Bank's operational costs and risks.

### Company and Bill Collections

Odeabank launched tax and SGK (Social Security Institution) collection services in 2014. Finalizing the agreements and efforts so as to serve through all channels, the Bank launched collections for a total of 31 utility companies.

### Corporate Credit Cards

In 2014, Odeabank launched three different types of corporate credit cards, which can be used by Corporate and Commercial clients for their company expenses. In addition, the Bank initiated efforts to integrate these expenses with the accounting systems of its clients. Process optimization will be finalized in 2015.

In October 2014, the Bank also launched Business Debit Cards, which enable Commercial Banking customers to make their cash deposits and withdrawals much faster.

### Member Merchants

As of October 2014, Odeabank completed the infrastructure for transactions by member merchants; accordingly, virtual POS and physical POS terminals began operations. In accordance with the changes in regulations, in 2015, Odeabank's POS terminals will have contactless feature, and will be integrated with cash registers.

Odeabank aims to unveil user-friendly, competitive and innovative applications and solutions, designed in response to customer demands and in accordance with prevailing market conditions, in an expeditious and effective fashion.

In 2015, Odeabank Transactional Banking will further improve and expand its Internet Banking services for Corporate and Commercial clients. The Department will also 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 2015, Odeabank Transactional Banking aims 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

IT help desk responded to a total of 18,212 calls during the year.

Since the foundation of the Bank, the IT department has ensured that the infrastructure, software applications and communications networks serviced through the two datacenters in Istanbul and Ankara remained reliable, up-to-date and operational on a 24/7 basis. Requests from Business Solutions, Direct Banking, Information Security and other Business Units have been met by delivering the corresponding projects and production environment deployments.

The following deliverables constitute the major accomplishments by IT in 2014:

- Treasury platform Murex was implemented and integrated with the core banking platform as part of Phase 1 deliverables. Phase 2 work was commenced.
- Credit cards and retail loans part of the global decision support and analytics system was implemented and deployed into production for the fast-delivery channels and branches.
- Integration and implementation for the product selected by the Risk Management Department with regard to asset-liability and market risk management continued.
- Necessary adaptations were made for the integration of the core banking platform with application fraud detection and prevention system.
- Release management process was implemented to minimize the regression risks on existing applications during the deployment of new applications. 45-day release periods have been enacted.
- Incident management, issue resolution and information management tasks were performed in the context of serving and supporting production applications.
- The Bank's network, security and voice communications needs continued to be serviced with the latest technology from leading providers. A pioneering approach to emphasize the utilization of new technologies has been adopted to address the challenges of adding new locations and expanding the infrastructure.
- Network and system security was enhanced through new projects. In this context, systems dealing with access control, privileged user management, progressive authentication and electronic safe boxes were deployed. Security systems were updated and enhanced as per the growing needs of the Bank.
- The Bank's disaster recovery centers were modeled with the same capacity considerations as the primary servicing centers in order to meet the Bank's continued goal in servicing its customers without compromising service quality even in disaster conditions.
- Communications center infrastructure was re-modeled to address the growing needs of the Bank.
- Branches, in-store branches and off-site ATM's had been opened on close to 15 locations were equipped with fast fiber infrastructure in 2014. All locations have back-up fiber infrastructures with different operators.
- Traffic management and optimization systems have been implemented to ensure effective communication between the Bank's locations.
- Visual / Audible / Written communication infrastructures had been improved by enhancing integrated communication systems' mobile flexibility and expanded to end-to-end mobile solutions. More secure and controllable mobile devices had been positioned for this purpose.
- IT Help Desk; had been reorganized to serve both in and out bank tablet users through IVR (Interactive Voice Response) system, help desk responded 18.212 calls within one year period.
- Existing and new branches have been technically supported.
- Disaster recovery test was realized within business continuity plan with Internal Control department.
- E-Mail Archiving Project was implemented.
- Bank's disc farm capacity was increased with Midrange storages and product base consolidation was done.

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

- Integrated Financial Resource Management project will be started to create a wide-ranging and properly integrated framework so that the Bank can flexibly and proactively respond to and therefore manage any type of financial risk and use this framework for the new projects
- Bank's Main Data Center (DC) relocation preparations have been started and DC will serve at its new location in early 2015.
- The infrastructure of DC is altering with the latest technology equipment regarding to expanding and improving needs of the Bank.
- The communication infrastructure at the new Head Office location will be equipped with the latest technology, and all users will be moved to the new location without any problems.
- Bank's network security projects will be continuing.
- To improve customer satisfaction, smart systems will be implemented.
- IT will technically support Contact Center in setting up systems to increase efficiency and effectiveness.
- All approved projects will be supported for technical infrastructure, product and architecture.
- Critical applications' hardware will be replaced with new engineered systems.

## Finance

# The Finance Department of Odeabank manages and reports the entire financial data of the Bank and ensures a sustainable financial performance.

Odeabank finance department consists of “legal reporting”, “accounting & tax” and “budget, planning & management reporting” units all dedicated to manage all financial related matters and to provide business partnership to all related internal parties to help deliver sustainable success in the Bank’s financial performance.

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. The unit is also responding to ad-hoc questions and requests received from legal authorities; addressing all of the above on timely and accurate basis is done with the help of business intelligence tools and other softwares in highly efficient way. According to performance scores calculated by the BRSA, Odeabank is ranked well than the sector in terms of receiving number of errors in the report submission; time elapsed in solving errors and changing the reports upon submission.

The team serves as the point of contact to BRSA and CBT auditors, providing all kinds of information pertaining financial data to assist their mission; managing the process professionally.

Tracking local and international accounting and reporting standard changes, assessing their impact on Odeabank’s results and performing documented financial controls on the balance sheet and its components are other key responsibilities.

Due to its framework, general loan loss reserves calculations on month-ends is another challenging process that the team also handles.

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.

### Accounting and Tax

Accounting and Tax unit with 4 dedicated team members performs payments to suppliers, service providers and other related parties of Odeabank ensuring necessary hierarchal approvals have been completed through fully integrated system driven software –Odeaforms.

Odeaforms is designed in such a way that it is automated from end to end; providing efficiency and accuracy to the Bank and the team. The tool is also managing all kinds of internal staff limits, excesses and payments. In 2014 Odeaforms was used to process more than 22.000 transactions with a volume of 195M TL.

In 2015, e-invoice and fixed assets management integrations into Odeaforms are within the most important projects that the team is working on.

The unit is giving outmost importance into checking, validating, declaring and paying operational taxes regularly, closely following up legislation changings and getting them implemented to the core banking system.

Working hand in hand with tax auditors, ensuring that the tax returns are certified correctly and to obtain timely tax advice for all kinds of business matters are other key areas that Odeabank accounting and tax team are managing.

In line with the changes in the related legislation Odeabank will start producing its legal books electronically in 2015.

### **Budget, Planning and Management Reporting**

Financial Planning and Analysis is crucial for the Bank in order to reflect the strategy, business models and targets into financial numbers. Budget and Planning department assures that senior management is provided with adequate financial reporting and analysis and acts as a supportive tool in their decision making processes. The department fulfills its responsibilities under three main categories.

### **Budgeting**

The unit is responsible for managing the annual budgeting process of the bank. The annual budgeting process starts in late 3rd quarter of the year and is completed in the last month of the year by the final approval of the CEO and the Board of Directors. The unit runs this process with a widespread coordination throughout the bank assuring that all planned activities of profit centres and cost centres are taken into account and reflected properly to the budgeted financial statements and are within the global strategy of the Bank and the Group. Actual performance is closely monitored and rolling-forecasts are maintained throughout the following

year in order to keep financial planning of the bank up-to-date with the changing conditions of local and international financial markets.

Budgeting process is supported with a strong cost budget control process and serves as a critical tool to assure effective management of costs. Every purchasing activity and invoicing activities is subject to detailed budget controls before proceeding with the processes.

### **ALCO Reporting**

In order to manage the Bank on a daily basis, Asset and Liability Committee and senior management need in-depth information on financial outlook. Budget and Planning Unit assures that they are provided with daily, weekly and monthly reports on evolution of Balance Sheet and Income Statement. Asset yields, liability costs and the resulting balance sheet spread is reported in bank level as well as in business line and major products levels. The unit also has the secretariat role of the ALCO committee and is responsible for minuting the weekly ALCO meetings and, in line with the ALCO decisions, managing the transfer pricing of banking products.

### **Profitability Management**

Profitability studies are done in order to present and analyze the contribution of banking products and the organizational units to the overall performance of the Bank. Via the help of effective Profitability Management methodologies and tools, Senior Management gains the comfort to assess business activities and performances among different lines and products, and direct them in the best efficient ways to achieve the strategic goals of the Bank.

The Unit is responsible for shaping Profitability Management methodologies under the guidance of Senior Management and develops adequate tools to run the methodologies. The contribution of lines and products to the Bank's performance are detailed as net income contribution as a result of transfer pricing mechanism, non-interest income as observed from transaction originations and operating expenses as a result of proper cost allocation methodology.

In 2014, the Unit has established a process-based cost allocation methodology in coordination with the Organization Unit. In 2015 this methodology will be translated into a strong Profitability Management tool and is assumed to serve Business lines as a key factor in pricing their product. The development of the mentioned Profitability Management Tool is an important 2015 agenda item for the Unit. The tool will operate as a part of the framework to be developed under the name of "IFRM" (Integrated Finance and Risk Management) and when completed will become the main source for performance management of profit centers and products.

## Treasury and Capital Markets

In 2014, Odeabank finalized the infrastructure for monitoring all positions and for daily reporting.

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.

In 2014, Odeabank finalized the infrastructure for monitoring all positions and for daily reporting. Integration of Murex and the core banking system was also completed. The Bank initiated efforts to add new products to Murex in order to expand its product portfolio in 2015.

### 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. The Treasury Sales Unit visits the Branches and customers regularly; updates the customers of the Bank and branch personnel with the new trends occurring in the financial markets; explains the technical features of the financial products, to establish product information. As the Bank's branch network has been expanding since its establishment, accordingly the Treasury Sales Team began to serve a large number of customers.

With its competitive pricing strategy, rich product range and close relationships with customers, the Department is constantly improving its service quality.

Being responsible for informing retail, corporate and commercial customers in the area of risk management and yield enhancement. The Treasury Marketing Unit has realized the structuring of necessary products by offering solutions to corporate and commercial customers on balance sheet management and possible/likely financial risks.

A state-of-the-art systems infrastructure has been established and the pricing of structured as well as conventional products has been realized and issued to customers, in order that an advantageous position in competition is ensured.

## Financial Institutions and Funding

# Odeabank Financial Institutions and Funding Department raised a total of TL 300 million through bond issue in 2014.

In 2014, Financial Institutions and Funding Department raised a total of US\$ 575 million from 32 different financial institutions.

The Bank signed a loan agreement with international financial institution, Proparco, which shows the confidence to Odeabank.

Odeabank issued its debut Turkish Lira-denominated bonds in 2014 and the total size of the TL bond issued is TL 300 million.

In 2015, marketing activities will continue within the framework of relationship management, and necessary efforts will be undertaken to diversify funding sources.

## Foreign Trade

In 2014, total trade finance volume amounted to US\$ 3 billion while the number of active trade finance customers exceeded 2,000.

The Trade Finance Unit provides product, sales and marketing support to Odeabank's corporate, commercial, and SME branches. Following the Bank's acquisition of its banking license, the unit focuses on to deepen the business relationships with customers, to increase trade volume, and to maximize revenue of trade transactions.

In order to strengthen the relationship with existing customers and to acquire new ones, Trade Finance Unit frequently arranges customer visits in coordination with branches, organizes trade trainings for customers, attends trade events, and sponsors global and local trade organizations.

### Extensive product range

Odeabank's Trade Finance Unit offers a broad range of import and export products. Besides offering traditional trade products, by closely monitoring global and local trade corridors, trends, and market requirements; Trade Finance Unit introduces new and customized products in line with changing market dynamics.

Trade Finance Unit has a special focus on Middle East and North Africa Region in parallel with Bank Audi Group. Our parents experience, strong existence, deep knowledge, ongoing long-established relationships in the region definitely provides a major value-add

for customers trading in these countries by offering secure solutions compatible with the laws and regulations of these countries. Middle East and North Africa Region, continuously increasing its share in Turkey's total trade volume and exports, plays a strategic role and has priority in the growth targets of Odeabank in line with our expertise over the region, differentiating us from local competition. Even though, Middle East and North Africa is our main target region, all other developed and emerging markets also play a very important role for Odeabank.

### Targeting the sectors that shape the commodities trade

The primary industries targeted by Odeabank in its trade finance business are the sectors that shape the commodities trade such as iron & steel and its raw materials, petroleum and petroleum products, chemicals, coal, and agricultural products. In addition, the Bank also intends to serve the letter of guarantee needs of overseas contracting businesses and infrastructure projects.

Odeabank's total trade finance volume amounted to US\$ 3 billion in 2014 while the number of active trade finance customers exceeded 2,000.



## Project and Structured Finance

# Odeabank's Project and Structured Finance Department continued its efforts to support Turkey's sustainable growth.

Odeabank's Project and Structured Finance Department strives to establish long-lasting relationships with clients and offers long-term financing solutions at international standards geared toward the needs of corporate and commercial customers as well as private equity funds with its results-oriented, expeditious and innovative approach.

Since its foundation, Odeabank Project and Structured Finance Department reviewed more than 250 deals in various sectors especially in energy, commercial real estate, services, manufacturing industries and corporate acquisitions. The Department supports the sustainable growth of Turkey with its extensive product range in Project Financing, Acquisition Financing, Privatization Financing, Syndications and Long-Term Structuring areas.

Project and Structured Finance Department has completed 17 deals with a total loan book of USD 750 million so far. These deals consist of four project financing transactions of renewable energy projects (two hydro power plants, one geothermal power plant and one wind power plant), three acquisition financing transactions, five syndications, two long term growth financing transactions, one real estate financing, one growth financing of a hospital chain and one restructuring deal.

In line with the Bank's growth strategy and soaring demand, Odeabank's support to its clients in Project and Structured Finance will continue increasingly with a particular focus on the following areas:

- Renewable energy projects (Primarily geothermal, wind and hydroelectric power plants)
- Thermal power plants
- Corporate Acquisitions (Private Equity Funds deals)
- Privatizations
- Commercial real estate projects (Shopping mall, hotel and office projects)
- Restructuring deals

## Economic Research and Strategic Planning

# Odeabank's Economic Research and Strategic Planning Department gained prominence on an international scale.

The Economic Research and Strategic Planning Department formulates the proper strategies and conducts the economic research required within this scope in order to assist Odeabank in attaining profitability and growth performance targets. In 2014, the Department continued to conduct macroeconomic research alongside the design of the Bank's balance sheet, investment and corporate strategies, generated forecast sets, and analyzed their impacts on the banking industry and on Odeabank.

Briefing the senior management on economic and industry developments via regular reports, the Department also conducted Turkish banking sector analyses, identified market tendencies, and generated forecasts and projections. Analyzing the Bank's performance periodically in comparison with the competitor banks, the Economic Research and Strategic Planning Department informed the senior management of national and international developments that may prompt a change in strategy. The Department provided content support in press releases issued by the senior management as well as corporate branding efforts.

The Department also lent its support for reports, analyses, data, interviews and presentations requested by internal and external customers. As one of the rare institutions in the industry publishing its economic research reports both in Turkish and in English at the same time, the Department helped the Bank provide a value added service to its domestic and foreign clients. Representing the Bank in a series of national and international platforms with this perspective in 2014, the Department gained prominence on an international scale owing to its distinctive studies and forecasts.

Planning to continue contributing to Odeabank in attaining its goals at an increasing pace with its effective analyses and value added studies, the Department will also continue to support promoting Odeabank brand image in the national and international arena in 2015.

## Operations

With the “Sales from Counters” initiative, nearly 10,000 unit sales were realized per month.

Correspondingly with the rapidly growing organization of Odeabank, all operations teams ensure that transactions are managed and finalized with maximum efficiency, quality, speed and minimum error and risk while keeping a keen eye on internal and external customer satisfaction.

The following projects were carried out in 2014:

- Systems revisions were performed; SLA-based customer satisfaction measurements were conducted by improving the integration of processes and the system.
- Centralization efforts were undertaken to allow sales and marketing teams to spend more time selling and to reduce the operational burden on the branches.
  - Centralizing the bond-check processes,
  - Generating settlement reports by the headquarters,
  - Preparing mortgage release letters and coordinating the process within the Bank,
  - Making all EFTs and money transfers on behalf of branches.
- Through process optimization efforts, processes were rendered more effective and efficient while significant savings were achieved and certain risks were minimized.
- Branch Operations Model was improved. The Loans and Foreign Trade specialists at Corporate and Commercial branches were joined under a single job title and succession plans were created for highly effective and qualified employees.
- NPS (Net Promoter Score) measurements were initiated for bank tellers, where customer satisfaction levels (in terms of prompt service, kindness etc.) are measured via phone calls with results reflected on the scorecards of tellers.
- A Scorecard Model was developed to ensure effective, transparent, fair and quantifiable performance assessment. Criteria and their relative weight were determined for all job titles. With the Scorecard Model, which also includes FTE measurements, permanent employee management became more effective.
- Operations teams took part in the sales activities called “Sales from Counters”, through which nearly 10,000 unit sales were realized per month. Actions were taken with regard to missing information and documents. Significant progress was achieved in tracking missing documents within the framework of “reducing discrepancies”.
- The Risk Committee was restructured in order to improve communication and information sharing between operations and marketing teams at the branches. This process is now being monitored on a regular basis.
- FIDE (Your Opinion Is Valuable) sharing platform was established. All operations staff can submit their opinions, suggestions and project ideas through this platform, and these ideas are regularly evaluated by a committee composed of managers.
- A digital Q&A library of Operations and Regulations was created to enable all users to access to information easily.
- All outsourcing contracts were reviewed; additional protocols, SLAs and penalty clauses were put into effect.

The following projects will be carried out in 2015:

- Systems-process improvements will continue.
- Centralization of middle office functions will continue.
- The amount of time spent by branches in processes will be minimized.
- The performance management system will be further improved to become more objective and completely transparent so that employees can internalize it.

## Organization, Process Development and Performance Management

A total of 34 processes and 103 procedures and policies were developed and issued in 2014.

In May 2014, the Organization Department was restructured and renamed as Organization, Process Development and Performance Management with new duties and responsibilities. As the name indicates the Department consists of 3 subdivisions, whose activities are outlined below.

### Organization

The Organization Unit coordinates the version tracking, announcement and publication of the Bank's policies, procedures, form documents and processes in the process portal of Odeaport.

The following projects were carried out in 2014:

- The Organization Unit developed and issued a total of 34 processes and 103 procedures and policies in 2014. After careful evaluation and review, the Unit published 399 announcements in order to provide the necessary information within the Bank, ensure the implementation of new procedures and encourage the use of existing procedures.
- 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. In 2014, the Unit published a total of 74 informative releases.

- In 2014, the Organization Unit responded to 1,722 requests submitted through Odea Support with the purpose of 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.
- 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 95-day training program, provided screen training courses to the relevant branch employees, and prepared 9 e-learning courses.
- The Unit offered solutions and suggestions under 39 topics for small improvements and authorizations with regard to the questions/problems received through various channels such as FIDE, branch visits, training courses etc.

### 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 2014:

- In 2014, the Process Development Unit mainly focused on reviewing retail banking processes, and accordingly developed improvement recommendations related to consumers' loans and deposit products. The Unit collaborated with relevant departments to implement these recommendations.
- In order to increase operational efficiency and to ensure consistent, high quality service delivery, the Unit designed new workflows for central processing of customers' instructions, and developed the necessary infrastructure. Subsequently, the Central Service Project was successfully launched in October. In December 2014, the Central Service Unit started to execute the TL transfers of retail and commercial customers at all branches. The cost efficiency of this project is 345,000 TL per year. The Process Development Unit performed the necessary analysis for reducing the discrepancies that concern all profit-oriented business segments and are closely monitored by the Bank's senior management. Accordingly, the Unit ensured that relevant administrative decisions are taken and announced, systems are improved, and periodic reports are prepared. While the total number of discrepancies was 11,000 and the total number of floats was 8,219 in August, these numbers were reduced to 6,400 and 3,700, respectively, in December. When the increase in the number of transactions and customers is considered, 70% reduction was achieved in floats and discrepancies.

- Within the framework of the “Cost Allocation” project, which is sponsored by the Operations and Support Services Department and Assistant Managers of Finance, and carried out in collaboration with Oliver Wyman consulting firm, the Process Development and Performance Management teams worked together to determine all product and process costs within the Bank. To that end, processes were developed for a total of 54 main products and more than 2,000 processes, process durations were determined through spot observations, surveys and committee meetings, the number of relevant transactions and processes were identified, and information meetings were held with the business units.

### 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 2014:

- **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 for each employee, are used for tracking the operational quality in transactions and services that are especially important for the Bank, and also for identifying areas of improvement.
- **Permanent Staff:** FTE (full-time equivalent) measurements and permanent staff analysis are performed for the operations staff at the branches on a monthly basis. Additionally, objective and quantitative evaluations are carried out for teller and back-office positions to ensure that operations staff performs their duties more efficiently.
- **Sales from Counters:** In the third quarter of 2014, Branch Operations staff started to sell retail banking products through phone and counters to support the Bank’s growth and sales targets. By following the necessary security steps, the branch operations staff also provides other types of services such as updating customers’ e-mail addresses, designating e-statements, obtaining instruction from customers for automatic bill payments, increasing credit card limits, activating credit cards, and providing information on new campaigns. Total added value of these sales for 2014 is 600,000 TL.

- **Crowdsourcing:** Crowdsourcing efforts were initiated to ensure that Central Data Entry (CDE) staff gives support to branch operations staff in operational transactions. This way, the CDE staff can use the spare time outside their own duties by providing support to operations and other efforts that increase efficiency and create added value for the Bank. Performing the E-SGK (Social Security Institution) checks for credit card and consumer loan applications received by the branches was the first task assigned under “crowdsourcing” efforts. With this initiative, the Bank achieved a monthly saving of TL 40,000. In 2015, collection calls will be included into this scheme.

In line with the Bank’s rapid growth, in 2015, the Organization, Process Development and Performance Management, team will continue to help and support other departments and undertake efforts that increase efficiency, service quality, and create added value. The Unit will actively participate in the development of new and innovative processes.



## Internal Services and Banking Support

# Odeabank began to conduct “Internal Customer Satisfaction Survey” in 2014.

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 2014:

- Electronic approvals were obtained for all bank contracts, and the follow-up process began.
- The Bank began to use the e-procurement system, which offers the best price performance in a transparent manner.
- Procedures were updated by taking into consideration the market dynamics; reports related to the areas of responsibility were improved in terms of both amount and visual content.
- Staff security control and liability systems were put into practice.
- SLA agreements were signed with key suppliers.
- Process and document flows related to banking correspondences were transferred to digital environment, which resulted in time and cost savings; further, error rates were minimized.
- Internal Customer Satisfaction Survey was conducted.
- Internal Customer demand management process was entirely transferred the Call Management system.

The following projects will be carried out in 2015:

- 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 2015, 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.

## Construction, Real Estate and Expertise Operations

Unit prices for Odeabank's Construction Projects were determined, and branch costs were reduced by 25%.

The following projects were carried out in 2014:

- The concept booklet, prepared for branches in 2013, was further enriched.
- Unit prices for Odeabank's Construction Projects were determined, and branch costs were reduced by 25%.
- Construction Real Estate Procedures were updated and published.
- 10 new branches and 2 corner branches commenced operations.
- The lease contract for the new Head Office building was signed, and refurbishment began.
- The design phase for the new Head Office building was completed, and construction work began.
- Index appraisal system was put into practice. Hence, business operations between the branches, the Head Office and appraisal companies became more systematic.
- Appraisal periods were reduced from 3.18 workdays to 2.13 workdays.
- The Bank began to examine lien documents, collaterals and indentures, and monitor mortgage limits.

The following projects will be carried out in 2015:

- Construction work on Levent 199 project will be completed and Head Office departments will be moved to the new building.
- Following the relocation of the Head Office, 4 floors of Olive Plaza will be redecorated to accommodate the Contact Center as well as Loan Collection and IT Help Desk teams.
- New locations will be determined to open new branches in accordance with the demands from business units.
- The exploration reports prepared in 2014 will be reviewed in terms of both content and costs, and necessary improvements will be made.
- Maintenance and repair work will be undertaken at the Branches and the new Head Office building; the project regarding the remote monitoring of branches will be initiated.

## Corporate Communications and Marketing

### Odeabank's achievements in such a short time were recognized with several national and international awards in 2014.

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 2014.

The Corporate Communications and Marketing Department carried out campaigns for "Ready Cash", Bank'O Card and Bank'O Card Akses in the Retail segment in 2014 which turned into successful business results for the Bank. In all public relations initiatives and sponsorship projects of Odeabank geared toward the public at large or specific groups, the Department has carried out activities to contribute to the image of the Bank in the best possible way. Within this context, two "Wealth Management Economy Summits" hosted by Wealth Management Department were organized with the participation of Daron Acemoğlu, Nobel Prize nominee and one of the most prominent economists in the world in March and November 2014. Galatasaray Odeabank Women's Basketball Team which Odeabank signed a sponsorship agreement for the exclusive naming rights in 2013 achieved great success and won championships at FIBA Euroleague Women, the Turkish Cup, and Turkish Women's Basketball League.

All digital projects regarding Odeabank's website, intranet portal and other marketing projects were managed in cooperation with the MagiClick Digital Agency whereas Odeabank and Bank'O Card social media accounts were managed in conjunction with the Voden Digital Agency.

The Department organized press conferences to promote the Bank's new projects, products and services; organized exclusive interviews for the Bank's General Manager and Deputy General Managers with the press as part of a planned agenda and contributed to the brand awareness of the Bank through these activities.

The Department organized the design and manufacture of all required printed documents of the Bank in addition to all printed materials requested by other departments for marketing needs.

Odeabank's achievements in such a short time were recognized with several national and international awards in 2014. The Bank won a total of 15 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 2015.

## Legal

# The Legal Automation Program was completed and put into practice in 2014.

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.

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. Represents the Bank at judicial authorities through directly employed or contracted lawyers; takes legal action when necessary for the protection of the Bank's rights.

Follows up the drafting and examination of the contracts with domestic and foreign organizations on issues of interest to the Bank; if needed, coordinates and cooperates with foreign legal firms for the settlement of legal conflicts abroad. Pursues the files decided to be legally proceeded and the court cases filed by or against the Bank. The department also Screens the changes in legislation and precedents and informs related business units accordingly. 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. 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.

To that end, the Legal Department coordinated the organization of one ordinary general assembly meeting, two extraordinary general assembly meetings, and six boards of directors' meetings in 2014. In addition, the Department ensured that the assignment of two board members and the amendments to the Bank's articles of association were carried out in compliance with applicable laws and procedures. 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.

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

Placing high value on social responsibility, Odeabank focuses on active involvement in the community in which it operates.

Odeabank is committed to integrating social and environmental concerns into its business operations and into its interaction with its stakeholders. As such, Odeabank endeavors to contribute to the welfare of society and will not pursue profits at any 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.

More specifically, Odeabank is committed to:

- 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, to the largest extent possible, 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 reflect its commitment to social responsibility throughout its organizational structure up to the Board level and 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 recently 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

Providing a work environment free of any discrimination based on gender, age, marital status, pregnancy status, race, citizenship, religion, beliefs and disability are the key features making Odeabank "a place to work". Odeabank employees coming from different backgrounds are treated on an equal basis and provided with equal career opportunities.



### **Training and Development**

Odeabank's success largely depends on the quality of the people that it recruits and then how it best develops them. Its role is to ensure that it delivers advanced learning and development techniques within Odeabank's values and culture. All employees receive appropriate guidance, training, monitoring and support for efficiency and success at their works.

### **Health in Workplace**

Mental and physical well-being is significant for a good quality of life. Human Resources Department aims to improve quality of and access to health care and health awareness programs.

Some of the activities undertaken during the year are:

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

### **Civil Responsibility**

Odeabank have signed a sponsorship agreement for Galatasaray Women's Basketball team and co-sponsorship agreement for Galatasaray Men's Basketball team which it aims to help to raise the awareness towards basketball and to the women involved with sports and thereafter encourages the amount of viewers/supporters to grow as well as the popularity of basketball.

### **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**

Its branches, where every single service has been carefully and elaborately planned, also stand out with their green approaches. Unlike many other banks, paper is not being used except for signature mandatory documents in its branches, while the documents that must exist in the branch are offered electronically. At the same time, its clients are able to get a ticket number with the mobile Q-matic application, instead of using paper.

It recently adopted a new practice, as an example of our green approach. Using this not very common service in the sector, its clients are now able to receive their vouchers via SMS or e-mails after a transaction when they use Odeabank ATMs, if they wish. Thus, redundant paper consumption is prevented.

Accompanying procedures to the above mentioned CSR Policy also covers the issues related with the monitoring of electricity / gas / water / paper consumption within the Bank. Following the results of the monitoring, it would be taking some precautions to improve.

## Board Members, Senior Management and Auditors

Name	Position	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, General Manager	07.06.2012	Master's Degree
Ayşe Korkmaz	Board Member	07.06.2012	Bachelor's Degree
Erol Sakalioğlu	AGM in charge of Commercial Banking		
	Deputy General Manager	07.06.2012	Bachelor's Degree
Fevzi Tayfun Küçük	AGM in charge of Direct Banking, Business Solutions and Transactions Banking	07.06.2012	Master's Degree
Serkan Özcan	AGM in charge of Economic Research and Strategy	07.06.2012	Master's Degree
Cem Muratoğlu	AGM in charge of Retail Banking	18.06.2012	Master's Degree
Alpaslan Yurdagül	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
Denel Şehriban Balcı	Director, Legal	05.04.2012	Bachelor's Degree
Tuğba Ayıran Ekşioğulları	Group Manager, Compliance	02.04.2012	Master's Degree
Tolga Güler Director,	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 31.12.2013, 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 sal (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.



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

Born on the 14<sup>th</sup> 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



From left to right

**Yalçın Avcı**  
Assistant General Manager

**Gökhan Erkıralp**  
Assistant General Manager

**Ayşe Korkmaz**  
Board Member  
Member of the Audit Committee

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

**Alpaslan Yurdağül**  
Assistant General Manager



From left to right

**Serkan Özcan**  
Assistant General Manager

**Fevzi Tayfun Küçük**  
Assistant General Manager

**Erol Sakallıoğlu**  
Assistant General Manager

**Cem Muratoğlu**  
Assistant General Manager

**Aytaç Aydın**  
Assistant General Manager

**Naim Hakim**  
Assistant General Manager



## Board Members, Senior Management and Auditors

### Fevzi Tayfun Küçük

#### Assistant General Manager

Born on the 19<sup>th</sup> 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 and Transactions Banking in Odea Bank A.Ş.

### Alpaslan Yurdagül

#### Assistant General Manager

Born on the 6<sup>th</sup> 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 16<sup>th</sup> 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), 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 Sakallıoğlu

#### 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.

### Gökhan Erkıralp

#### Assistant General Manager

He was born on the 23<sup>rd</sup> 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 Ulusalbank 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. Erkıralp 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.



**Yalçın Avcı****Assistant General Manager**

He was born on the 30<sup>th</sup> 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 Aydın****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.

**Naim Hakim****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.

**Serkan Özcan****Assistant General Manager**

He was born on the 4<sup>th</sup> of December in 1977 in Konya. He completed his undergraduate degree at the Economics Department of the Economic and Political Sciences Faculty of the Middle East Technical University and his graduate degree in Finance at the University of Illinois. He served from 1999 to 2006 as a specialist in the Turkish Central Bank's Banking and Financial Organizations Department; from 2006 to 2009 as advisor to the Chairman in the Banking Regulation and Supervision Agency; from 2009 to 2012 as Chief Economist and Strategist in Türkiye Vakıflar Bankası T.A.O. He also acted as a Board Member of Vakıf Portfolio Management in 2010. In 2012, he was appointed as the Assistant General Manager in charge of Economic Research and Strategy in Odea Bank A.Ş.

## Managers of the Units in Internal Systems

### Legal

#### Director, Attorney Denel Şehriban Balcı

The Chief Legal Advisor of Odea Bank A.Ş. and responsible for consultancy, legal cases and is head of the Legal Department. At the same time, she is the Board Secretariat. Balcı graduated in 1994 with a Bachelor's degree from Istanbul University in Environmental Engineering and obtained her Bachelor's degree from the Faculty of Law at 9 Eylül University in 2000. She worked as at an independent lawyer for two years and afterwards took office at the legal department of T. Garanti Bankası A.Ş. in 2003. After working for four years in T. Garanti Bankası A.Ş. and five years in Deutsche Bank A.Ş., she started her career at Odea Bank A.Ş. as of April 2012.

### 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 Banka 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.

### Statutory Auditor

#### Fatma Ebru Yücel

## 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 2014, our bank's Board of Directors held meetings on these dates: 22<sup>th</sup> of January 2014, 4<sup>th</sup> of March 2014, 20<sup>th</sup> of May 2014, 13<sup>rd</sup> of August 2014, 04<sup>th</sup> of November 2014, 12<sup>th</sup> of December 2014.

On the 22<sup>th</sup> of January 2014, 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. Abdullah İbrahim A. Alhobayb, Mr. Hüseyin Özkaya and Mr. Ayşe Korkmaz attended the meeting.

9 (nine) Board Resolutions were passed at this meeting.

The Board of Directors meeting was held on the 4<sup>th</sup> of March 2014 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. Imad Itani, 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.

11 (eleven) Board of Directors decisions were taken in this meeting.

The Board of Directors meeting was held on the 20<sup>th</sup> of May 2014 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.

22 (twenty two) Board of Directors decisions were taken in this meeting. The Board of Directors meeting was held on the 13<sup>th</sup> of August 2014 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. Imad Itani, Mr. Elia Samaha, Mr. Khalil El Debs, Mr. Hüseyin Özkaya and Ms. Ayşe Korkmaz attended the meeting. Mr. Freddie Baz and Mr. Hatem Ali Sadek could not attend the meeting due to their valid excuses.

16 (sixteen) Board of Directors decisions were taken in this meeting.

On the 4<sup>th</sup> of November 2014, 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. Elia Samaha, Mr. Khalil El Debs, Mr. Hüseyin Özkaya and Mr. Ayşe Korkmaz attended the meeting. Mr. Raymond Audi and Mr. Imad İtan could not attend the meeting due to his valid excuse.

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

On the 12<sup>th</sup> of December 2014, 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.

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

In 2014, our Board of Directors, without holding actual meeting, took 45 (forty five) decisions in compliance with the Turkish Commercial Code, Article 390/4.



## Committee Meetings

### Audit Committee

In 2014, the Audit Committee held 6 meetings and took 10 decisions.

### Corporate Governance Committee

Corporate Governance Committee, Risk Committee and Audit Committee members are the same persons and committee meetings can be held and decisions can be taken when necessary.

### Risk Committee

The Risk Committee and Audit Committee members are composed of same persons and these committee meetings are held on the same day.

### Remuneration Committee

In 2014, the Remuneration Committee held a meeting on the 4<sup>th</sup> of March 2014 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, 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	-	-	-	18,221	53	-
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	18,221	53	-
Interest and commission income	-	-	-	-	-	-

### December 31, 2013

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	-	11.000	-	-
Balance at end of period	-	-	-	16.119	-	-
Interest and commission income	-	-	-	-	-	-

b.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities	Direct and indirect shareholders of the Bank	Other entities included in the risk group
	December 31, 2014	December 31, 2014	December 31, 2014
<b>Deposits</b>			
Balance at beginning of period	-	-	-
Balance at end of period	-	570,736	570,736
Interest on deposits	-	10,690	10,690

### December 31, 2013:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities	Direct and indirect shareholders of the Bank	Other entities included in the risk group
	December 31, 2014	December 31, 2014	December 31, 2014
<b>Deposits</b>			
Balance at beginning of period	-	-	9,109
Balance at end of period	-	-	343,965
Interest on deposits	-	779	1,494

## Transactions of Odeabank with the Related Risk Group

The Bank has obtained Subordinated Loan amounting to TL 699.480 TIER I, TL 349.740 TIER II, short term loans amounting to TL 233.160 and deposit amounting to TL 604.870 from the risk group and realized interest expense amounting to TL 23.050.

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

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

### December 31, 2013

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>	<b>Direct and indirect shareholders of the Bank</b>	<b>Other entities included in the risk group</b>
<b>Financial assets at fair value through profit and loss</b>	<b>December 31, 2013</b>	<b>December 31, 2013</b>	<b>December 31, 2013</b>
Balance at beginning of period	-	821,874	-
Balance at end of period	-	198,695	-
Total Loss/ Profit	-	1,722	-

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

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

## Information on Outsourced Operations and the Individuals, Organizations Supplying the Outsourced Services

Only the following services are outsourced to which the provisions in the sixth paragraph of Article 5; in Articles 10 and 11; and in the first paragraph of Article 12 of the “Regulation on Bank’s Procurement of Support Services and Authorization of Such Service Providers” are applicable.

Support Service Firms	Service Outsourced
Avrupa Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real Estate Value Assessment
Taksim Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real Estate Value Assessment
Tepe Savunma ve Güvenlik Sistemleri Sanayi A.Ş.	Security Staff Services Acquisition
Karbil Yazılım ve Bilişim Teknolojileri Tic. Ltd. Şti.	Credit Cards and POS Operations
UGM-Ulusal Gözlem Merkezi	Alarms and Electronic Intelligence Services Acquisition
Magicklick Dijital Çözümler	Website Service
Elit Gayrimenkul Değerleme A.Ş.	Real Estate Value Assessment
CMC İletişim Bilgisayar Reklam ve Danışmanlık Hizmetleri Sanayi Ticaret A.Ş.	Call center service provided by the Company for banking, credit card and insurance products. (external calls)
Provus Bilişim Hizmetleri A.Ş.	Printing and enveloping documents, arranging the bank statements of card systems and current accounts ready for printing in the determined format and delivering them to the Bank on electronic media, arranging the credit card statements ready for printing in the determined format and printing and delivering them to the distribution channel determined by the Bank.
TSKB Gayrimenkul Değerleme A.Ş.	Real Estate Value Assessment
Kuryenet Motorlu Kuruyecilik ve Dağıtım Hizmetleri A.Ş.	Credit Card Delivery
32 Bit Bilgisayar Hizmetleri San. ve Tic. Limited	MQ Murex Deal Integrator Software Maintenance and Support Services Agreement (integration of Murex deals) / TCMB (Central Bank of Republic of Turkey) Crawler Software Maintenance and Support Services Agreement (automatic flow of FX rates) / BBPAPI Integrator Software Maintenance and Support Services Agreement (connection with BIST and OTASS)
Probil Bilgi İşlem Destek ve Danışmanlık San. ve Tic. A.Ş.	Infrastructure and Services Supplementary Agreement
NCR Bilişim Sistemleri Ltd. Şti.	ATM Service Hardware, Software and
Iron Mountain Arşivleme Hizmetleri A.Ş.	Services specified for data entry transactions / Archiving Services
NCR Bilişim Sistemleri Ltd. Şti.	Purchase Agreement regarding Hardware, Software and Peripheral Units
Callpex Çağrı Merkezi ve Müşteri Hizmetleri A.Ş.	Outgoing/Incoming Call Services
Çizgi 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
Bantaş Nakit ve Kıymetli Mal ve Güvenlik Hiz. A.Ş.	Cash and Equity Transfer Agreement and ATM Services
Intertech Bilgi Teknolojileri A.Ş.	Information Technology Infrastructure and Banking Platform
MTM Holografi Güvenlik ve Bilişim Tek. San. Tic. A.Ş.	Cheque Printing
Plastikkart Akıllı Kart İletişim Sistemleri Sanayi ve Ticaret A.Ş.	Card Purchase/Sale Agreement
Yatırım Gayrimenkul Değerleme A.Ş.	Real Estate Value Assessment
Key İnternet Hizmetleri Bilgisayar Yazılım, Donanım	Appraisal Report Assessment System Software and
Mühendislik San. ve Tic. Ltd. Şti.	Maintenance Support Agreement
Eastern Networks Çöz. Tic. A.Ş. (Fineksus)	Paygate Applications Sales, Maintenance and Support Agreement
Active Bilgisayar Hizmetleri ve Tic. Ltd. Şti. (Nova)	Nova 2000 Sales and Services Agreement- Securities Software

## Information on Outsourced Operations and the Individuals, Organizations Supplying the Outsourced Services

İstanbul Dağıtım Pazarlama ve Taş. Hiz. Ltd. Şti.	Getting personal loan documents signed, delivering the customer copies, delivering the signed documents to the archive
Aktif İlet ve Kurye Hizmetleri A.Ş.	Distribution Agreement- credit card, debit card, brochure, bank statement etc..
Collection Platform Yazılım ve Danışmanlık A.Ş.	Procedures of; directing bank's receivables to collection by providing calling services.
Digital Planet DTP Bilgi İşlem İletişim Tic. Ltd.	Sales and Maintenance Agreement – designing credit card statements, managing operational processes, sending sms and e-mail
Gantek Teknoloji Bilişim Çözümleri A.Ş.	Oracle Database Maintenance and Gantek Management Services Agreement
Gold Teknoloji Marketleri San. ve Tic. A.Ş.	Company staff verifying the identity of the customers who make personal loan application to the Bank in the company stores, delivering the loan documents (signed by the customers) to the Bank, and delivering the Bank cards (demanded by the customer) to the customers.
Bilin Yazılım ve Bilişim Dan. Ltd. Şti. (Humanist)	License and Service Agreement – Human Resources Data Management Application
Hewlett Packard (HP)	Physical security and hosting support services
Teknoser Bilgisayar Hizmetleri San. ve Dış Tic. A.Ş.	POS services-POS On-Site Services Agreement - Pos installation, repair services, returns etc..
AD Yazılım Sanayi ve Danışmanlık Hizmetleri A.Ş.	Memzuç.NET application to be used for loan monitoring and analyses
Denkel İletişim Hizmetleri A.Ş.	Company staff verifying the identity of the customers who make personal loan application to the Bank in the company stores, delivering the loan documents (signed by the customers) to the Bank, and delivering the Bank cards (demanded by the customer) to the customers.
Akmel Day. Tük. Mal. İth. Paz. Ltd. Şti.	Company staff verifying the identity of the customers who make personal loan application to the Bank in the company stores, delivering the loan documents (signed by the customers) to the Bank, and delivering the Bank cards (demanded by the customer) to the customers.
Sestek Ses ve İletişim Bilgisayar Teknolojileri San. Tic. A.Ş.	Informing the existing or potential customers of our Bank or selling them products via interactive voice response system.
Callus Bilgi ve İletişim Hizmetleri A.Ş.	Incoming/Outcoming Calling
Artı Bilgisayar Satış Eğt. Hiz. A.Ş.	Company staff verifying the identity of the customers who make personal loan application to the Bank in the company stores, delivering the loan documents (signed by the customers) to the Bank, and delivering the Bank cards (demanded by the customer) to the customers (Apple dealer)
Dentek Teknoloji Ürünleri San. ve Tic. Ltd. Şti	Company staff verifying the identity of the customers who make personal loan application to the Bank in the company stores, delivering the loan documents (signed by the customers) to the Bank, and delivering the Bank cards (demanded by the customer) to the customers (Apple dealer)
Pupa Bilişim Hizmetleri Ticaret A.Ş	Company staff verifying the identity of the customers who make personal loan application to the Bank in the company stores, delivering the loan documents (signed by the customers) to the Bank, and delivering the Bank cards (demanded by the customer) to the customers (Apple dealer)
Vatan Bilgisayar A.Ş	Company staff verifying the identity of the customers who make personal loan application to the Bank in the company stores, delivering the loan documents (signed by the customers) to the Bank, and delivering the Bank cards (demanded by the customer) to the customers.
Bimeks Bilgi İşlem ve Dış Ticaret A.Ş.	Company staff verifying the identity of the customers who make personal loan application to the Bank in the company stores, delivering the loan documents (signed by the customers) to the Bank, and delivering the Bank cards (demanded by the customer) to the customers.

## Executive Board Summary Report Presented to the General Assembly

Welcome to our bank's Ordinary General Assembly Meeting of 2014. 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 2014 will be submitted for your revision and consent.

2014 was a curiously volatile year due to uncertainties regarding the Federal Reserve monetary policy stance and geopolitical tensions. Both TL and other major emerging countries' currencies recorded double-digit depreciations since the second half of 2013, with mild reactionary appreciations occasionally. Consequently domestic demand recovery remained short of expectations. Although in the first months of 2014 Turkish economy was expected to grow at about 2% in whole 2014 due to investors' deteriorated perception, growth forecasts were quickly revised up to as 3-3.5% after the announcement of the growth rate for the first quarter. At Odeabank, we correctly assessed the powerful dynamics of Turkey and the global economic environment throughout the year and we continuously supported our customers to boost economic activity. Despite headwinds from global economy we predict that Turkey's GDP have grown 2.7% in 2014 recorded one of the highest growth figures among European economies.

Although FX risks may pose risks to economic growth in Turkey in 2015 on the back of the strong USD trend, we expect a mild step up in Turkey's growth in 2015 as the recession in Eurozone ends for good thanks to ultra-dovish monetary policy stance of the European Central Bank. Furthermore, considering the four year no-election period following the general elections on June 7th 2015, currently implemented Transition Program to Sustainable Growth and recently announced structural reforms have the potential to take Turkey to the next level in terms of economic development.

2014 gave positive signals of Turkey's new sustainable growth path as both domestic and external demand made positive contributions to economic growth for the first time ever. Current account deficit to GDP ratio, the so called "weak spot" of the Turkish economy, declined significantly from 7.9% in 2013 to 5.7% in 2014. Although food inflation jumped due to heavy drought conditions, non-food consumer inflation remained unchanged at 6.6% in 2014 compared to 2013. In other words Turkey grew 3% as current account deficit went through a significant adjustment and as inflation remained unchanged excluding temporarily rise in food prices. In 2015 we expect inflation to converge to the target of 5.0% and potential GDP growth rate to increase through structural reforms. We expect Turkey's new sustainable growth trajectory to provide a good base for reaching sustainable growth and profitability in Turkish banking sector as well. In this context, we aim to maintain our support to our customers thanks to the strong support of our shareholders, our competitive advantages and our trust in the Turkish economy.

Although predictability has declined and management of investors' perceptions has deteriorated lately we believe that Turkey will maintain its existing advantages and sustain its story of growth in the long run. Turkey's economy made great progress in price stability in the last decade. In the next decade, after overcoming the short risks, Turkey's economy will reach sustainable growth in light of the new economic program carried out since 2010. The crucial component for overcoming the short term challenges is successful perception management which was carried out successfully in the last decade. In this respect, we trust perception of Turkey will recover rapidly amid diminishing political tensions in 2015 particularly after June 7th elections.

Turkish banking sector keeps its positive divergence within the peer countries and in the region in terms of profitability, growth potential and low risk. According to BRSA, in 2014 assets increased by 15% to TL 2 trillion, loans jumped by 18% to TL 1.3 trillion, deposits rose by 12% to TL 1.2 trillion, compared to 2013. While net profit remained at TL 24.7 billion, close to previous year's level due to macro-prudential measures, capital adequacy ratio increased from 15.3% to 16.3%. In 2015, we foresee 7% increase in net profits of the sector in 2015 thanks to slowdown in inflation, decline in interest rates and effective risk management despite uncertainties on risk premiums and macro-prudential measures to curb consumer loan demand. In 2015, we expect assets and loans to grow by 21% and deposits to expand by 19%. Despite ongoing short-term risks, we believe Turkish banking sector will diverge positively from peer country banking sectors thanks to its strong capital base, efficient management and its current transition to sustainable growth.

**Hüseyin Özkaya**  
Odea Bank Anonim Şirketi General Manager



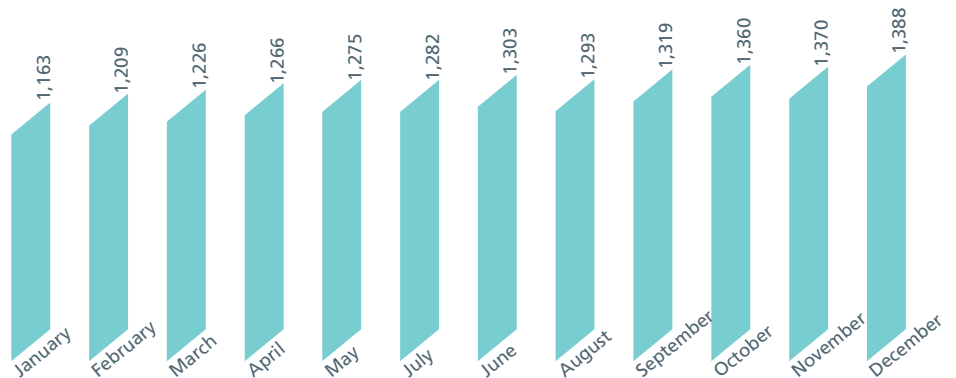
## Human Resources

As of year-end 2014, the number of Odeabank's employees reached 1,388 with an increase of 25% over 2013.

In 2014 Odeabank hired 735 new employees to the Head Office units and branches. As of year-end 2014, Odeabank raised its number of employees by 25% over 2013 and has 1,388 employees.

Odeabank's staff continued to expand with the addition of new colleagues who are well-educated, enthusiastic about being bankers, success-oriented, innovative, difference-makers, unique, respecting of the customers they serve as much as themselves and who have a high sense of social awareness.

### INCREASE IN NUMBER OF EMPLOYEES BY MONTH (2014)



### BREAKDOWN BY LOCATION<sup>(\*)</sup>



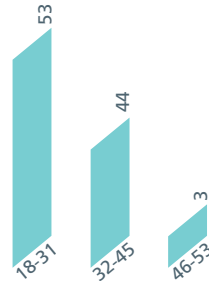
- Branches **62%**
- Head Office **38%**

### MALE-FEMALE BREAKDOWN



- Female **%52**
- Male **%48**

### BREAKDOWN BY AGE (%)<sup>(\*\*)</sup>



The average employee age at the Bank is 32. 69% of the employees belong to Generation Y.

### EDUCATION LEVEL<sup>(\*\*\*)</sup>



- Undergraduate degree **80%**
- Graduate degree **15%**
- Less than an undergraduate degree **5%**

<sup>(\*)</sup> Excluding Direct Sales Representatives and Contact Center Customer Representatives, 62% of the personnel are employed at the branches and 38% at the Head Office.

<sup>(\*\*)</sup> Excluding drivers, cash collectors, receptionists, service personnel, direct sales representatives and contact center customer representatives

<sup>(\*\*\*)</sup> 95% of employees, who are involved in core banking activities, hold an undergraduate degree or higher.

## Geographic Breakdown

As of year-end 2014, the Bank has a 48-strong branch network and employees in 14 different cities.

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



## Human Resources

### Recruitment Practices

After completing the establishment process and entering a period of rapid growth in 2014, Odeabank initially created its pool of candidates based on referrals and recommendations from existing employees. The Bank aims to proceed with well-educated, experienced, innovation-minded, success-oriented and dynamic candidates.

### Employee Relations and Internal Communications

Adopting an HR strategy that supports growth and striving to build close relationships with employees as well as to listen attentively and to develop solutions, the HR Department visited the branches and business units, and provided one-on-one guidance.

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.

The HR Department also provided supportive feedback to the senior management with regard to corporate needs.

### Recruitment Program for Fresh Graduate Candidates – ST (Sales Trainee) Process

The Commercial Banking STs, who joined Odeabank as part of the recruitment program for fresh graduate candidates,

received a 1-year extensive technical training, which is directly related to their duties and responsibilities, and will help them achieve high performance. They have also successfully completed a 41-day training course on behavioral, communication and presentation skills, and are currently working at the branches.

### Performance Management

The Performance System and the strategic practices implemented at Odeabank are geared toward creating a high-performance company with high-performing employees.

The performance management system aims to measure the "core competencies" of all employees and the "management competencies" of managers, and also to measure and evaluate each employee's work and their role in the Bank's productivity as well as the added value they create. In this context, all employees received training on how to use the performance management system effectively.

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.

The "Scorecards", which were developed by business lines and include "Smart" business goals, were integrated with the performance system.

The Department successfully finalized the year-end performance evaluation process for the year 2013, and provided support to managers and employees in the goal-setting process for the year 2014. The process was effectively managed according to schedule.

### Compensation and Reward Management

The HR strategies and practices, which aim to make employees enjoy their jobs at Odeabank and maintain a high level of motivation, and also make them feel valued through a fair rewarding system, are the main factors behind the Bank's success.

The compensation plan for the year 2014 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 – My HR Module

Significant steps were taken toward managing HR functions through effective use of technology and reflecting these in workflows and approval processes. These developments include:

- Leave Request and Approval System,
- Payroll Viewing Module,
- Following the launch of the Performance Management System and "e-Odea" HR Training Platform, "My HR Module" was also put into practice in order to respond to the needs of internal customers in a fast and error-free manner, keep an accurate and updated record of employee information, and to increase efficiency.

Through the "My HR Module", employees can enter and update their information on the following topics:

- Personal Information,
- Contact Information,
- Work Experience,
- Education and Diploma Information,
- Identification Card Details,
- Identification Card Details of Their Spouses or Children (If applicable)

### 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.

As a major step in creating a corporate culture where talents are developed within the Bank, a Promotions Procedure was published in 2014 in order to share the rules for providing internal career opportunities for employees who displayed superior performance and proved that they deserve the next higher title with their conduct, professional knowledge and skills, educational background and sense of responsibility. All promotions are based on objectivity, equality and impartiality. Promotions are managed by the final decision and approval of all related parties, including the employee's manager and HR.

### Training and Development

Considering training and development efforts the most valuable human resources investment, Odeabank organized a series of training courses to support the development of its employees in accordance with the Bank's corporate culture, goals and strategies.

In 2014, the following training programs were carried out to cultivate the best team and to achieve sustainable development:

- Mandatory training required by law,
- Orientation/rotation training for new employees,
- Training courses tailored to the specific needs of different business lines and units,
- Domestic or overseas training programs, external training courses, meetings, seminars or conferences, which are directly related to employees' duties and responsibilities,
- Training programs geared toward improving the behavioral and technical skills of employees to help them achieve high performance.

In addition to classroom training programs, employees were provided with more than 250 e-learning courses delivered via "e-Odea HR Training Platform" to support their professional development. Further, "Skillport" and "Odeabank Exclusive" leadership and development platforms, which aim to support managers through their journey to leadership with customized training content, were also launched in 2014.

### 2015 Goals

In 2015, the HR Department plans to:

- Recruit high-profile management trainees and start their training,
- Initiate the assessment and development process for management levels via coaching and leadership programs,
- Establish the system for talent selection and development,
- 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 2014 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 eight personnel including the Head of Internal Audit, one Information Systems Auditor and six Internal Auditors, and the Department reported its engagements to the Audit Committee within 2014. 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 2014 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 2014.

### Internal Control and Operational Risk

The Internal Control fulfilled its responsibilities with 7 personnel as of December 31, 2014. 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).

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 2014 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.

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 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.

### Risk Management

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 pursuing 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 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 DV01 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.

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).

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 2014, within the Information and Customer Security Department, 17 staff members composed of one group manager, three 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.



## 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

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.

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; investigating Visa/MasterCard/BKM/iFAS/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;

- Bank's Policy on "Anti-Money Laundering & Combating the Financing of Terrorism Law" Financial Crimes Investigation Board (MASAK) legislation in particular, Financial Action Task Force (FATF), Wolfsburg Principles was established in line with MASAK Law and came into force upon the consent of the Board of Directors. Customer acceptance policy and all other compliance policies were established in line with the standards published by international institutions such as The United Nations Security Council, Financial Action Task Force (FATF).

- Because of the delicacy of the situation all employees of the Bank attended training programs supported by up to date developments, in order to increase their awareness on "Anti-Money Laundering & Combating the Financing of Terrorism Law" Training programs carried out within the scope of the Compliance Program were approved by the Board of Directors.

- Monitoring and controlling of the Compliance Program established within the framework of a risk based approach, is carried out by means of technology.

Training programs organized within the scope of our Bank's Compliance Program enter into force after being approved by the Board of Directors.

Pursuing the changes 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 2014 both on the local as well as international scenes, Odeabank continued its spectacular growth and reached TL 25,6 Billion in total assets to rank at the 13th place among deposit banks, after starting its banking operations in October 2012.

This growth was mainly driven by loans to customers that reached to TL 21,5 Billion, up by 52%, and 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 – 82% of total liabilities – increased by 70% to reach TL 21 Billion as of year-end 2014.

To diversify its funding structure and create long term funds, Odeabank's banks borrowings topped TL 1.4 billion from various local and international banks and financial institutions.

Odeabank bank also tapped the local bonds market and successfully issued two consecutive 6-months TL 150 million bills that were sold to qualified investors in the domestic market.

The branch network expanded by 11 new branches in 2014 and reached a total of 48, 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 6.1 billion or 24% of the total balance sheet.

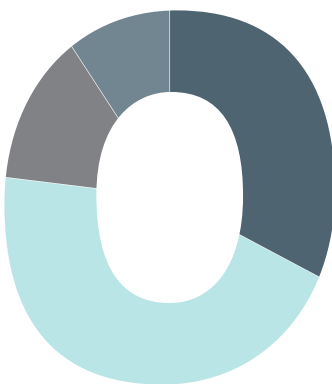
The Bank kept its loans to deposits ratio at 85%, significantly lower than the average ratio of the banking sector, in line with its self-imposed conservative liquidity policy.

This outstanding performance could not be achieved without the robust support from the main shareholder, Bank Audi; the latter has increased its equity and subordinated debts to TL 2,5 billion from the initially invested USD 300 million.

The capital adequacy ratio of 13.7% at year-end-2014 remains well above the minimum regulatory ratio of 8% and recommended ratio of 12%.

Within only two years of operations, Odeabank culminated its unique success story by posting positive net profits of TL 347 thousands as at 31/12/2014, as per BRSA principles.

### LOANS



- Corporate 44%
- Commercial 33%
- SME 14%
- Retail 9%

### DEPOSITS



- Corporate 24%
- Commercial 13%
- SME 6%
- Retail 57%

## Convenience Translation of the Report on Compliance of Annual Report



Güney Bağımsız Denetim ve  
SMMM AŞ  
Eski Büyükdere Cad.  
Orjin Masiak 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 a report on compliance of annual report originally issued in Turkish)

### THE REPORT ON COMPLIANCE OF THE ANNUAL REPORT

To the General Assembly of Shareholders of Odea Bank A.Ş.:

We have audited the compliance and accuracy of the financial information included in the Annual Report of Odea Bank A.Ş. ("The Bank") and its consolidated subsidiaries as of December 31, 2014 with the audited financial statements drawn up as of the end of accounting period. The Annual Report is the responsibility of the Bank's management. Our responsibility, as independent auditors, is to express an opinion on compliance of the financial information included in the annual report with audited financial statements of the Bank, based on our audit report dated March 13, 2015.

We have conducted our audit in accordance with principles and procedures set out by the regulations on preparation and issuance of annual report in the Banking Act No.5411, 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") and article 397 of Turkish Commercial Code No. 6102. Those regulations require us to plan and conduct the audit to obtain reasonable assurance whether the financial information included in the annual report is free from material misstatement. We believe that our audit provides a reasonable and sufficient basis for our opinion.

In our opinion, the financial information presented in the accompanying Annual Report accurately reflects, in all materials respects, the information regarding the financial position of Odea Bank A.Ş. as at December 31, 2014 in accordance with the principles and procedures set out by the regulations in conformity with Article 40 of the Banking Law No.5411. It includes a summary report of the Board of Directors and the convenience translations of the independent auditor's report originally issued by us in Turkish and it is consistent with the information contained in the independently audited financial statements and notes to these financial statements originally issued in Turkish.

Report on other responsibilities arising from regulatory requirements

In accordance with paragraph 3 of Article 402 of the Turkish Commercial Code 6102, within the framework of the Independent Auditing Standards 570 "Going Concern", no material uncertainty has come to our attention to be disclosed which causes us to believe that Odea Bank A.Ş. will not be able to continue as a going concern in the foreseeable future.

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

Fatma Ebru YÜCEL  
Partner, SMMM

March 13, 2015  
İstanbul, Turkey



# **ODEA BANK A.Ş.**

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

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



Güney Bağımsız Denetim ve  
SMMM AŞ  
Eski Büyükdere Cad.  
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(Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three)

**To the Board of Directors of Odea Bank Anonim Şirketi:**

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

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

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

**Disclosure for the Responsibility of the Authorized Audit Firm:**

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

**Independent Auditors' Opinion:**

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

**Report on other responsibilities arising from regulatory requirements**

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

**Additional paragraph for convenience translation to English:**

As explained in detail in Note I.b. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Fatma Ebru Yücel  
Partner, SMMM

March 13, 2015  
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 : Maslak Mah. Ahi Evran Caddesi Olive Plaza No:11 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

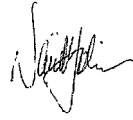
The accompanying unconsolidated financial statements for the year end and notes to these financial statements which are expressed, (unless otherwise stated) in thousands of Turkish Lira, have been presented based on the accounting books of the Bank prepared in accordance with the Regulation on the Principles 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 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 : Hüseyin ARITKAN/Financial Reporting Director  
Telephone Number : +90 (212) 304 86 55  
Fax Number : +90 (212) 304 84 45



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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

## SECTION ONE

### GENERAL INFORMATION

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

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

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

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

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

Translated into English from the original Turkish report and financial statements

## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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

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

Translated into English from the original Turkish report and financial statements

## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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

Information about the persons and institutions that have qualified shares as of December 31, 2014:

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

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

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

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

Translated into English from the original Turkish report and financial statements

## SECTION TWO

### UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off Balance Sheet Contingencies and Commitments
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- 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 Anonim Şirketi

### Unconsolidated Financial Statements as of December 31, 2014

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

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

	Note Ref (Section Five)	Audited Current Period 31.12.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	I-1	358.908	2.471.754	2.830.662	112.666	1.664.512	1.777.178
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	I-2	10.007	37.107	47.114	4.600	96.583	101.183
2.1 Financial assets held for trading		10.007	37.107	47.114	4.600	96.583	101.183
2.1.1 Public sector debt securities		1.778	1.379	3.157	2.610	-	2.610
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		8.229	35.728	43.957	1.990	96.583	98.573
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
<b>III. BANKS</b>	I-3	866.973	145.590	1.012.563	515.607	634.237	1.149.844
<b>IV. MONEY MARKET PLACEMENTS</b>		2.235.688	-	2.235.688	460.098	-	460.098
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		2.235.688	-	2.235.688	460.098	-	460.098
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	I-4	485.884	377.170	863.054	942.532	-	942.532
5.1 Share certificates		-	-	-	-	-	-
5.2 Public sector debt securities		485.884	377.170	863.054	942.532	-	942.532
5.3 Other marketable securities		-	-	-	-	-	-
<b>VI. LOANS AND RECEIVABLES</b>	I-5	9.991.194	8.020.266	18.011.460	6.968.909	4.375.561	11.344.470
6.1 Loans and receivables		9.834.606	8.020.266	17.854.872	6.931.480	4.375.561	11.307.041
6.1.1 Loans to risk group of the Bank		-	-	-	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		9.834.606	8.020.266	17.854.872	6.931.480	4.375.561	11.307.041
6.2 Non-performing loans		264.175	-	264.175	46.186	-	46.186
6.3 Specific provisions (-)		107.587	-	107.587	8.757	-	8.757
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. HELD TO MATURITY INVESTMENTS (Net)</b>	I-6	-	300.091	300.091	-	-	-
8.1 Public sector debt securities		-	300.091	300.091	-	-	-
8.2 Other marketable securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	I-7	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	I-8	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
<b>XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)</b>	I-9	-	-	-	-	-	-
11.1 Accounted for under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>	I-10	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	I-11	-	-	-	-	-	-
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	I-12	116.962	-	116.962	104.438	-	104.438
<b>XV. INTANGIBLE ASSETS (Net)</b>	I-13	57.442	-	57.442	48.246	-	48.246
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		57.442	-	57.442	48.246	-	48.246
<b>XVI. INVESTMENT PROPERTY (Net)</b>	I-14	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>	I-15	18.398	-	18.398	30.154	-	30.154
17.1 Current tax asset		-	-	-	11.834	-	11.834
17.2 Deferred tax asset		18.398	-	18.398	18.320	-	18.320
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	I-16	6.132	-	6.132	-	-	-
18.1 Held for sale		6.132	-	6.132	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	I-17	85.440	37.131	122.571	48.410	103.243	151.653
<b>TOTAL ASSETS</b>		14.233.028	11.389.109	25.622.137	9.235.660	6.874.136	16.109.796

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

Translated into English from the original Turkish report and financial statements

# Odea Bank Anonim Şirketi

## Unconsolidated Financial Statements as of December 31, 2014

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

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

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

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



Translated into English from the original Turkish report and financial statements

**Odea Bank Anonim Şirketi****Unconsolidated Statement of off-Balance Sheet****Contingencies and Commitments as of December 31, 2014**

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

**II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS**

	Note Ref. (Section Five)	Audited Current Period 31.12.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>7,401,890</b>	<b>14,055,246</b>	<b>21,457,136</b>	<b>5,475,947</b>	<b>8,659,546</b>	<b>14,135,493</b>
<b>I. GUARANTEES</b>	III-1	<b>810,498</b>	<b>681,787</b>	<b>1,492,285</b>	<b>622,693</b>	<b>311,640</b>	<b>934,333</b>
1.1 Letters of guarantee		804,578	201,336	1,005,914	622,693	121,548	744,241
1.1.1 Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3 Other letters of guarantee		804,578	201,336	1,005,914	622,693	121,548	744,241
1.2 Bank loans		5,920	48,766	54,686	-	44,079	44,079
1.2.1 Import letter of acceptance		5,920	48,766	54,686	-	44,079	44,079
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		-	431,685	431,685	-	146,013	146,013
1.3.1 Documentary letters of credit		-	431,685	431,685	-	146,013	146,013
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Prefinancing given as guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Securities issue purchase guarantees		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		-	-	-	-	-	-
1.9 Other collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	III-1	<b>685,649</b>	<b>457,452</b>	<b>1,143,101</b>	<b>827,826</b>	<b>1,321,011</b>	<b>2,148,837</b>
2.1 Irrevocable commitments		685,649	457,452	1,143,101	827,826	1,321,011	2,148,837
2.1.1 Forward asset purchase and sales commitments		207,616	377,848	585,464	553,111	1,102,569	1,655,680
2.1.2 Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		179,303	71,642	250,945	97,450	216,951	314,401
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		81,805	-	81,805	37,369	-	37,369
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		216,925	-	216,925	139,816	-	139,816
2.1.10 Commitments for promotions related with credit cards and banking activities		-	-	-	-	-	-
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		-	7,962	7,962	80	1,491	1,571
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	III-2	<b>5,905,743</b>	<b>12,916,007</b>	<b>18,821,750</b>	<b>4,025,428</b>	<b>7,026,895</b>	<b>11,052,323</b>
3.1 Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1 Fair value hedge		-	-	-	-	-	-
3.1.2 Cash flow hedge		-	-	-	-	-	-
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Held for trading transactions		5,905,743	12,916,007	18,821,750	4,025,428	7,026,895	11,052,323
3.2.1 Forward foreign currency buy/sell transactions		541,081	799,181	1,340,262	396,221	550,815	947,036
3.2.1.1 Forward foreign currency transactions-buy		290,067	379,279	669,346	110,081	368,201	478,282
3.2.1.2 Forward foreign currency transactions-sell		251,014	419,902	670,916	286,140	182,614	468,754
3.2.2 Swap transactions related to foreign currency, and interest rates		2,695,790	6,042,615	8,738,405	1,161,037	3,197,882	4,358,919
3.2.2.1 Foreign currency swaps-buy		440,221	2,624,363	3,064,584	627,950	782,572	1,410,522
3.2.2.2 Foreign currency swaps-sell		1,964,221	1,111,706	3,075,927	221,559	1,218,478	1,440,037
3.2.2.3 Interest rate swaps-buy		145,674	1,153,273	1,298,947	155,764	598,416	754,180
3.2.2.4 Interest rate swaps-sell		145,674	1,153,273	1,298,947	155,764	598,416	754,180
3.2.3 Foreign currency, interest rate and securities options		2,668,872	6,074,211	8,743,083	2,468,170	3,278,198	5,746,368
3.2.3.1 Foreign currency options-buy		1,447,649	1,882,838	3,330,487	1,061,601	1,818,770	2,880,371
3.2.3.2 Foreign currency options-sell		1,221,223	2,141,897	3,363,120	1,406,569	1,459,428	2,865,997
3.2.3.3 Interest rate options-buy		-	1,024,738	1,024,738	-	-	-
3.2.3.4 Interest rate options-sell		-	1,024,738	1,024,738	-	-	-
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	-	-	-	-	-
3.2.4.1 Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2 Foreign currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>19,463,122</b>	<b>10,996,416</b>	<b>30,459,538</b>	<b>9,338,927</b>	<b>5,358,927</b>	<b>14,697,854</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>579,957</b>	<b>314,104</b>	<b>893,061</b>	<b>156,737</b>	<b>144,049</b>	<b>300,786</b>
4.1 Assets under management		236,022	236,022	472,044	13,612	-	13,612
4.2 Investment securities held in custody		46,429	12,952	59,381	42,579	11,163	53,742
4.3 Checks received for collection		10,640	215,532	226,172	3,304	119,730	123,034
4.4 Commercial notes received for collection		285,866	85,620	371,486	97,242	13,156	110,398
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>18,884,165</b>	<b>10,682,312</b>	<b>29,566,477</b>	<b>9,182,190</b>	<b>5,214,878</b>	<b>14,397,068</b>
5.1 Marketable securities		-	-	-	-	-	-
5.2 Guarantee notes		1,910,336	158,469	2,068,805	772,753	144,126	916,879
5.3 Commodities		2,105,178	-	2,105,178	820,095	-	820,095
5.4 Warrants		-	-	-	-	-	-
5.5 Properties		12,686,224	7,080,922	19,767,146	6,770,374	4,536,391	11,306,765
5.6 Other pledged items		2,182,427	3,442,921	5,625,348	818,968	534,361	1,353,329
5.7 Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>26,865,012</b>	<b>25,051,662</b>	<b>51,916,674</b>	<b>14,814,874</b>	<b>14,018,473</b>	<b>28,833,347</b>

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

Translated into English from the original Turkish report and financial statements

# Odea Bank Anonim Şirketi

## Unconsolidated Statements of Income

### for the Period Ended December 31, 2014

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

## III. STATEMENT OF INCOME

	Note (Section Five)	Audited Current Period 01.01-31.12.2014	Audited Prior Period 01.01-31.12.2013
<b>I. INTEREST INCOME</b>	IV-1	1.637.812	673.175
1.1 Interest on loans		1.409.240	523.446
1.2 Interest received from reserve deposits		881	-
1.3 Interest received from banks		44.432	14.972
1.4 Interest received from money market placements		96.648	78.235
1.5 Interest received from marketable securities portfolio		82.752	56.393
1.5.1 Held-for-trading financial assets		278	6.597
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		76.125	49.796
1.5.4 Investments held-to-maturity		6.349	-
1.6 Finance lease income		-	-
1.7 Other interest income		3.859	129
<b>II. INTEREST EXPENSE</b>	IV-2	1.057.937	534.868
2.1 Interest on deposits		994.688	500.157
2.2 Interest on funds borrowed		34.831	24.547
2.3 Interest on money market borrowings		16.334	10.164
2.4 Interest on securities issued		11.697	-
2.5 Other interest expense		387	-
<b>III. NET INTEREST INCOME (I-II)</b>		579.875	138.307
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		42.327	7.114
4.1 Fees and commissions received		56.915	13.855
4.1.1 Non-cash loans		15.216	6.418
4.1.2 Other	IV-12	41.699	7.437
4.2 Fees and commissions paid		14.588	6.741
4.2.1 Non-cash loans		-	-
4.2.2 Other	IV-12	14.588	6.741
<b>V. DIVIDEND INCOME</b>	IV-3	-	-
<b>VI. NET TRADING INCOME</b>	IV-4	(36.069)	43.236
6.1 Securities trading gains/(losses)		19.762	1.080
6.2 Gain/(losses) from derivative financial instruments		(64.404)	(11.206)
6.3 Foreign exchange gains/(losses)		8.573	53.362
<b>VII. OTHER OPERATING INCOME</b>	IV-5	3.636	1.289
<b>VIII. NET OPERATING INCOME (III+IV+V+VI+VII)</b>		589.769	189.946
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	IV-6	167.823	82.233
<b>X. OTHER OPERATING EXPENSES (-)</b>	IV-7	404.646	260.741
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		17.300	(153.028)
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII. PROFIT/(LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD</b>		-	-
<b>XIV. GAIN/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	IV-8	17.300	(153.028)
<b>XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	IV-9	(16.953)	16.023
16.1 Provision for current income taxes		(18.501)	1.483
16.2 Provision for deferred taxes		1.548	14.540
<b>XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	IV-10	347	(137.005)
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-
18.3 Income on other discontinued operations		-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1 Loss from assets held for sale		-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-
19.3 Loss from other discontinued operations		-	-
<b>XX. PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>		-	-
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1 Provision for current income taxes		-	-
21.2 Provision for deferred taxes		-	-
<b>XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	IV-11	347	(137.005)

Translated into English from the original Turkish report and financial statements

## Odea Bank Anonim Şirketi

### Unconsolidated Statement of Income and Expense Items Accounted Under Shareholders' Equity for the Period Ended December 31, 2014

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

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

	Audited Current Period 01.01-31.12.2014	Audited Prior Period 01.01-31.12.2013
I. Additions to marketable securities revaluation differences for available for sale financial assets	7.347	(10.516)
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign currency translation differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity due to TAS	-	-
IX. Tax of valuation differences	(1.470)	2.103
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	5.877	(8.413)
XI. Profit/Loss	347	(137.005)
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	18.811	(767)
1.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3 Transfer of hedge of net investments in foreign operations to Income Statement	-	-
1.4 Other	(18.464)	(136.238)
XII. Total Profit/Loss accounted for in the period (X±XI)	6.224	(145.418)

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

Translated into English from the original Turkish report and financial statements

# Odea Bank Anonim Şirketi

## Unconsolidated Statement of Changes in Shareholders' Equity for the Period Ended December 31, 2014

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

THOUSANDS OF TURKISH LIRA(TL)																			
CHANGES IN SHAREHOLDERS' EQUITY	Note (Section Title)	Paid-in Capital	Adjustment to Share Capital	Share Cancellation Premiums	Share Premiums	Share Profits	Legal Reserve	Status Reserve	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Value Increase	Revaluation Surplus on Intangible Assets	Bonus Shares from Invest. in Ass. Subs. and 7/11 Reserves	Hedging Reserves	Val.Chan.In Prop. And Eq. Int. Pop./ Disc. Opn.	Total Equity Before Minority Shares	Total Shareholders' Equity
PRIOR PERIOD																			
I. Period Opening Balance		533.520	-	-	-	-	-	-	-	-	(19.572)	-	(133)	-	-	-	-	-	513.815
II. Change in Accounting Policies according to the Accounting Standards																			
2.1 Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		533.520	-	-	-	-	-	-	-	-	(19.572)	-	(133)	-	-	-	-	-	513.815
Changes in the period																			
IV. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	(8.413)	-	-	-	-	-	(8.413)
VI. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Property and Equipment Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effects of changes in equity of investments in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital Increase		962.630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	962.630
14.1 Cash Increase		962.630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	962.630
14.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	19.572	(19.572)	-	-	-	-	-	-	-
XIX. Current Year Income or (Loss)		-	-	-	-	-	-	-	-	-	(137.005)	-	-	-	-	-	-	-	(137.005)
XX. Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance		1.496.150	-	-	-	-	-	-	-	-	(137.005)	(19.572)	(8.546)	-	-	-	-	-	1.331.027
(I+II+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)																			

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

Translated into English from the original Turkish report and financial statements

**Odea Bank Anonim Şirketi****Unconsolidated Statement of Changes in Shareholders' Equity for the Period Ended December 31, 2014**

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

THOUSANDS OF TURKISH LIRA(TL)																	
CHANGES IN SHAREHOLDERS' EQUITY	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Cancellation	Share Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Increase (Loss)	Revaluation Surplus Tangible and Intangible Assets	Bonus Shares from Invest in Ass., Subs. and I.V. Reserves	Vol.Chan. In Prop. And Eq.Hfs. Purp./Dic. Opr.	Total Equity Before Minority Shares	Total Shareholders' Equity
I. Prior Period End Balance		1,496,150	-	-	-	-	-	-	-	(137,005)	(19,572)	(8,546)	-	-	-	1,331,027	1,331,027
Changes in the period																	
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	5,877	-	-	-	5,877	5,877
IV. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Property and Equipment Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible Fixed Assets Revaluation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Premiums from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the disposal of assets or of investments in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Effects of changes in equity of investments in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Capital Increase	II-12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Paid-in-capital in inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Income or (Loss)		-	-	-	-	-	-	-	-	137,005	(137,005)	-	-	-	-	-	-
XVIII. Profit Distribution		-	-	-	-	-	-	-	-	347	-	-	-	-	-	347	347
18.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II-III+...+XVI+XVII+XVIII)		1,496,150	-	-	-	-	-	-	-	347	(156,577)	(2,669)	-	-	-	1,337,251	1,337,251

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

Translated into English from the original Turkish report and financial statements

## Odea Bank Anonim Şirketi

### Unconsolidated Statements of Cash Flow

#### for the Period Ended December 31, 2014

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

## VI. STATEMENT OF CASH FLOW

	Note (Section Five)	Reviewed Current Period 31.12.2014	Reviewed Prior Period 31.12.2013
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1		70.383	(377.547)
1.1.1		1.595.326	404.231
1.1.2		1.006.035	(476.355)
1.1.3		-	-
1.1.4		78.392	47.983
1.1.5		(14.628)	55.669
1.1.6		19.364	-
1.1.7		355.056	(228.475)
1.1.8		227.031	(103.876)
1.1.9	VI-1	(19.949)	(76.724)
1.2		1.609.430	16.428
1.2.1		(458)	(2.649)
1.2.2		1.924	6.003
1.2.3		(796.182)	(1.483.684)
1.2.4		(6.537.786)	(9.338.235)
1.2.5	VI-1	11.958	(185.573)
1.2.6		294.959	332.027
1.2.7		8.355.635	9.494.701
1.2.8		159.248	1.023.451
1.2.9		-	-
1.2.10	VI-1	120.132	170.387
I.		1.679.813	(361.119)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
II.		(294.330)	(968.822)
2.1		-	-
2.2		-	-
2.3		65.933	(111.024)
2.4		-	-
2.5		381.409	(916.441)
2.6		450.414	(58.643)
2.7		(297.671)	-
2.8		-	-
2.9		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
III.		488.972	1.423.990
3.1		289.232	461.360
3.2		150.000	-
3.3		-	962.630
3.4		-	-
3.5		-	-
3.6		349.740	-
IV.	VI-1	19.949	76.724
V.		1.894.404	170.773
VI.	VI-2	1.767.934	1.597.161
VII.	VI-2	3.662.338	1.767.934

(<sup>(\*)</sup>) In accordance with the Board of Directors' decision and permits taken from the CMB and BRSA, the Bank has issued a bill with a nominal value of TL 150.000, maturity of 6 months, discounted and with a simple interest rate of 10% on 26 May 2014 and a bill amounting to TL 150.000 with a simple interest rate of 9,86% on August 18, 2014, both to be sold to qualified investors in the domestic market.

(<sup>(\*\*)</sup>) 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 in TIER II capital, as per if its providing the conditions that determined by "Regulation on Equity of Banks".

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



Translated into English from the original Turkish report and financial statements

## Odea Bank Anonim Şirketi

### Unconsolidated Profit Distribution Table

#### for the Period Ended December 31, 2014

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

#### VII. PROFIT DISTRIBUTION TABLE

	Audited* Current Period 31.12.2014	Audited Prior Period 31.12.2013
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME/(LOSS)</b>		
1.1	17.300	(153.028)
1.2	(16.953)	16.023
1.2.1	(18.501)	1.483
1.2.2	-	-
1.2.3	1.548	14.540
<b>A.</b>	<b>347</b>	<b>(137.005)</b>
1.3	(137.005)	-
1.4	-	-
1.5	-	-
<b>B.</b>	<b>-</b>	<b>-</b>
1.6	-	-
1.6.1	-	-
1.6.2	-	-
1.6.3	-	-
1.6.4	-	-
1.6.5	-	-
1.7	-	-
1.8	-	-
1.9	-	-
1.9.1	-	-
1.9.2	-	-
1.9.3	-	-
1.9.4	-	-
1.9.5	-	-
1.10	-	-
1.11	-	-
1.12	-	-
1.13	-	-
1.14	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1	-	-
2.2	-	-
2.3	-	-
2.3.1	-	-
2.3.2	-	-
2.3.3	-	-
2.3.4	-	-
2.3.5	-	-
2.4	-	-
2.5	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1	-	-
3.2	-	-
3.3	-	-
3.4	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1	-	-
4.2	-	-
4.3	-	-
4.4	-	-

(\*) 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 Anonim Şirketi**

### **Notes to Unconsolidated Financial Statements**

#### **as of December 31, 2014**

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

## **SECTION THREE**

### **ACCOUNTING PRINCIPLES**

#### **I. Basis of Presentation**

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

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

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

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

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

#### **Additional paragraph for convenience translation into English:**

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

Translated into English from the original Turkish report and financial statements

## **Odea Bank Anonim Şirketi** **Notes to Unconsolidated Financial Statements** **as of December 31, 2014**

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

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

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

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

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

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

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

### **III. Explanations on Forward and Option Contracts and Derivative Instruments**

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

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

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

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

### **IV. Explanations on Interest Income and Expenses**

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

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

Translated into English from the original Turkish report and financial statements

## **Odea Bank Anonim Şirketi** **Notes to Unconsolidated Financial Statements** **as of December 31, 2014**

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

### **V. Explanations on Fees and Commission Income and Expenses**

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

### **VI. Explanations on Financial Assets**

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

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

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

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

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

#### *Cash, Banks, and Other Financial Institutions*

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

#### *Financial Assets at Fair Value Through Profit and Loss*

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

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

Translated into English from the original Turkish report and financial statements

## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

#### *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.

#### *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.

Translated into English from the original Turkish report and financial statements

## **Odea Bank Anonim Şirketi**

### **Notes to Unconsolidated Financial Statements**

#### **as of December 31, 2014**

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

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

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

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

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

#### **VIII. Explanations on Offsetting of Financial Assets and Liabilities**

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

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

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

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

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

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

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

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



Translated into English from the original Turkish report and financial statements

## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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

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

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

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. As of December 31, 2014 and December 31, 2013 the Bank does not have any discontinued operations.

#### 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.

Translated into English from the original Turkish report and financial statements

## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

#### XIII. Explanations on Leasing Transactions

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

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

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

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

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

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

As of 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.

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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#### XVI. Explanations on Taxation

##### *Corporate tax:*

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

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

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

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

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

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

##### *Deferred Tax Liability/Asset:*

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

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

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

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

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax income/expense stated under the deferred tax provision amounting to TL 18.398 in the statement of income (December 31, 2013: TL 18.320).

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### **XVII. Additional Explanations on Borrowings**

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

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

The Bank has not issued convertible bonds

### **XVIII. Explanations on Issued Share Certificates**

The Bank does not have any issued share certificates.

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

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

### **XX. Explanations on Government Grants**

There are no government grants utilized by the Bank.

### **XXI. Explanations on Segment Reporting**

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

### **XXII. Explanations on Other Matters**

None, other than above explanations.

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## **Odea Bank Anonim Şirketi** **Notes to Unconsolidated Financial Statements** **as of December 31, 2014**

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### **SECTION FOUR**

#### **INFORMATION ON FINANCIAL STRUCTURE**

##### **I. Explanations Related to the Capital Adequacy Standard Ratio**

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

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

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

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

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

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

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## I. Information related to the capital adequacy ratio:

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

## Summary information related to the capital adequacy ratio:

	December 31, 2014	December 31, 2013
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	1.377.249	966.558
Capital requirement for market risk (II)(Value at Market Risk*0,08) (MRCR)	21.417	21.814
Capital requirement for operational risk (III) (ORCR)	18.787	9.274
Equity	2.427.261	1.946.925
Tier 1 Capital/((CRCR+CRMR+CROR)*12,5*100	10,85%	9,97%
Common Equity/((CRCR+CRMR+CROR)*12,5*100	7,15%	-
Equity/((CRCR+CRMR+CROR) * 12.5) * 100	13,70%	15,61%



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

	December 31, 2014
<b>Common Equity</b>	
<b>Paid-in capital following all debts in terms of claim in liquidation of the Bank</b>	<b>1.496.150</b>
Share premium	-
Share cancellation profits	-
Reserves	-
Gains recognized in equity as per TAS	(2.669)
Profit	-
Current Period Profit	347
Prior Period Profit	-
Provisions for Possible Risks	-
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-
<b>Common Equity Before Deductions</b>	<b>1.493.828</b>
<b>Deductions from Common Equity</b>	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	156.577
Leasehold improvements (-)	59.194
Goodwill or other intangible assets and deferred tax liability related to these items (-)	10.912
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own Common Equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-)	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-)	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Common Equity</b>	<b>226.683</b>
<b>Total Common Equity</b>	<b>1.267.145</b>
<b>ADDITIONAL TIER I CAPITAL</b>	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)(*)	699.480
<b>Additional Tier I Capital before Deductions</b>	<b>699.480</b>
<b>Deductions from Additional Tier I Capital</b>	
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items defined by BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>699.480</b>
<b>Deductions from Tier I Capital</b>	
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	43.649
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
<b>Total Tier I Capital</b>	<b>1.922.976</b>

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	December 31, 2014
<b>Common Equity</b>	
	<b>TIER II CAPITAL</b>
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014) (**)	349.740
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	154.545
<b>Tier II Capital Before Deductions</b>	<b>504.285</b>
	<b>Deductions From Tier II Capital</b>
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
<b>Total Tier II Capital</b>	<b>504.285</b>
<b>CAPITAL</b>	<b>2.427.261</b>
Loans granted contrary to the 50th and 51th Article of the Law (-)	-
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	-
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Other items to be defined by the BRSA (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
<b>TOTAL CAPITAL</b>	<b>2.427.261</b>
<b>Amounts below the Excess Limits as per the Deduction Principles</b>	
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	18.398

(\*) The Bank has classified the subordinated loans obtained from its controlling shareholder Bank Audi sal amounting to USD 100 million and USD 200 million respectively which were previously recognized as Tier II capital in the account of additional Tier I capital. Pursuant to the resolution taken by the Board of Directors of Odea Bank and Article 7 of the Regulation on Equity of Banks, the type of both loans were changed to perpetual and interest-free. As of April 1, 2014 including of the both loans to account of additional Tier I capital was approved by BRSA.

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

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

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

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#### Details on Subordinated Liabilities:

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 I-Subordinated Loan
Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date)	233.160	466.320	349.740
Per value of instrument (Thousand USD)	100.000	200.000	150.000
Accounting classification	Liability-Subordinated Loans	Liability-Subordinated Loans	Liability-Subordinated Loans
Original date of issuance	27/12/2012	24/09/2013	31/10/2014
Perpetual or dated	Perpetual	Perpetual	Dated
Original maturity date	-	-	-
Issuer call subject to prior supervisory approval	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Within the first month after 5th year with the condition of new borrowing which is provided same requirements.	Within the first month after 5th year with the condition of new borrowing which is provided same requirements.	Within the first month after 5th year with the condition of new borrowing which is provided same requirements.
Subsequent call dates, if applicable	Within the first month after 5th year	Within the first month after 5th year	Within the first month after 5th year
Coupons/dividends	-	-	-
Fixed or floating dividend/coupon	-	-	-
Coupon rate and any related index	-	-	6,5%
Existence of a dividend stopper	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-
Existence of step up or other incentive to redeem	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	Yes	Yes	Yes
If convertible, conversion trigger (s)	Regulation of banks on equity which is numbered 7-2-i	Regulation of banks on equity which is numbered 7-2-i	Regulation of banks on equity which is numbered 7-2-i
If convertible, fully or partially	Remaining principal and interest	Remaining principal and interest	Remaining principal and interest
If convertible, conversion rate	Remaining principal and interest	Remaining principal and interest	Remaining principal and interest
If convertible, mandatory or optional conversion	Optional	Optional	Optional
If convertible, specify instrument type convertible into	Equity	Equity	Equity
If convertible, specify issuer of instrument it converts into	Odea Bank A.Ş	Odea Bank A.Ş	Odea Bank A.Ş
Write-down feature	None	None	None
If write-down, write-down trigger(s)	-	-	-
If write-down, full or partial	-	-	-
If write-down, permanent or temporary	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital	After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital	After claims, deposit holders, other creditors and instruments included in the calculation of supplementary capital
Whether the sub-loan agreement contains all the items stated within the article number 7 and 8 of "Own fund regulation" or not	Contains all the items stated in article 7	Contains all the items stated in article 7	Contains all the items stated in article 7
Details of above mentioned items within article number 7 and 8 of "Own fund regulation"	Contains all the items stated in article 7	Contains all the items stated in article 7	Contains all the items stated in article 7

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

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

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### Explanations on Internal Capital Management

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

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

### II. Explanations Related to Credit Risk

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

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

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

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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

(\*) 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 acquisitions related to forward transactions is normally realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

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

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

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

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

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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)
<b>Total</b>	<b>7.860.334</b>	<b>8.468.533</b>	<b>1.682.593</b>	<b>18.011.460</b>

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

Information on past due loan and other receivables:

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

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

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

#### Moody's

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



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# Odea Bank Anonim Şirketi

## Notes to Unconsolidated Financial Statements

### as of December 31, 2014

(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 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 Retail Receivables	Contingent and Non-Contingent Secured Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Securities	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Total	
Domestic	3.540.382	-	-	-	-	1.201.134	11.247.949	1.403.734	4.849.777	134.294	734.689	-	-	-	421.739	23.533.698
European Union Countries	-	-	-	-	-	33.454	46.690	207	707	-	4.101	-	-	-	-	85.159
OECD Countries**	-	-	-	-	-	181	-	205	-	-	-	-	-	-	-	386
Off-shore Banking Regions	-	-	-	-	-	-	-	168	-	-	-	-	-	-	-	168
USA, Canada	-	-	-	-	-	8.261	-	-	-	-	-	-	-	-	-	8.261
Other Countries	377.170	-	-	-	-	17.826	177.302	1.796	-	-	-	-	-	-	-	574.094
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/ Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3.917.552	-	-	-	-	1.260.856	11.471.941	1.406.110	4.850.484	134.294	738.790	-	-	-	421.739	24.201.766
31 Dec 2013																
Due from Central Governments or Central Banks	2.686.097	-	-	-	-	103.696	10.435.015	391.675	634.699	37.429	261.538	-	-	-	317.740	15.800.384
European Union Countries	-	-	-	-	-	1.727	-	-	343	-	198	-	-	-	-	214.621
OECD Countries**	-	-	-	-	-	-	21.304	-	-	-	-	-	-	-	-	92.824
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	5.930	7.452	2.736	-	-	5	-	-	-	-	85.052
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/ Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2.686.097	-	-	-	-	111.353	10.463.771	394.411	635.042	37.429	261.741	-	-	-	317.740	16.230.040

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

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

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

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## Notes to Unconsolidated Financial Statements

### as of December 31, 2014

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

### Sector concentrations for cash loans:

31 December 2014

Sector/Counterparties	Risk Classifications (*)											TL	FC	Total						
	Due from Central Governments or Central Banks	Regional Governments or Governmental Enterprises	Receivables on Administrative or Commercial Development	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Brokerage Houses	Contingent and Non-Contingent Receivables from Corporates	Contingent and Non-Contingent Receivables from Retail	Contingent and Non-Contingent Receivables Secured by Mortgage	Past Due Receivables	Receivables defined in category by Regulator				Collateralized Marketable Securities	Securitization Positions	Short-term Receivables from Banks, houses and Corporates	Investment similar to investment funds	Other Receivables	
1. Agriculture	-	-	-	-	-	97.586	16.332	31.090	-	-	-	-	-	-	-	-	106.900	38.093	144.993	
1.1 Farming and Raising Livestock	-	-	-	-	-	88.072	13.794	20.681	-	-	-	-	-	-	-	-	102.650	14.892	117.542	
1.2 Fossils, Wood and Paper	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.3 Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Manufacturing	-	-	-	-	-	3.951.779	226.541	947.095	19.382	5.227	-	-	-	-	-	-	2.257.545	2.892.590	5.150.535	
2.1 Mining and Quarry	-	-	-	-	-	169.860	27.828	90.193	-	-	-	-	-	-	-	-	187.066	95.615	282.681	
2.2 Textile and Apparel	-	-	-	-	-	3.282.819	203.713	856.902	19.382	5.227	-	-	-	-	-	-	1.669.734	2.079.702	3.749.436	
2.3 Electric, Gas and Water	-	-	-	-	-	377.421	203.913	10.110	-	-	-	-	-	-	-	-	160.738	227.206	388.444	
3. Construction	-	-	-	-	-	2.871.801	124.701	1.615.344	4.183	3.349	-	-	-	-	-	-	2.051.765	2.573.993	4.625.758	
4. Services	-	-	-	-	-	1.240.856	3.251.201	340.888	1.538.547	28.039	12.544	-	-	-	-	-	4.611.183	2.340.552	6.951.735	
4.1 Wholesale and Retail Trade	-	-	-	-	-	1.629.154	258.091	447.869	21.669	10.869	-	-	-	-	-	-	2.086.722	343.530	2.430.252	
4.2 Hotels, Tourism, Leasing and Transportation	-	-	-	-	-	294.583	15.460	665.129	-	-	-	-	-	-	-	-	-	-	-	
4.3 Transportation and Communication	-	-	-	-	-	1.161.789	44.463	132.823	155	149	-	-	-	-	-	-	613.329	726.050	1.339.379	
4.4 Financial Institutions	-	-	-	-	-	1.260.856	1.09.738	1.239	99.050	1.154	12	-	-	-	-	-	1.144.923	327.126	1.472.049	
4.5 Real Estate and Leasing Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.6 Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.7 Education Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.8 Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5. Other	-	-	-	-	-	253.047	12.671	99.845	2.505	14	-	-	-	-	-	-	234.105	133.977	368.082	
5.1 Other	-	-	-	-	-	253.047	12.671	99.845	2.505	14	-	-	-	-	-	-	234.105	133.977	368.082	
Total	3.973.552	-	-	-	-	1.260.856	11.971.941	1.406.110	4.650.041	934.294	738.790	-	-	-	-	-	421.179	12.669.265	11.532.561	24.201.766

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

### Sector concentrations for cash loans:

31 December 2013

Sector/Counterparties	Risk Classifications (*)											TL	FC	Total						
	Due from Central Governments or Central Banks	Regional Governments or Governmental Enterprises	Receivables on Administrative or Commercial Development	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Brokerage Houses	Contingent and Non-Contingent Receivables from Corporates	Contingent and Non-Contingent Receivables from Retail	Contingent and Non-Contingent Receivables Secured by Mortgage	Past Due Receivables	Receivables defined in category by Regulator				Collateralized Marketable Securities	Securitization Positions	Short-term Receivables from Banks, houses and Corporates	Investment similar to investment funds	Other Receivables	
1. Agriculture	-	-	-	-	-	101.793	-	1.155	22.705	-	-	-	-	-	-	-	111.412	14.241	125.653	
1.1 Farming and Raising Livestock	-	-	-	-	-	97.950	-	1.155	22.705	-	-	-	-	-	-	-	107.569	14.241	121.810	
1.2 Fossils, Wood and Paper	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.3 Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Manufacturing	-	-	-	-	-	2.817.083	-	57.837	6.725	1.158	-	-	-	-	-	-	1.653.313	1.489.140	3.092.302	
2.1 Mining and Quarry	-	-	-	-	-	2.204.441	-	10.051	-	-	-	-	-	-	-	-	136.986	93.506	230.492	
2.2 Production	-	-	-	-	-	2.766.641	-	47.786	6.225	1.158	-	-	-	-	-	-	1.426.168	1.395.642	2.821.810	
2.3 Electricity, Gas and Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3. Construction	-	-	-	-	-	2.653.794	-	351.888	1.366	-	-	-	-	-	-	-	1.750.971	1.256.177	3.027.148	
3.1 Construction	-	-	-	-	-	2.653.794	-	351.888	1.366	-	-	-	-	-	-	-	1.750.971	1.256.177	3.027.148	
4.1 Wholesale and Retail Trade	-	-	-	-	-	1.113.353	1.173.233	19	139.232	8	-	-	-	-	-	-	1.222.465	1.050	2.274.818	
4.2 Hotels, Tourism, Food and Beverage Services	-	-	-	-	-	1.167.698	-	337.233	5.449	-	-	-	-	-	-	-	1.525.168	2.017.220	3.542.388	
4.3 Transportation and Communication	-	-	-	-	-	559.744	-	45.625	-	-	-	-	-	-	-	-	254.940	350.429	605.369	
4.4 Financial Institutions	-	-	-	-	-	1.113.833	203.722	-	36.310	-	-	-	-	-	-	-	1.322.456	812.499	2.134.955	
4.5 Real Estate and Leasing Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.6 Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.7 Education Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.8 Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5. Other	2.686.897	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5.1 Other	2.686.897	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	2.686.897	-	-	-	-	1.113.353	10.463.771	394.411	635.042	37.429	261.741	-	-	-	-	-	317.740	2.886.405	2.494.182	5.380.587

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

## Maturity Distribution of Remaining Maturities of time exposures:

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
<b>Total</b>	<b>4.733.122</b>	<b>986.366</b>	<b>1.412.912</b>	<b>3.423.508</b>	<b>12.418.907</b>	<b>22.974.815</b>

## 31 December 2013

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

#### Risk by Risk Weights Balances:

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

<sup>(\*)</sup> Balances with financial collateral are shown as 0% risk weight.

#### Important sectors or type of information according to counterparty

Sectors/Counterparties	Loans <sup>(*)</sup>			
	Impaired Receivables	Past Due Receivables	Impairment	Provisions
Agricultural				
Farming and raising livestock				
Forestry				
Fishing				
Manufacturing				
Mining				
Production				
Electricity, Gas, Water				
Construction				
Services				
Wholesale and retail trade				
Hotel, Food, Beverage services				
Transportation and Telecommunication				
Financial Institutions				
Real Estate and Lending Service				
Self employment service				
Education Service				
Health and social services				
Other				
<b>Total</b>				

<sup>(\*)</sup> Includes retail loans.

#### Information related to Impairment and Loan Loss Provisions:

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

<sup>(\*)</sup> As of December 31, 2014 with the decision of Board of Directors and in accordance with laws of "Regulations of Provisions", retail loans with special provision at the rate of 100%, without any collateral, amounting to TL 5.510 have been removed from the assets, by the bank (December 31, 2013: None).

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

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

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

#### Collateral Distribution

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

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

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

### III. Explanations Related to Market Risk

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

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

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

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

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### Notes to Unconsolidated Financial Statements as of December 31, 2014

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#### Information Related to Market Risk

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

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

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

<sup>(\*)</sup> 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.



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#### Quantitative Counterparty Risk Information

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

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

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

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

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

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

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

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

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### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

December 31, 2014	EUR	USD	OTHER	TOTAL
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	24.949	2.445.264	1.541	2.471.754
Banks	3.006	141.881	703	145.590
Financial Assets at Fair Value Through Profit and Loss (**)	-	1.379	-	1.379
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	-	377.170	-	377.170
Loans (*)	3.437.008	5.720.406	-	9.157.414
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Held-To-Maturity Investments	-	300.091	-	300.091
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	28.592	8.539	-	37.131
<b>Total Assets</b>	<b>3.493.555</b>	<b>8.994.730</b>	<b>2.244</b>	<b>12.490.529</b>
<b>Liabilities</b>				
Bank Deposits	201.818	380.592	-	582.410
Other Deposits	3.743.685	7.122.288	7.628	10.873.601
Derivative financial liabilities (****)	-	-	-	-
Funds Provided From Other Financial Institutions	306.197	1.061.912	34.254	1.402.363
Subordinated Loan	-	1.053.135	-	1.053.135
Miscellaneous Payables	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities (***)	24.885	8.970	5	33.860
<b>Total Liabilities</b>	<b>4.276.585</b>	<b>9.626.897</b>	<b>41.887</b>	<b>13.945.369</b>
<b>Net Balance Sheet Position</b>	<b>(783.030)</b>	<b>(632.167)</b>	<b>(39.643)</b>	<b>(1.454.840)</b>
<b>Net Off-Balance Sheet Position</b>				
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
<b>December 31, 2013</b>				
Total Assets	1.950.927	5.837.242	19.437	7.807.606
Total Liabilities	1.808.369	6.466.216	33.315	8.307.900
<b>Net Balance Sheet Position</b>	<b>142.558</b>	<b>(628.974)</b>	<b>(13.878)</b>	<b>(500.294)</b>
<b>Net Off-Balance Sheet Position</b>	<b>9.428</b>	<b>459.431</b>	<b>14.163</b>	<b>483.022</b>
Financial Derivative Assets	934.159	2.417.025	216.776	3.567.960
Financial Derivative Liabilities	1.193.962	2.062.183	202.790	3.458.935
Forward deposit purchase commitments	289.038	448.186	1.059	738.283
Forward deposit sales commitments	19.807	343.597	882	364.286
Non-Cash Loans (**)	105.319	205.718	603	311.640

(\*) Foreign currency indexed loans amounting to TL 1.137.148 are included in the loan portfolio.

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

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

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

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#### 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 <sup>(*)</sup>		Effect on equity	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
USD	% 10	(24.846)	(16.954)	(24.846)	(16.954)
USD	%(10)	24.846	16.954	24.846	16.954
EUR	% 10	541	15.199	541	15.199
EUR	%(10)	(541)	(15.199)	(541)	(15.199)

<sup>(\*)</sup> 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.

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Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
<b>December 31, 2014</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	302.555	-	-	-	-	2.528.107	2.830.662
Banks	1.004.428	-	-	-	-	8.135	1.012.563
Financial Assets at Fair Value Through Profit and Loss	12.775	10.171	14.015	5.094	5.059	-	47.114
Money Market Placements	2.235.688	-	-	-	-	-	2.235.688
Available-For-Sale Financial Assets	103.079	258.970	82.212	41.623	377.170	-	863.054
Loans	2.183.851	4.459.815	5.938.515	3.952.861	1.319.830	156.588	18.011.460
Held-To-Maturity Investments	-	-	-	300.091	-	-	300.091
Other Assets	-	-	-	-	-	321.505	321.505
<b>Total Assets</b>	<b>5.842.376</b>	<b>4.728.956</b>	<b>6.034.742</b>	<b>4.299.669</b>	<b>1.702.059</b>	<b>3.014.335</b>	<b>25.622.137</b>
<b>Liabilities</b>							
Bank Deposits	368.753	153.982	8.900	-	-	96.605	628.240
Customer Deposits	12.115.909	6.765.051	370.008	3.587	-	1.178.245	20.432.800
Money Market Borrowings	138.889	-	-	-	-	-	138.889
Miscellaneous Payables	-	-	-	-	-	3.663	3.663
Marketable Securities Issued	-	137.483	-	-	-	-	137.483
Subordinated Loans	-	-	-	-	353.655	699.480	1.053.135
Funds Provided From Other Financial Institutions	476.873	434.666	325.102	117.400	57.082	-	1.411.123
Other Liabilities <sup>(*)</sup>	7.973	13.990	19.297	9.118	285	1.766.141	1.816.804
<b>Total Liabilities</b>	<b>13.108.397</b>	<b>7.505.172</b>	<b>723.307</b>	<b>130.105</b>	<b>411.022</b>	<b>3.744.134</b>	<b>25.622.137</b>
Balance Sheet Long Position	-	-	5.311.435	4.169.564	1.291.037	-	10.772.036
Balance Sheet Short Position	(7.266.021)	(2.776.216)	-	-	-	(729.799)	(10.772.036)
Off-Balance Sheet Long Position	4.169.166	1.643.491	1.320.579	1.901.511	353.216	-	9.387.953
Off-Balance Sheet Short Position	(4.189.510)	(1.658.673)	(1.386.234)	(1.941.168)	(258.204)	-	(9.433.789)
<b>Total Position</b>	<b>(7.286.365)</b>	<b>(2.791.398)</b>	<b>5.245.780</b>	<b>4.129.907</b>	<b>1.386.049</b>	<b>(729.799)</b>	<b>(45.836)</b>

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

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

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

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

	EURO %	USD %	JPY %	TL %
<b>December 31, 2014</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	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	-	-
<b>Liabilities</b>				
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	-	-

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

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



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#### Nature of interest rate risk resulted from banking book:

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

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

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

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

#### VII. Explanations Related to Share Certificates Position Risk

The Bank has no outstanding share certificate position.

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#### VIII. Explanations Related to Liquidity Risk

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

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

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

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

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

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

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

	Prior Period 31 December 2013			
	First maturity tranche (weekly)		Second maturity tranche (monthly)	
	FC	TL + FC	FC	TL + FC
Average (%)	171	286	98	154
Maximum (%)	269	678	132	378
Minimum (%)	111	161	85	101

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Presentation of assets and liabilities according to their remaining maturities:

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

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

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

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#### 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 <sup>(*)</sup>	Total
<b>As of December 31, 2014</b>								
Bank Deposits	96.605	465.896	155.076	9.029	-	-	-	726.606
Customer deposits	1.178.245	12.609.460	6.987.429	390.728	3.709	-	-	21.169.571
Subordinated Loans	699.480	-	-	-	-	355.676	-	1.055.156
Funds Provided From Other Financial Institutions	-	479.859	436.815	328.895	145.447	75.608	-	1.466.624
Funds From interbank money market	-	139.264	-	-	-	-	-	139.264
<b>Total</b>	<b>1.974.330</b>	<b>13.694.479</b>	<b>7.579.320</b>	<b>728.652</b>	<b>149.156</b>	<b>431.284</b>	<b>-</b>	<b>24.557.221</b>

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

#### 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
<b>As of December 31, 2014</b>						
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
<b>Total</b>	<b>8.363.682</b>	<b>3.302.164</b>	<b>2.706.805</b>	<b>3.837.679</b>	<b>611.420</b>	<b>18.821.750</b>

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

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#### 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.

##### Collateral on the basis of risk classes

##### December 31, 2014

Risk Types	Current period risk amount <sup>(*)</sup>	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	-	-	-
<b>Total</b>	<b>26.027.088</b>	<b>1.063.297</b>	-	-

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#### December 31, 2013

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

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

#### XI. Explanations Related to Risk Management Objectives and Policies

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

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

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

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

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

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

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

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

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

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

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

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.



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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.

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

	Book Value December 31, 2014	Fair Value December 31, 2014	Book Value December 31, 2013	Fair Value December 31, 2013
<b>Financial Assets</b>	<b>22.422.856</b>	<b>23.128.060</b>	<b>13.859.515</b>	<b>11.998.252</b>
Money Market Placements	2.235.688	2.235.688	460.098	460.098
Banks	1.012.563	1.012.563	1.149.844	1.149.844
Available-For-Sale Financial Assets	863.054	863.054	942.532	942.532
Held-To-Maturity Investments	300.091	301.775	-	-
Loans	18.011.460	18.714.980	11.307.041	9.445.778
<b>Financial Liabilities</b>	<b>23.666.444</b>	<b>23.605.256</b>	<b>14.309.488</b>	<b>14.204.552</b>
Bank Deposits	628.240	628.240	332.991	333.778
Other Deposits	20.432.800	20.456.278	12.038.967	12.040.907
Funds Borrowed From Other Financial Institutions	1.411.123	2.464.258	1.167.373	1.165.538
Subordinated Loans	1.053.135	1.330.155	639.209	533.381
Issued Bonds	137.483	137.700	-	-
Miscellaneous Payables	3.663	3.663	130.948	130.948

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

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

Aforesaid fair value hierarchy is determined as follows.

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

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

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

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

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

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

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

#### XIV. Explanations Related to Hedge Accounting

None.

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

#### SECTION FIVE

#### EXPLANATIONS AND DISCLOSURES ON FINANCIAL STATEMENTS

##### I. Explanations and Disclosures Related to the Assets

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

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

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

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

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

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

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

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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#### 2. Information on financial assets at value through profit and loss (net):

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked:

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

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

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

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

3. a) Information on banks:

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

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### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

b) Information on foreign bank accounts:

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

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

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

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

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

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

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

b) Information on financial assets available for sale portfolio:

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

#### 5. Information on loans:

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

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

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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

Number of extensions	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	132.795	283.007
Extended by 3,4 or 5 times	-	-
Extended by more than 5 times	-	-
<b>Total</b>	<b>132.795</b>	<b>283.007</b>

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

d) Loans according to their maturity structure:

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



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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

#### Current Period-31.12.2014

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

g) Loans according to types of borrowers:

	December 31,2014	December 31,2013
Private Sector	17.854.872	11.307.041
Public Sector	-	-
<b>Total</b>	<b>17.854.872</b>	<b>11.307.041</b>

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h) Distribution of domestic and foreign loans:

	December 31, 2014	December 31, 2013
Domestic loans	17.598.480	11.243.566
Foreign loans	256.392	63.475
<b>Total</b>	<b>17.854.872</b>	<b>11.307.041</b>

i) Loans granted to subsidiaries and associates: None.

j) Specific provisions provided against loans:

	December 31, 2014	December 31, 2013
Specific provisions		
Loans and receivables with limited collectability	15.296	6.594
Loans and receivables with doubtful collectability	39.573	1.939
Uncollectible loans and receivables	52.78	224
<b>Total</b>	<b>107.587</b>	<b>8.757</b>

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.

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### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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
<b>December 31, 2013 balance</b>	<b>38.601</b>	<b>7.361</b>	<b>224</b>
Additions (+)	239.521	-	3.342
Transfers from other categories of non-performing loans (+)	-	153.132	62.998
Transfers to other categories of non-performing loans (-)	153.132	62.998	-
Collections (-)	14.520	2.359	2.485
Write-offs (-)	-	-	5.510
Corporate and commercial loans	-	-	-
Retail loans	-	-	5.510
Credit cards	-	-	-
Indexation difference (-)	-	-	-
Other	-	-	-
<b>December 31, 2014 balance</b>	<b>110.470</b>	<b>95.136</b>	<b>58.569</b>
Specific provision (-)	15.296	39.573	52.718
<b>Net Balances on Balance Sheet</b>	<b>95.174</b>	<b>55.563</b>	<b>5.851</b>

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

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

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

l) Main principles of liquidation policies of nonperforming loans and receivables:

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of December 31, 2014, the Bank has calculated net provision amounting to TL 5.851 for loans and other receivables which are evaluated as other non-performing loans fully provided (December 31, 2013: TL 224.).

m) Explanations on write-off policy:

As of December 31, 2014 with the decision of Board of Directors and in accordance with laws of "Regulations of Provisions", retail loans with special provision at the rate of 100%, without any collateral, amounting to TL 5.510 have been removed from the assets, by the bank (December 31, 2013: None).

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#### 6. Information on held-to-maturity investments:

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

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

c) The Bank has TL 300.091 held-to-maturity investments as of December 31, 2014 (December 31, 2013: None).

d) Movement of held-to-maturity investments:

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

#### 7. Information on associates (Net):

The Bank has no associates in the current period

#### 8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period.

#### 9. Information on jointly controlled entities:

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

#### 10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period.

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

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

	Closing Balance December 31,2013	Additions	Disposals	Other	Change in estimate	Ending Balance December 31,2014
Cost:						
Land and buildings	9.174	-	-	-	-	9.174
Leased tangible assets						
Vehicles		-	-	-	-	-
Other	108.621	37.733	-	-	-	146.354
<b>Total Cost</b>	<b>117.795</b>	<b>37.733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155.528</b>
Accumulated Depreciation:						
Land and buildings	214	183	-	-	-	397
Leased tangible assets	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-
Other	13.143	25.026	-	-	-	38.169
<b>Total Accumulated Depreciation</b>	<b>13.357</b>	<b>25.209</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.566</b>
<b>Net Book Value</b>	<b>104.438</b>	<b>12.524</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116.962</b>

a) Disclosure for impairment losses or releases individually material for financial statements:

a.1) Conditions for allocating/releasing any impairment: None.

a.2) Amount of impairment losses provided or released in financial statements during current period: None.

b) Other impairment losses provided or released in current period that are immaterial for the financial statement individually: None.

c) Pledges, Commitments and other restrictions to acquire tangible assets: None.



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### Notes to Unconsolidated Financial Statements as of December 31, 2014

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#### 13. Information on intangible assets:

	Closing Balance December 31,2013	Additions	Disposals	Other	Change in estimate	Ending Balance December 31,2014
Cost:						
Software cost	55.174	21.799	-	-	-	76.973
Other intangible assets	1.129	-	-	-	-	1.129
<b>Total Cost</b>	<b>56.303</b>	<b>21.799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78.102</b>
	Closing Balance December 31,2013	Period Charge	Disposals	Other	Change in estimate	Ending Balance December 31,2014
Accumulated Depreciation:						
Software cost	7.950	12.429	-	-	-	20.379
Other intangible assets	107	174	-	-	-	281
<b>Total Accumulated Depreciation</b>	<b>8.057</b>	<b>12.603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.660</b>
<b>Net Book Value</b>	<b>48.246</b>	<b>9.196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57.442</b>

14. Investment Property (Net): None.

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

a) As of December 31, 2014, the Bank has deferred tax asset amounting to TL 18.398 arising from deductible temporary differences (December 31, 2013: TL 18.320).

b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.

b) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

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

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

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

#### 17. Information on other assets

a) Other assets do not exceed 10% of the balance sheet total (excluding off balance sheet commitments).

b) Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None.

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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## II. Explanations and Disclosures Related to the Liabilities

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

#### a.1) December 31, 2014:

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	41.968	-	336.897	4.842.773	361.345	122.035	7.807	-	5.712.825
Foreign currency deposits	798.959	-	1.144.548	8.445.565	354.593	106.486	23.987	-	10.874.138
Residents in Turkey	684.009	-	1.136.918	8.349.355	352.280	104.289	21.727	-	10.648.578
Residents abroad	114.950	-	7.630	96.210	2.313	2.197	2.260	-	225.560
Public sector deposits	27.844	-	-	56.915	-	-	-	-	84.759
Commercial deposits	297.072	-	643.696	1.924.234	102.086	17.599	27	-	2.984.714
Other institutions deposits	12.402	-	9.470	609.253	65.701	79.538	-	-	776.364
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	96.605	-	531.635	-	-	-	-	-	628.240
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	57.076	-	-	-	-	-	57.076
Foreign Banks	96.605	-	474.559	-	-	-	-	-	571.164
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.274.850</b>	<b>-</b>	<b>2.666.246</b>	<b>15.878.740</b>	<b>883.725</b>	<b>325.658</b>	<b>31.821</b>	<b>-</b>	<b>21.061.040</b>

#### December 31, 2013:

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	35.304	-	145.634	3.648.637	10.802	26.136	46.581	-	3.913.094
Foreign currency deposits	289.957	-	750.732	4.988.582	125.519	43.860	7.212	-	6.205.862
Residents in Turkey	281.839	-	750.732	4.949.005	125.150	40.973	5.152	-	6.152.851
Residents abroad	8.118	-	-	39.577	369	2.887	2.060	-	53.011
Public sector deposits	6.130	-	-	3.340	-	-	-	-	9.470
Commercial deposits	166.828	-	412.719	1.065.508	10.849	-	1.126	-	1.657.030
Other institutions deposits	435	-	1.494	251.583	-	-	-	-	253.512
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	95	-	332.895	-	-	-	-	-	332.990
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	95	-	332.895	-	-	-	-	-	332.990
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>498.749</b>	<b>-</b>	<b>1.643.474</b>	<b>9.957.650</b>	<b>147.170</b>	<b>69.996</b>	<b>54.919</b>	<b>-</b>	<b>12.371.958</b>

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

i. Information on saving deposits:

Saving deposits <sup>(*)</sup>	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Saving deposits	896.447	543.258	4.816.378	3.369.835
Foreign currency saving deposits	193.456	73.452	5.478.381	2.004.074
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
<b>Total</b>	<b>1.089.903</b>	<b>616.710</b>	<b>10.294.759</b>	<b>5.373.909</b>

(\*) 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, 2014	December 31, 2013
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman, members of the Board of Directors and assistant general managers and their close families	12.737	11.308
Deposits obtained through illegal acts defined in the 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, 2014		December 31, 2013	
	TL	FC	TL	FC
Forward Transactions	3.447	4.165	4.470	2.184
Swap Transactions	4.163	14.478	38.125	4.868
Futures Transactions	-	-	-	-
Options	12.231	12.179	55	53.653
Other	-	-	-	-
<b>Total</b>	<b>19.841</b>	<b>30.822</b>	<b>42.650</b>	<b>60.705</b>

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#### 3. Information on borrowings:

##### a) Information on banks and other financial institutions:

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

##### b) Maturity analysis of borrowings:

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

#### 4. Information on funds provided from repurchase agreement transactions:

##### a) Funds Provided Under Repurchase Agreements:

	December 31, 2014	December 31, 2013
Funds Provided Under Repurchase Agreements	138.889	221.454
<b>Total</b>	<b>138.889</b>	<b>221.454</b>

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

	December 31, 2014	December 31, 2013
Bank Bills	137.483	-
<b>Total</b>	<b>137.483</b>	<b>-</b>

In accordance with the Board of Directors' decision and permits taken from the CMB and BRSA, the Bank has issued a bill with a nominal value of TL 150.000, maturity of 6 months, discounted and with a simple interest rate of 10% on May 26, 2014 and a bill amounting to TL 150.000 maturity of 6 months with a simple interest rate of 9,86% on August 18, 2014, both to be sold to qualified investors in the domestic market.

#### 6.v 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.

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

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

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

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

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

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

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

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### Notes to Unconsolidated Financial Statements as of December 31, 2014

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	Current Period	Prior Period
Discount rate	%3,24	%3,28
Interest rate	%8,04	%10,00
Estimated salary/ Employee termination benefit increase rate	%5,00	%6,50

	Current Period	Prior Period
<b>Balance at the beginning of period</b>	<b>905</b>	<b>-</b>
Paid in during the period	(76)	-
The amount of provision	1.860	905
<b>Balance at the end of period</b>	<b>2.689</b>	<b>905</b>

e) Information on other provisions:

e.1) Provisions for possible losses: None.

e.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions: Other provisions consist of provision for personnel premium amounting to TL 35.615 for the year of 2014 (December 31, 2013: TL 25.000)

f) Liabilities on pension rights: None.

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

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

10. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Information on corporate tax:

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

a.2) Explanations on taxes payable:

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



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### Notes to Unconsolidated Financial Statements as of December 31, 2014

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#### a.3) Information on premiums:

	December 31, 2014	December 31, 2013
Social Security Premiums-Employer	1.091	795
Social Security Premiums-Employee	966	724
Unemployment Insurance-Employer	137	102
Unemployment Insurance-Employee	68	52
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Other	-	-
<b>Total</b>	<b>2.262</b>	<b>1.673</b>

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

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

#### 12. Information on Subordinated Loans:

	December 31, 2014		December 31, 2013	
	TC	FC	TC	FC
From domestic banks	-	-	-	-
From foreign banks	-	1.053.135	-	639.209
<b>Total</b>	<b>-</b>	<b>1.053.135</b>	<b>-</b>	<b>639.209</b>

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

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## Odea Bank Anonim Şirketi

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#### 13. Information on Shareholders' Equity:

##### a) Presentation of Paid-in capital:

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

TL	December31, 2014	December 31, 2013
Common stock <sup>(*)</sup>	1.496.150	1.496.150
Preferred stock	-	-
<b>Total</b>	<b>1.496.150</b>	<b>1.496.150</b>

(\*) Nominal Capital

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

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

d) Information on share capital increases from revaluation funds in the current period: None.

e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.

f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

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

g) Information on preferred shares: None.

h) Information on marketable securities value increase fund:

	December31, 2014	December31, 2013
Valuation Difference	(2.669)	(8.546)
Foreign Exchange Difference	-	-
<b>Total</b>	<b>(2.669)</b>	<b>(8.546)</b>

i) Information on legal reserves: None.

j) Information on extraordinary reserves: None.

#### 14. Information on minority shares:

None.

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

#### 1. Information on off-balance sheet liabilities:

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

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

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

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

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

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

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

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

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

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

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### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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

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

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

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

2) Information related to derivative financial instruments:

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

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

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

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

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

### 3. Information related to credit derivatives and risk exposures:

None.

### 4. Explanations on contingent liabilities and assets:

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

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

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

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

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

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

### 5. Custodian and intermediary services:

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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

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

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

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

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

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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

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

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

c. Information on interest expense to marketable securities issued: As of December 31, 2014;

The bank has interest expense to marketable securities issued amounting to TL 11.697.

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

Account Name	December 31, 2014							Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	
<b>TL</b>								
Bank deposits	-	4.367	-	-	-	-	-	4.367
Saving deposits	-	16.016	451.542	13.928	3.797	1.204	-	486.487
Public sector deposits	-	-	641	-	-	-	-	641
Commercial deposits	-	22.554	187.010	4.945	974	5	-	215.488
Other deposits	-	476	39.722	3.297	2.030	-	-	45.525
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>43.413</b>	<b>678.915</b>	<b>22.170</b>	<b>6.801</b>	<b>1.209</b>	<b>-</b>	<b>752.508</b>
<b>Foreign Currency</b>								
Foreign currency deposits	-	20.506	201.595	7.065	2.920	451	-	232.537
Bank deposits	-	9.643	-	-	-	-	-	9.643
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>30.149</b>	<b>201.595</b>	<b>7.065</b>	<b>2.920</b>	<b>451</b>	<b>-</b>	<b>242.180</b>
<b>Grand Total</b>	<b>-</b>	<b>73.562</b>	<b>880.510</b>	<b>29.235</b>	<b>9.721</b>	<b>1.660</b>	<b>-</b>	<b>994.688</b>

3. Information on Dividend Income: None.



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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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

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

#### 5. Information on other operating income:

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

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

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

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

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

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

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

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

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

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

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## **Odea Bank Anonim Şirketi** **Notes to Unconsolidated Financial Statements** **as of December 31, 2014**

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

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

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

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

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

12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below: None

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

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

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

#### VI. Explanations and Disclosures Related To Statement Of Cash Flows

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

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

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

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

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

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

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

(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, 2014:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	-	16.119	-	-
Balance at end of period	-	-	-	18.221	53	787
Interest and commission income	-	-	-	-	-	-

December 31, 2013

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	-	11.000	-	-
Balance at end of period	-	-	-	16.119	-	-
Interest and commission income	-	-	-	-	-	-

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

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

b.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities	Direct and indirect shareholders of the Bank	Other entities included in the risk group
	December 31, 2014	December 31, 2014	December 31, 2014
<b>Deposits</b>			
Balance at beginning of period	-	-	343.965
Balance at end of period	-	12.737	570.736
<b>Interest on deposits</b>	-	<b>794</b>	<b>10.690</b>

December 31, 2013:

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

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

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
	December 31, 2014	December 31, 2014	December 31, 2014
<b>Financial assets at fair value through profit and loss</b>			
Balance at beginning of period	-	198.695	-
Balance at end of period	-	-	-
Total Loss/Profit	-	-	-

December 31, 2013

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities	Direct and indirect shareholders of the Bank	Other entities included in the risk group
	December 31, 2013	December 31, 2013	December 31, 2014
<b>Financial assets at fair value through profit and loss</b>			
Balance at beginning of period	-	821.874	-
Balance at end of period	-	198.695	-
Total Loss/Profit	-	1.722	-

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

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

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## Odea Bank Anonim Şirketi

### Notes to Unconsolidated Financial Statements as of December 31, 2014

(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	48	1.388			
<b>Country</b>					
Rep-offices abroad	-	-	-		
<b>Total Assets</b>					
Branches abroad	-	-	-	-	-
<b>Capital</b>					
Off-shore branches	-	-	-	-	-

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

None.

#### IX. Explanations and disclosures related to subsequent events

In accordance with the Board of Directors' decision and permits taken from the CMB and BRSA, the Bank has issued a bill with a nominal value of TL 81.462, maturity of 6 months, discounted and with a simple interest rate of 9,75% on 25 February 2015 to be sold to qualified investors in the domestic market.

### SECTION SIX

#### OTHER EXPLANATIONS

I. Other Explanations on the Operations of the Bank:

None.

### SECTION SEVEN

#### INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report:

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

II. Explanations and notes prepared by independent auditor:

None.

## Odea Bank Anonim Şirketi

### 3 Years Comperative Financial Statements

Assets	31-12-2014	31-12-2013	31-12-20112
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	<b>2.830.662</b>	<b>1.777.178</b>	<b>409.777</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	<b>47.114</b>	<b>101.183</b>	<b>5.611</b>
2.1 Financial assets held for trading	47.114	101.183	5.611
2.1.1 Public sector debt securities	3.157	2.610	-
2.1.2 Share certificates	-	-	-
2.1.3 Derivative financial assets held for trading	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	-	-	-
<b>III. BANKS</b>	<b>1.012.563</b>	<b>1.149.844</b>	<b>387.412</b>
<b>IV. MONEY MARKET PLACEMENTS</b>	<b>2.235.688</b>	<b>460.098</b>	<b>935.738</b>
4.1 Interbank money market placements	-	-	-
4.2 Istanbul Stock Exchange money market placements	-	-	-
4.3 Receivables from reverse repurchase agreements	2.235.688	460.098	935.738
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	<b>863.054</b>	<b>942.532</b>	<b>78.132</b>
5.1 Share certificates	-	-	-
5.2 Public sector debt securities	863.054	942.532	78.132
5.3 Other marketable securities	-	-	-
<b>VI. LOANS AND RECEIVABLES</b>	<b>18.011.460</b>	<b>11.344.470</b>	<b>1.731.688</b>
6.1 Loans and receivables	17.854.872	11.307.041	1.731.688
6.1.1 Loans to risk group of the Bank	-	-	-
6.1.2 Public sector debt securities	-	-	-
6.1.3 Other	17.854.872	11.307.041	1.731.688
6.2 Non-performing loans	264.175	46.186	-
6.3 Specific provisions (-)	107.587	8.757	-
<b>VII. FACTORING RECEIVABLES</b>	-	-	-
<b>VIII. HELD TO MATURITY INVESTMENTS (Net)</b>	<b>300.091</b>	-	-
8.1 Public sector debt securities	300.091	-	-
8.2 Other marketable securities	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	-	-	-
9.1 Accounted for under equity method	-	-	-
9.2 Unconsolidated associates	-	-	-
9.2.1 Financial investments	-	-	-
9.2.2 Non-financial investments	-	-	-
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	-	-	-
10.1 Unconsolidated financial subsidiaries	-	-	-
10.2 Unconsolidated non-financial subsidiaries	-	-	-
<b>XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)</b>	-	-	-
11.1 Accounted for under equity method	-	-	-
11.2 Unconsolidated	-	-	-
11.2.1 Financial subsidiaries	-	-	-
11.2.2 Non-financial subsidiaries	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>	-	-	-
12.1 Finance lease receivables	-	-	-
12.2 Operating lease receivables	-	-	-
12.3 Other	-	-	-
12.4 Unearned income (-)	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	-	-	-
13.1 Fair value hedge	-	-	-
13.2 Cash flow hedge	-	-	-
13.3 Hedge of net investment in foreign operations	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	<b>116.962</b>	<b>104.438</b>	<b>41.342</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>57.442</b>	<b>48.246</b>	<b>17.790</b>
15.1 Goodwill	-	-	-
15.2 Other	57.442	48.246	17.790
<b>XVI. INVESTMENT PROPERTY (Net)</b>	-	-	-
<b>XVII. TAX ASSET</b>	<b>18.398</b>	<b>30.154</b>	<b>7.100</b>
17.1 Current tax asset	-	11.834	5.423
17.2 Deferred tax asset	18.398	18.320	1.677
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>6.132</b>	-	-
18.1 Held for sale	6.132	-	-
18.2 Discontinued operations	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>122.571</b>	<b>151.653</b>	<b>19.589</b>
<b>TOTAL ASSETS</b>	<b>25.622.137</b>	<b>16.109.796</b>	<b>3.634.179</b>



# Odea Bank Anonim Şirketi

## 3 Years Comperative Financial Statements

	31-12-2014	31-12-2013	31-12-2012
<b>Liabilities</b>			
<b>I. DEPOSITS</b>	<b>21.061.040</b>	<b>12.371.958</b>	<b>2.517.146</b>
1.1 Deposits from risk group of the Bank	583.473	343.965	9.109
1.2 Other	20.477.567	12.027.993	2.508.037
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	<b>50.663</b>	<b>103.355</b>	<b>4.390</b>
<b>III. FUNDS BORROWED</b>	<b>1.411.123</b>	<b>1.167.373</b>	<b>360.942</b>
<b>IV. MONEY MARKET BALANCES</b>	<b>138.889</b>	<b>221.454</b>	<b>-</b>
4.1 Interbank money market takings	-	-	-
4.2 Istanbul Stock Exchange money market takings	-	-	-
4.3 Funds provided under repurchase agreements	138.889	221.454	-
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	<b>137.483</b>	<b>-</b>	<b>-</b>
5.1 Bills	137.483	-	-
5.2 Asset backed securities	-	-	-
5.3 Bonds	-	-	-
<b>VI. FUNDS</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.1 Borrower funds	-	-	-
6.2 Other	-	-	-
<b>VII. SUNDRY CREDITORS</b>	<b>3.663</b>	<b>2.748</b>	<b>1.226</b>
<b>VIII. OTHER LIABILITIES</b>	<b>189.709</b>	<b>128.200</b>	<b>21.439</b>
<b>IX. FACTORING PAYABLES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. LEASE PAYABLES (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1 Finance lease payables	-	-	-
10.2 Operating lease payables	-	-	-
10.3 Other	-	-	-
10.4 Deferred finance lease expenses (-)	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Fair value hedge	-	-	-
11.2 Cash flow hedge	-	-	-
11.3 Hedge of net investment in foreign operations	-	-	-
<b>XII. PROVISIONS</b>	<b>197.796</b>	<b>120.159</b>	<b>33.398</b>
12.1 General loan loss provisions	154.545	91.075	18.489
12.2 Restructuring reserves	-	-	-
12.3 Reserve for employee benefits	6.303	3.143	859
12.4 Insurance technical reserves (Net)	-	-	-
12.5 Other provisions	36.948	25.941	14.050
<b>XIII. TAX LIABILITY</b>	<b>41.385</b>	<b>24.313</b>	<b>3.974</b>
13.1 Current tax liability	41.385	24.313	3.974
13.2 Deferred tax liability	-	-	-
<b>XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>
14.1 Held for sale	-	-	-
14.2 Discontinued operations	-	-	-
<b>XV. SUBORDINATED LOANS</b>	<b>1.053.135</b>	<b>639.209</b>	<b>177.849</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>1.337.251</b>	<b>1.331.027</b>	<b>513.815</b>
16.1 Paid-in capital	1.496.150	1.496.150	533.520
16.2 Supplementary capital	(2.669)	(8.546)	(133)
16.2.1 Share premium	-	-	-
16.2.2 Share cancellation profits	-	-	-
16.2.3 Marketable securities value increase fund	(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	(156.230)	(156.577)	(19.572)
16.4.1 Prior years' income/(losses)	(156.577)	(19.572)	-
16.4.2 Current year income/(losses)	347	(137.005)	(19.572)
16.5 Minority shares	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>25.622.137</b>	<b>16.109.796</b>	<b>3.634.179</b>

# Odea Bank Anonim Şirketi

## Off Balance Sheet

### II.OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS

	31-12-2014	31-12-2013	31-12-2012
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>	<b>21.457.136</b>	<b>24.318.783</b>	<b>1.443.433</b>
<b>I. GUARANTEES</b>	<b>1.492.285</b>	<b>934.333</b>	<b>90.014</b>
1.1 Letters of guarantee	1.005.914	744.241	76.074
1.1.1 Guarantees subject to State Tender Law	-	-	-
1.1.2 Guarantees given for foreign trade operations	-	-	-
1.1.3 Other letters of guarantee	1.005.914	744.241	76.074
1.2 Bank loans	54.686	44.079	-
1.2.1 Import letter of acceptance	54.686	44.079	-
1.2.2 Other bank acceptances	-	-	-
1.3 Letters of credit	431.685	146.013	13.940
1.3.1 Documentary letters of credit	431.685	146.013	13.940
1.3.2 Other letters of credit	-	-	-
1.4 Prefinancing given as guarantee	-	-	-
1.5 Endorsements	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey	-	-	-
1.5.2 Other endorsements	-	-	-
1.6 Securities issue purchase guarantees	-	-	-
1.7 Factoring guarantees	-	-	-
1.8 Other guarantees	-	-	-
1.9 Other collaterals	-	-	-
<b>II. COMMITMENTS</b>	<b>1.143.101</b>	<b>12.332.127</b>	<b>72.596</b>
2.1 Irrevocable commitments	1.143.101	2.148.837	72.596
2.1.1 Forward asset purchase and sales commitments	585.464	1.655.680	61.522
2.1.2 Forward deposit purchase and sales commitments	-	-	-
2.1.3 Share capital commitment to associates and subsidiaries	-	-	-
2.1.4 Loan granting commitments	250.945	314.401	9.547
2.1.5 Securities underwriting commitments	-	-	-
2.1.6 Commitments for reserve deposit requirements	-	-	-
2.1.7 Payment commitment for checks	81.805	37.369	283
2.1.8 Tax and fund liabilities from export commitments	-	-	-
2.1.9 Commitments for credit card expenditure limits	216.925	139.816	-
2.1.10 Commitments for promotions related with credit cards and banking activities	-	-	-
2.1.11 Receivables from short sale commitments	-	-	-
2.1.12 Payables for short sale commitments	-	-	-
2.1.13 Other irrevocable commitments	7.962	1.571	1.244
2.2 Revocable commitments	-	-	-
2.2.1 Revocable loan granting commitments	-	-	-
2.2.2 Other revocable commitments	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>18.821.750</b>	<b>11.052.323</b>	<b>1.280.823</b>
3.1 Derivative financial instruments for hedging purposes	-	-	-
3.1.1 Fair value hedge	-	-	-
3.1.2 Cash flow hedge	-	-	-
3.1.3 Hedge of net investment in foreign operations	-	-	-
3.2 Held for trading transactions	18.821.750	11.052.323	1.280.823
3.2.1 Forward foreign currency buy/sell transactions	1.340.262	947.036	173.731
3.2.1.1 Forward foreign currency transactions-buy	669.346	478.282	86.644
3.2.1.2 Forward foreign currency transactions-sell	670.916	468.754	87.087
3.2.2 Swap transactions related to foreign currency and interest rates	8.738.405	4.358.919	862.916
3.2.2.1 Foreign currency swaps-buy	3.064.584	1.410.522	387.114
3.2.2.2 Foreign currency swaps-sell	3.075.927	1.440.037	384.802
3.2.2.3 Interest rate swaps-buy	1.298.947	754.180	45.500
3.2.2.4 Interest rate swaps-sell	1.298.947	754.180	45.500
3.2.3 Foreign currency, interest rate and securities options	8.743.083	5.746.368	244.176
3.2.3.1 Foreign currency options-buy	3.330.487	2.880.371	121.761
3.2.3.2 Foreign currency options-sell	3.363.120	2.865.997	122.415
3.2.3.3 Interest rate options-buy	1.024.738	-	-
3.2.3.4 Interest rate options-sell	1.024.738	-	-
3.2.3.5 Securities options-buy	-	-	-
3.2.3.6 Securities options-sell	-	-	-
3.2.4 Foreign currency futures	-	-	-
3.2.4.1 Foreign currency futures-buy	-	-	-
3.2.4.2 Foreign currency futures-sell	-	-	-
3.2.5 Interest rate futures	-	-	-
3.2.5.1 Interest rate futures-buy	-	-	-
3.2.5.2 Interest rate futures-sell	-	-	-
3.2.6 Other	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>	<b>30.459.538</b>	<b>14.697.854</b>	<b>267.100</b>
<b>IV. ITEMS HELD IN CUSTODY</b>	<b>893.061</b>	<b>300.786</b>	<b>458</b>
4.1 Assets under management	236.022	13.612	-
4.2 Investment securities held in custody	59.381	53.742	-
4.3 Checks received for collection	226.172	123.034	458
4.4 Commercial notes received for collection	371.486	110.398	-
4.5 Other assets received for collection	-	-	-
4.6 Assets received for public offering	-	-	-
4.7 Other items under custody	-	-	-
4.8 Custodians	-	-	-
<b>V. PLEDGED ITEMS</b>	<b>29.566.477</b>	<b>14.397.068</b>	<b>266.642</b>
5.1 Marketable securities	-	-	-
5.2 Guarantee notes	2.068.805	916.879	28.512
5.3 Commodities	2.105.178	820.095	-
5.4 Warrants	-	-	-
5.5 Properties	19.767.146	11.306.765	238.130
5.6 Other pledged items	5.625.348	1.353.329	-
5.7 Pledged items-depository	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>	<b>51.916.674</b>	<b>28.833.347</b>	<b>1.710.533</b>

# Odea Bank Anonim Şirketi

## Income Statement

	31-12-2014	31-12-2013	31-12-2012
<b>I. INTEREST INCOME</b>	<b>1.637.812</b>	<b>673.175</b>	<b>44.145</b>
1.1 Interest on loans	1.409.240	523.446	11.213
1.2 Interest received from reserve deposits	881	-	-
1.3 Interest received from banks	44.432	14.972	31.302
1.4 Interest received from money market placements	96.648	78.235	1.025
1.5 Interest received from marketable securities portfolio	82.752	56.393	605
1.5.1 Held-for-trading financial assets	278	6.597	123
1.5.2 Financial assets at fair value through profit and loss	-	-	-
1.5.3 Available-for-sale financial assets	76.125	49.796	482
1.5.4 Investments held-to-maturity	6.349	-	-
1.6 Finance lease income	-	-	-
1.7 Other interest income	3.859	129	-
<b>II. INTEREST EXPENSE</b>	<b>1.057.937</b>	<b>534.868</b>	<b>12.518</b>
2.1 Interest on deposits	994.688	500.157	12.196
2.2 Interest on funds borrowed	34.831	24.547	322
2.3 Interest on money market borrowings	16.334	10.164	-
2.4 Interest on securities issued	11.697	-	-
2.5 Other interest expense	387	-	-
<b>III. NET INTEREST INCOME (I-II)</b>	<b>579.875</b>	<b>138.307</b>	<b>31.627</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>	<b>42.327</b>	<b>7.114</b>	<b>5.280</b>
4.1 Fees and commissions received	56.915	13.855	5.407
4.1.1 Non-cash loans	15.216	6.418	59
4.1.2 Other	41.699	7.437	5.348
4.2 Fees and commissions paid	14.588	6.741	127
4.2.1 Non-cash loans	-	-	-
4.2.2 Other	14.588	6.741	127
<b>V. DIVIDEND INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VI. NET TRADING INCOME</b>	<b>(36.069)</b>	<b>43.236</b>	<b>24.922</b>
6.1 Securities trading gains/(losses)	19.762	1.080	305
6.2 Gain/(losses) from derivative financial instruments	(64.404)	(11.206)	2.875
6.3 Foreign exchange gains/(losses)	8.573	53.362	21.742
<b>VII. OTHER OPERATING INCOME</b>	<b>3.636</b>	<b>1.289</b>	<b>-</b>
<b>VIII. NET OPERATING INCOME (III+IV+V+VI+VII)</b>	<b>589.769</b>	<b>189.946</b>	<b>61.829</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>167.823</b>	<b>82.233</b>	<b>18.489</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	<b>404.646</b>	<b>260.741</b>	<b>63.073</b>
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>	<b>17.300</b>	<b>(153.028)</b>	<b>(19.733)</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIII. PROFIT/(LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIV. GAIN/(LOSS) ON NET MONETARY POSITION</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	<b>17.300</b>	<b>(153.028)</b>	<b>(19.733)</b>
<b>XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(16.953)</b>	<b>16.023</b>	<b>161</b>
16.1 Provision for current income taxes	(18.501)	1.483	(1.516)
16.2 Provision for deferred taxes	1.548	14.540	1.677
<b>XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	<b>347</b>	<b>(137.005)</b>	<b>(19.572)</b>
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>
18.1 Income on assets held for sale	-	-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)	-	-	-
18.3 Income on other discontinued operations	-	-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>	<b>-</b>	<b>-</b>	<b>-</b>
19.1 Loss from assets held for sale	-	-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)	-	-	-
19.3 Loss from other discontinued operations	-	-	-
<b>XX. PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	<b>-</b>	<b>-</b>	<b>-</b>
21.1 Provision for current income taxes	-	-	-
21.2 Provision for deferred taxes	-	-	-
<b>XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	<b>347</b>	<b>(137.005)</b>	<b>(19.572)</b>





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