

odeabank

ANNUAL REPORT 2013

odeabank

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SMART, SPECIAL AND PERSONALIZED BANKING

With its unique style, young Odeabank created appreciation in a short amount of time. Also with its dynamic structure, friendly attitude and special branches, in this short amount of time, Odeabank proved itself in making its customers feel special.

Providing boutique solutions with its “Personalized Banking” concept, Odeabank crowned its successes also with the awards received while continuing its consistent growth.

ODEABANK IN BRIEF**We Left Behind Our First Year Full of Accomplishments and Awards!**

The first bank to enter the Turkish banking industry after a 15-year interlude, Odeabank completed its first year successfully. Owing to our approach to banking that differentiates Odeabank from its rivals and allows us to climb the rankings rapidly, we became the 14th largest bank among deposit banks as of year-end 2013 after entering the competition as the bank numbered 49.

The leading elements of such a great accomplishment in just the first year of our existence are our capital structure, the strength of our parent company, and our superior human capital. The driving force behind our success is the Bank Audi Group - one of the leading banks of the Middle East as well as the largest, most reputed and strongest financial institution of Lebanon with roots dating all the way back to 1830.

Another ingredient of our success is the provision of all services in the branches by way of innovative tools and state-of-the-art technology infrastructure. "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. We would like to share the good news that the number of Odeabank branches, built painstakingly from scratch, will increase again this year.

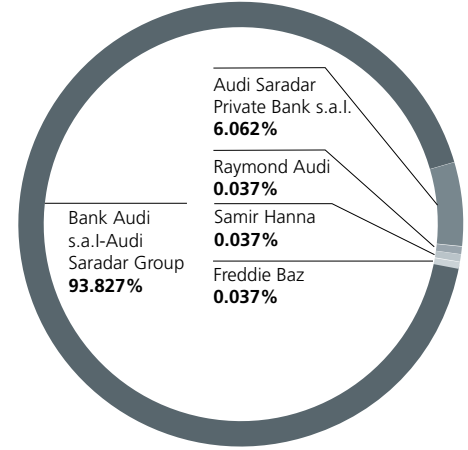
We made every effort to perfect our services through agreements with other subsidiaries and new product launches. We made a contribution to the Turkish economy via foreign direct investments we brought in; we will continue to do so. We delivered on the promise we had made a year ago: we reached 37 branches and 1,105 employees as of year-end 2013.

The fact that Odeabank was on the right track had been affirmed when the Bank was recognized with three prestigious international awards.

We believe that we will elevate this success to much greater heights thanks to our dynamic staff that sees banking as their passion rather than just a job, constant support of our shareholder, and all of our valued customers who trust in us and make us even stronger.

CURRENT PERIOD

Shareholder	Number of Shares	Share Price (TL)	Shareholding (%)
Bank Audi s.a.l. – Audi Saradar Group	14,037,870,176.00	1,403,787,017.60	93.827
Audi Saradar Private Bank s.a.l.	906,984,000.00	90,698,400.00	6.062
Raymond Audi	5.548.608,00	554,860.80	0.037
Samir Hanna	5,548,608.00	554,860.80	0.037
Freddie Baz	5,548,608.00	554,860.80	0.037
Total	14,961,500,000.00	1,496,150,000.00	100



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 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. As of December 31, 2013, the Bank's paid-in capital is comprised of 14,961,500.00 registered shares with a nominal value of TL 0.10 each.

BRANCH NETWORK AND PERSONNEL INFORMATION

The Bank's Headquarter is located in Istanbul and as of December 31, 2013, all operations are organized and allowed within the framework of Banking Law Article 4 in corporate, commercial and retail banking fields with its 37 branches in Turkey and 1,105 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-ISTANBUL 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 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 2013, based on unaudited financial statements, the Bank's total assets reached US\$ 36.1 billion, shareholders' equity US\$ 2.7 billion, customers' deposits US\$ 31.1 billion, loans and advances US\$ 14.7 billion and profit US\$ 305 million. 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, 2013, 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 109 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 a 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 more than 2,500 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.

MISSION, VISION AND VALUES

Our Mission

To invest in the best, achieve total satisfaction of our stakeholders and offer them customer-centric banking.

Our Vision

To be the first bank that comes to mind for all banking needs of people who care about how they live their lives and spend 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

MISSION, VISION AND VALUES

We value our employees

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

We establish open communication

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

Customer Friendly

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

We establish trust

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

We are customer-oriented

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

We become a solution partner

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

We are Innovative and Difference-Maker

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

We use advanced technology

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

We create effective business processes

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

We cut across all boundaries

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

We are High-Quality and Unique

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

We invest in the best

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

We dare to be different

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

We value continuity

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

STRATEGIC TARGETS

For the Sector:

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

For the Bank:

- To be able to activate an efficient service infrastructure that can offer all products as mandated by competition in all segments of banking;
- To act as mediator in trade projects particularly with the Middle East and North Africa region; to be the leading bank of Turkey for this region.
- To become a bank providing expeditions service via its technology infrastructure and experienced human resources, contributing to the quality of life of customers and being an indispensable part of their lives.

For our Customers:

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

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

For our Employees:

- To be an organization in which every employee is proud to be a part of and works with a high level of fulfillment and satisfaction;
- To make employees feel the sense that they have chosen the right organization, they are valued, rewarded, appreciated, are able to self-improve and have the opportunity to reach their career goals.

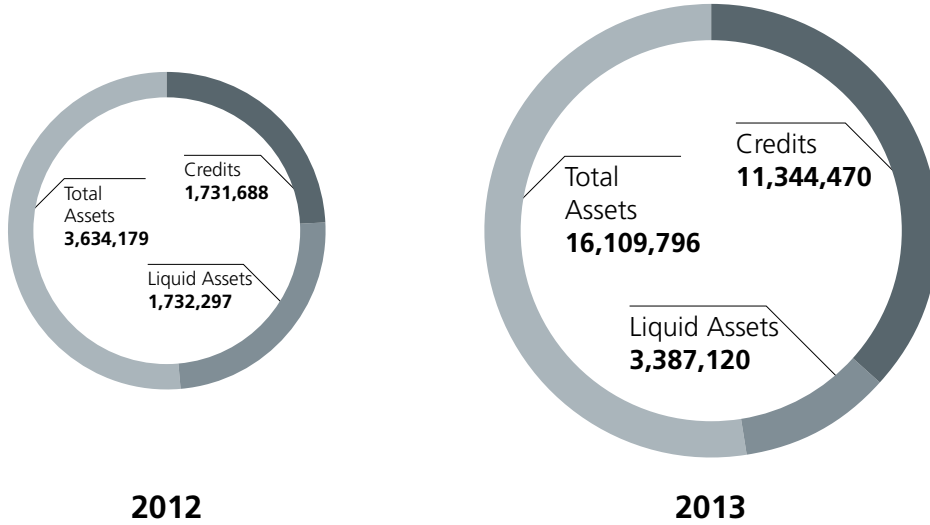
For the Society:

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

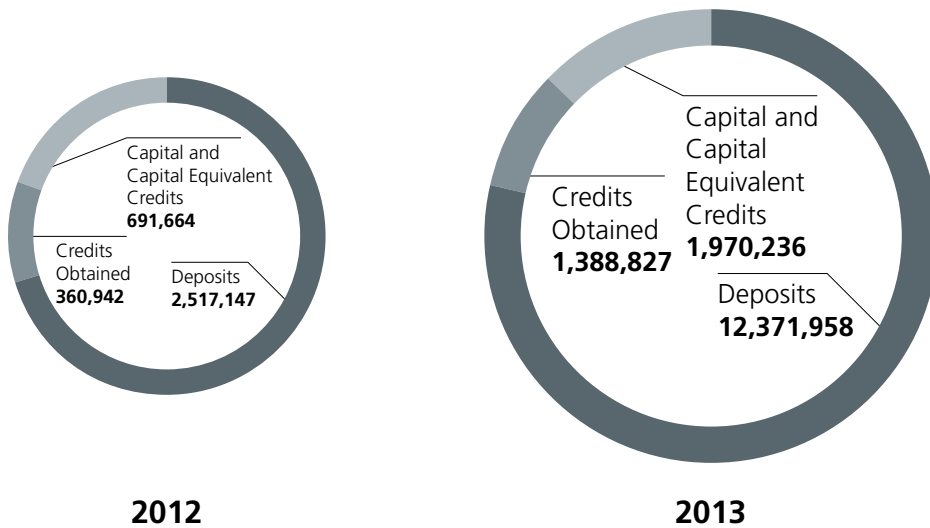
IT IS ONE OF OUR STRATEGIC GOALS TO BECOME A BANK THAT HAS SUSTAINABLE RETURN ON EQUITY ON SOUND FUNDAMENTALS IN THE MEDIUM AND LONG TERM, SERVING 95% OF THE TURKISH ECONOMY.


KEY HIGHLIGHTS

ASSETS (TL THOUSAND)



LIABILITIES (TL THOUSAND)





IN 2013, TOTAL AMOUNT
OF ODEABANK'S ASSETS
INCREASED TO TL 16.1 BILLION
WHILE ITS TOTAL AMOUNT OF
LOANS GIVEN INCREASED TO
TL 11.3 BILLION.

PROMINENT DEVELOPMENTS



JANUARY 2013

An unforgettable opening ceremony from Odeabank

Opening ceremony of Odeabank - the newest player of Turkish banking sector - was held in Çırağan Palace on Thursday, January 10. Luminaries from bureaucracy, business, art and society attended the event hosted by Hüseyin Özkaya General Manager of Odeabank and Samir Hanna Group CEO of Bank Audi.

During the ceremony in which invitees had an unforgettable moment thanks to the performance of Seal - worldwide known singer of contemporary soul music - enchanting stage performance of Pixel Poive Escala Show gave a magic touch to the night. In addition, commercial film of Odeabank in which Hülya Avşar played a part and launched on the same night was shared simultaneously with the guests.

Hüseyin Özkaya General Manager of Odeabank delivered a speech during the ceremony and stated that they started operation on October 2 with the first commercial banking license granted after 15 years in Turkish banking sector and he added: "Although we are the newest bank of the sector, we managed to overcome many challenges in a short time. We've aimed to bring a different perspective and established our whole structure accordingly. In only two months we achieved to launch our six branches. We increased our current assets to TL 3.6 billion; customer deposits to TL 2.5 billion and our credits to TL 1.7 billion. Now we are operating in Istanbul, Ankara and Izmir with more than 400 employees".



APRIL 2013

Odeabank goes beyond the ordinary in asset management

Operating to offer the most profitable investment instrument to its customers, Odeabank blazed a trail in investment banking by cooperating with leading portfolio management companies of Turkey. Aiming to make a difference in the field of Asset Management and to be the first bank to come to minds in terms of "investment", Odeabank entered into agreement with İş Portföy, Ak Portföy, Finans Portföy and TEB Portföy in order to sell the funds valued by analyzing more than 400 investment funds managed in Turkey according to 20 different criteria.

Odeabank introduced this new service in a press conference held with general managers of cooperated portfolio management companies. "In the very beginning, we tried to precisely determine the needs of private investor's needs of Turkey" said Cem Muratoğlu, Assistant General Manager of Odeabank Retail Banking. "Our aim is to offer the developments in global and domestic investment world to Turkish investors in the fastest way possible. At this point we can diversify our investment instruments by establishing new funds specific to expectations of our customers and changing investment markets."



ATMs of Odeabank tell the agenda

All equipped with touch screens and foreign currency withdrawal and paying features, all Odeabank ATMs offer the possibility of both simple banking operations 24/7 and delivering the up-to-date news. In the waiting screens of Odeabank, both the product overviews and up-to-date and economy news are displayed in accordance with the agreement with CNBC-e.

JULY 2013

The Most Innovative Bank of Turkey

The new and innovative player of Turkish banking sector, Odeabank has been rewarded in two categories by Global Banking and Finance Review - leading economy publications of the world. Odeabank proved its success in the international arena with "The Most Innovative Bank of Turkey" and "The Newest Best Bank of Turkey" awards.

"While establishing Odeabank, we considered the consumer needs, insights and life styles changing with technological developments" said General Manager Hüseyin Özkaya while appraising the awards of Global Banking and Finance Review for which the best banks of the sector were nominated. "By integrating the miracles of information era into banking sector, we have founded the bank of future. Thanks to these prestigious awards of international arena, we pride ourselves for being elected as the Most Innovative Bank of Turkey and the Newest Best Bank".



Credit card from Odeabank without fee: Bank'O Card

Bringing tailor-made banking to Turkey, Odeabank makes a difference with Bank'O Card offered to its customers. Bank'O Card, without annual credit card fee, offers attractive opportunities to the users for both shopping and cash needs. When used for domestic, foreign and Internet-based shopping activities, Bank'O Card offers charming solutions tailored to needs with cash advance and installment cash advance products. In addition, services offered to Bank'O Card users grant privileges to card holders in all aspects of life by acting as a personal assistant.

Concierge - one of the special services of Bank'O Card - makes reservations for hotels, theatre plays, movies and travelling for its users and provides all necessary information about cultural activities and many subjects. For Bank'O Card card holders, flower, gift, food orders are now easier more than ever thanks to transportation and courier service offered 24/7.



AUGUST 2013

Great news from Odeabank to public officials

Odeabank has organized a special campaign for public officials. Offered with credit opportunity of 20 times of their salaries with an interest rate of 0.99%, public officials now can use the credit with a term of up to 60 months. Those, who wish, can start to pay back with low installments three months later. Officials can apply for the credit for which income certificate is not required from bank branches or website.

SEPTEMBER 2013

Giant cooperation in investment from Odeabank

Odeabank has signed a giant credit agreement with Kavanlar İnşaat, an important player of construction industry, for "Symbol Kocaeli" - the biggest combined complex of Kocaeli, one of the most important business centers of Marmara Region. "The difference of Odeabank will be felt in the industry in terms of long-term financing" said the Hüseyin Özkaya, the General Manager of Odeabank raising the bars in project financing.



Symbol Kocaeli to be constructed as a multi-structure will gather the shopping mall with many stores and restaurants and also a hotel, hospital and the first congress center of the city under a single roof. In Symbol Kocaeli, Medicalpark Group will be represented with Medicalpark Kocaeli Hospital and Ever Turizm will be presented with Hilton Worldwide Hampton by Hilton brand. Architectural projects of Symbol Kocaeli, whose architectural concept, leasing and operation are managed by Turkmall - one of the most successful organizations of Turkey in real estate development and investment will be undertaken by Nova Sultani which is the creator of many shopping malls and complexes.

It is aimed that Symbol Kocaeli which is expected to be completed in the 2nd quarter of 2015 will provide important contributions to business world, trading activities, employment, cultural-artistic and touristic life of the city. The total cost of the project financed with USD 105 million by Odeabank is expected to be USD 200 million.

PROMINENT DEVELOPMENTS



Sponsor of Galatasaray Women's Basketball Team of Galatasaray

Odeabank signed an agreement with Galatasaray Sports Club and undertaken the royalty sponsorship of Galatasaray Women's Basketball Team. Accordingly the new name of the team has become "Galatasaray Odeabank Women's Basketball Team." Within the scope of the agreement, Odeabank was also granted with the back advertisement right of uniform and training materials of Galatasaray Live Hospital Men's Basketball Team and also Odeabank gave its name to the North Tribune of Ali Sami Yen Sports Complex Turk Telekom Arena.

Ünal Aysal, Chairman of Galatasaray Sports Club; Lütfi Arıboğan Chairman of the Executive Board of Galatasaray Sports Club and Hüseyin Özkaya, General Manager of Odeabank participated in the signature ceremony held in Ali Sami Yen Sports Complex Turk Telekom Arena on September 24. Ünal Aysal, Chairman of Galatasaray Sports Club who made a speech in the ceremony stated: "We are happy to cooperate with the young brand Odeabank that has made differences in the sector with a fast introduction. Thanks to our cooperation, I certainly believe that we will together witness many successes of our teams." "We are honored to support Galatasaray Sports Club, one of

the oldest organizations of Turkish sports and the basketball teams who made our country feel the pride of big successes up to present. As one the young players of our sector, we've gained an important partner complying our dynamic structure. This cooperation is based on passion for success" said Hüseyin Özkaya, General Manager of Odeabank.

OCTOBER 2013

Bank'O Card Axxess was Launched

Odeabank that made a fast introduction into Turkish banking sector with tailor-made banking vision has added Bank'O Card Axxess to its privileged services. Bank'O Card Axxess - the new star of Odeabank - was introduced during a press meeting held in Çırağan Palace with participation of Cem Muratoğlu, Assistant General Manager of Odeabank Retail Banking and Mehmet Sindel, Assistant General Manager of Akbank Payment Systems and Corporate Communication Division. With its colorful, dynamic, technological and opportunity-giving structure, Bank'O Card Axxess was introduced to users with the opportunity of Axxess campaigns of more than 250 Akbank-member companies and with strong campaigns during launching period.

NOVEMBER 2013

Odeabank makes a strong impression with international successes

Branch concept and technological investments of Odeabank - the new and innovative player of the sector - continues to win acknowledgements in the international arena. While Odeabank is well away from its competitors in Banking Technology Awards 2013 and International Finance Magazine Awards 2013 in which giants of world banking industry, it has been in the "First 100" best companies of the world of World Finance 100 thanks to its fast development in Turkish banking sector, branch concept and innovative technology.

Odeabank was rewarded with Jury's Special Award in "The Best Usage of Information Technologies in Banking Industry" with "Self-Service Banking" service introduced in the first year and offering a different experience to its customers with its technologies and branches and it was also rewarded with "The Most Innovative Bank" in International Finance Magazine Awards 2013 with its technologies used in all branches and its innovative customer experience.



DECEMBER 2013

Odeabank has been the solution partner of SMEs

Odeabank has signed a credit agreement of USD 75 million in total in order to finance the investment needs of SMEs and to be used within the scope of Global Foreign Trading Financing Program with IFC.

Hüseyin Özkaya, the General Manager of Odeabank, announced the agreement together with Ed Strawderman, Director of IFC Europe and Central Asia Financial Markets and stated by underlining the strong role of SMEs in economy; "SMEs are the vital points of developing countries like our country... This class supported by the state and private sector will be the stepping stone of Turkey in terms of industrialization, production and employment. This agreement in our very first year with IFC - an important organization internationally - reflects the reliance placed on Odeabank." Ed Strawderman, Director of IFC Europe and Central Asia Financial Market Division stated; "One of the most important obstructions in front of the growth of SMEs constituting 80% of total employment in Turkey is the access to financial resources. Thanks to our cooperation with Odeabank, we are happy to support small and medium-scale businesses in Turkey."

Odeabank made a difference with counter-front tablet application

Young player of banking industry Odeabank turns its branches into technological bases. Blazing a trail in Turkey with its "counter-front tablet usage project", Odeabank continues to offer a unique banking experience to its customers.

By overcoming the classical counter perspective and developing open counter concept, Odeabank has recently introduced "counter-front tablet project". Thanks to this innovation, Odeabank customers visiting the branches can learn about bank campaigns while waiting for their operations through Windows 8 based tablets in front of the counters, monitor the operation conducted by counter personnel and also display their receipts. Customers wishing to get their receipts electronically as well as printed will be able to send the receipts to their e-mail addressed registered in the bank database by using the tablet. Lastly, Odeabank customers will be able to rate the quality of service they get from the branch after completing their operations; thus the service quality of Odeabank will be continuously improved with customer feedbacks.

Odeabank welcomed the New Year with the opening of new branch

Odeabank opened its flagship retail branch in Istanbul with a spectacular ceremony in Etiler. Hülya Avşar, the face of the brand; some players of Galatasaray Women's and Men's Basketball Teams sponsored by Odeabank for royalty and uniform and Ünal Aysal, Chairman of Galatasaray Sports Club attended the event which was hosted by Odeabank management under the leadership of General Manager Hüseyin Özkaya.

'Odeabank Etiler Branch' is one of biggest branches of the bank in Istanbul and it also stands out with its modern design. The branch prepared with due diligence from facade to interior decoration and designed to offer a complete and pleasant experience to its customers received the thumbs up from guests.





A NEW TYPE OF BANKING

Making its customers feel its difference right away with its innovative approaches introduced to the sector, Odeabank offers a completely different banking experience with its specially designed branches. Waiting in a line which can be tiresome for the customers, is now becoming more enjoyable with the innovative design ideas and digital monitors.

**SAMIR HANNA**

BANK AUDI GROUP CEO AND ODEABANK
CHAIRMAN OF THE BOARD OF DIRECTORS

CHAIRMAN'S STATEMENT

THROUGH OUR TECHNOLOGICAL
INFRASTRUCTURE, WE MAKE
ODEABANK GROW ON TRUST
WITH OUR 1,105 EMPLOYEES
PASSIONATELY PERFORMING
THEIR JOBS IN OUR BRANCHES
THAT REACHED 37 IN A SHORT
AMOUNT OF TIME.

CHAIRMAN'S STATEMENT

Dear Stakeholders,

Last year was a milestone for us. In November 2012, we started on our journey in Turkish banking and in 2013 we showed significant progress in a short time. Odeabank was Turkey's first new bank to receive an operating license in 15 years and we entered the sector ranked 49th in assets. We are now happy to announce that we have increased the size of our assets to TL 16.1 billion and have risen to the 14th place among the deposit banks in the country. As a result, I am especially proud to address you in our 2013 annual report in which I will share our successful performance.

Over the past decade, 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 through its extensive and widespread network. 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, 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 11 banks and three financial services firms, our Group has achieved great success with its strong risk management approach.

As of year-end 2013, Bank Audi Group's total assets amounted to USD 36.1 billion, with shareholders' equity of USD 2.7 billion, deposits of USD 31.1 billion, loans of USD 14.7 billion and profit for the year totaling USD 305 million.

Launched from scratch with a significant investment from Bank Audi sal-Audi Saradar 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

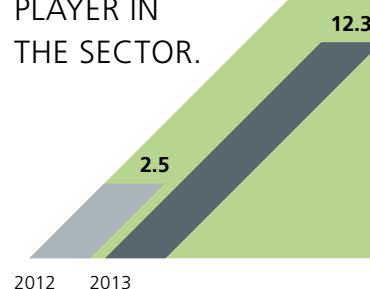
over the Bank's achievements in Turkey. We know that Odeabank's successes are thanks to the efforts of its young, dynamic, ambitious, and results-oriented team, which strives to reach perfection while placing a priority on customer satisfaction. We have great confidence that these achievements will continue in the future.

The solid foundation of Turkey's banking sector, the many opportunities that the favorable demographic profile of the country provides, and an environment characterized by long-term stability, have helped give Odeabank's investments go even further.

A beacon of steady economic growth, Turkey further strengthened its macroeconomic environment in the post-crisis period with progress made in the area of price stability. In the first quarter of 2013, the Turkish economy was the fastest growing, along with China, among the G20 countries which drive the global economy. Turkey's economy is especially important thanks to its relative size and the opportunities it offers within the region. The country's per capita national income is 1.5 times the regional average and the economy's size is equivalent to 1/4 of total of the Middle East and North African economies combined. This situation indicates that while the region's economies will experience a savings surplus, Turkey will have a savings deficit.

Turkey also offers significant opportunities related to its growth potential. According to IMF projections, in the next five years, Turkey is expected to grow faster than the regional average. Turkey's Economic Medium Term Economic Program began to be implemented some 10 years after its Transition to a Strong Economy Program. Increasing exports and investments to drive economic growth in the new program, and to achieve sustainable growth, helps maintain the country's competitive advantages, and to limit the current deficit which is Turkey's weak spot in spite of the progress made on the domestic demand side.

LAUNCHED FROM SCRATCH WITH A SIGNIFICANT INVESTMENT FROM BANK AUDI SAL-AUDI SARADAR GROUP, ODEABANK IS A NEW, FAST-GROWING, AND IMPORTANT PLAYER IN THE SECTOR.



TOTAL DEPOSITS (TL BILLION)

We think that the Turkish economy achieved much of its success thanks to strong public finances and a well-capitalized banking sector as well as progress made in price stability over the last decade. In the coming period, Turkey's economy will stand out with its financial stability in spite of the fluctuations experienced a short time ago. In the first half of 2013, Turkey's leading economic indicators broke records and suggested a rosy future. However, in the second half of the year, TL denominated assets rapidly lost value as the appetite for emerging market risk fell sharply. Still, Turkey's economy managed to achieve 4% growth for 2013. In addition, with the slowdown in Europe drawing to an end toward year's end, the country's current deficit, except gold, decreased. Despite ongoing economic headwinds and the TL rapidly falling in value, we expect that macroeconomic stability will strengthen with moderate growth and that the current account deficit will decelerate in 2014.

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. Having experienced average annual economic growth of 5% over the last decade, the country has a young population of over 77

million and gross domestic product (GDP) in excess of USD 800 billion. Household interest in investment products, in addition to traditional consumer banking offerings, has increased a great deal in recent years while per capita national income has risen 3.6 times over the last decade, and is expected to increase a further 2.5 times in the next 10 years. Given that Turkey has the largest population in the region, the growth rate for the penetration of financial products will result in a host of new opportunities for the Turkish financial services sector.

In 2013, Odeabank proved its reliability 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.

In 2014, in spite of recent market turbulence, we expect that the appetite for risk related to Turkey will rebound in the second half of the year and the economy will grow 3.1 % for the year. We also see double digit growth in the banking sector continuing in the coming period, but with profitability falling due to the recent increased costs of risk. Though by 2015,

this situation will be compensated for by rapidly improving profitability. Due to the Bank's strong shareholders, effective risk management, efficient use of technology, and top notch human resources, we expect Odeabank to continue to outperform the sector's growth.

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. While Odeabank completed its first year of operations in the country, Turkey received net foreign direct investment of USD 8.4 billion dollars during this same period. Meanwhile, our shareholders' investment in Turkey totaled USD 1.1 billion dollars thanks to the Bank's strong performance. This is a direct result of our confidence in Turkey's economy, and in the country's macroeconomic and political stability.

On behalf of our Board of Directors, I sincerely extend thanks to all our staff who have 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*

WE BELIEVE THAT, ODEABANK
WILL IMPROVE EVEN MORE IN
2014 WITH THE SUCCESS IT
ACHIEVED IN 2013 THROUGH
ITS TRANSPARENT CORPORATE
MANAGEMENT POLICIES AND
STRONG RISK MANAGEMENT
APPROACH.



HÜSEYİN ÖZKAYA
GENERAL MANAGER AND BOARD MEMBER

MESSAGE FROM**GENERAL MANAGER**

ACCOMPANYING OUR
CUSTOMERS WITH MANY
PRODUCTS AND SERVICES IN
EVERY BANKING SEGMENT,
WE LEFT A SUCCESSFUL
YEAR BEHIND.

MESSAGE FROM GENERAL MANAGER

As our very first operating year, 2013 represents a special period for us. I am highly pleased to welcome you through our second annual report following such a successful year, where we developed beyond our targets.

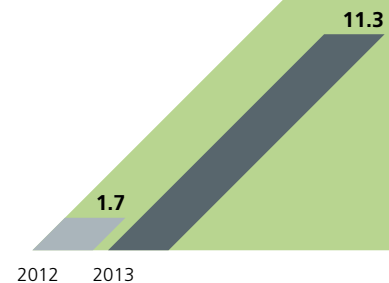
As you may know our Bank was established with the investment of Bank Audi Group, our shareholder, in Turkey. As an organization which was built from scratch with each brick laid through great effort and dedication together with my valuable colleagues, our Bank inspired a different and innovative perspective in its sector. We made a powerful entrance into the sector with the first banking license obtained within the last 15 years in Turkey. This was followed by a fast growth which helped us to climb to the 14th place among deposit banks from the 49th place which we held when we first entered the sector.

As we set out our business, we defined a roadmap through adapting banking to contemporary needs. Our key target was to explain our customers the creative business idea behind our organization and who we were. As Odeabank we focused on "individuals" and their changing lifestyles when defining our vision. Our system is built on the dynamics including the development and wide use of information technologies and internet, and the focus on individuals in all products and services instead of mass production. Our vision which is defined as "personalized banking" clearly demonstrates our service promise and difference. In line with this understanding, we have provided and continue to provide the services needed by our customers in the form they prefer. Our customers can benefit from the banking service they need anywhere and in any form. Our financial figures confirm that we are successful in our path. Thus, I would like to share with you what we have achieved by the end of 2013.

As of the end of 2013, Odeabank's asset size reached TL 16.1 billion, while loans and deposits increased to TL 11.3 billion and TL 12.4 billion, respectively. A net USD 8.4 billion foreign direct investment entered Turkey during this period and our shareholder invested around USD 1.1 billion in our country as result of Odeabank's strong performance. In 2013, we have recruited 1,105 people and reached a network of 37 branches. All these results show 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 resource.

I must also say that the developments taking place in our country during the same period have added value to our activities. Over the years following the 2001 crisis the Turkish banking sector have boosted its capital and achieved sustainable profitability through the reforms introduced. This experience helped us to relatively reduce the impact of the global crisis in 2008 which led to a strong need for regulations in the banking sectors during the last five years. We have had already adopted a robust legal structure to this aim in 2001-2008 period. Hence Turkey positively decoupled itself from the global crisis with the help of its strong banking sector. Predictable markets are one of the most important sources of success for a growing economy; the successful management of the banking sector has given great support to Turkish economy before and after the crisis.

WITH ITS "PERSONALIZED BANKING" VISION, ODEABANK PROVIDES ITS CUSTOMERS WITH THE SERVICES IN LINE WITH THEIR NEEDS.



CREDITS (TL BILLION)

Looking at the general economic picture of Turkey and the world during this period, 2013 was a year that global economy started to recover from the damage caused by the crisis of the century in 2008 and grow. The crisis led to a slowdown in the global growth, increased rates of unemployment and thus resulted in serious socio-economic damage, causing differences in cross-country growth performance. Accordingly, the growth rates in China, the backbone of the global economy for the past 10 years, dropped from 10% to 7%, and as Germany and the UK in Europe achieved growth, the remaining countries in the region still experience recession. The US returned to moderate growth path with the support of the monetary policy increasing the liquidity by four times compared to pre-crisis period. The Federal Reserve has started to taper its asset purchase program as of December and is expected to maintain this trend until it completely exits the program in 3Q 2014. The first rate hike is foreseen in the second half of 2015. The uncertainties in the financial markets due to the impacts of this transition in the US money policy pose risks for the future periods. Looking ahead, we expect that worst may overcome starting from the beginning of the second half of 2014 and further deterioration in risk premiums is projected to remain limited. Under this circumstance, uncertainties and

challenges regarding emerging countries' financial assets is estimated to reverse back in the second half of 2014 contrary to the same period previous year. As much as the first half of 2013 was positive in terms of the financial indicators in Turkish economy, the second half was equally negative with the sharp worsening in the risk appetite towards developing countries. Within this framework, even though short term uncertainties make it difficult to predict, we still project that the risk premiums will improve in the second half of 2014. Accordingly, despite fluctuations in the market from time to time, I would like to once again emphasize that Turkey has a growth story in the mid-term. According to the estimations of IMF, Turkey ranks 9th among 188 countries expected to increase their GDP per capita most within the next five years. During this period Turkey is expected to increase its nominal GDP the most among economies with volume over USD 300 billion.

Turkish economy grew almost by 4.0% in 2013, and we estimate a 3.1% growth due to the strict financial conditions in 2014. In addition, 2014 can be recorded in the history of Turkish economy as the first year where domestic demand and foreign demand contribute positively to the growth. With the impact of the macro prudential regulation, 2014 will be the

most challenging period for the banking sector in the last ten years. Those with strong capital or with opportunity to attract new capital will be more relieved in overcoming these challenges. We expect the credit growth to be slower compared to 2013 at around 18.5%, and the deposit growth to decrease to 13% in 2014.

We, as Odeabank, demonstrated our difference in the sector thanks to our roadmap developed considering all these conditions and modern technological infrastructure. We established a superior technological infrastructure in line with modern requirement of our era called the Information Age, which offers very easy access to information. Our product portfolio is also expanded to meet the needs through innovation aligned with our vision. First of all, we delivered a first of its kind structure in the Turkish banking sector in April 2013, establishing the Fund Distribution Channel. We analyzed over 400 investment funds currently managed in Turkey against 20 criteria and signed agreements with İş Portföy, Ak Portföy, Finans Portföy, Yapı Kredi Portföy and TEB Portföy to sell the funds we assessed. The fund basket created with this model offers our customers to select funds of prominent investment companies from a single channel. Moreover, we update the funds listed in line with our investment strategies and market estimates.

WE STARTED OUR JOURNEY
WITH THE AIM OF CARRYING
THE BANKING SYSTEM OF
THE FUTURE TO THE PRESENT.
AS ODEABANK, WITH THE
INVESTMENTS WE MAKE IN
TECHNOLOGY WE OFFER A VERY
DIFFERENT EXPERIENCE TO OUR
CUSTOMERS.

MESSAGE FROM GENERAL MANAGER

The growth target of our Bank in Retail Loans is very crucial in terms of “customer acquisition and rendering banking services”. In 2013 we launched all platforms developed to address the daily needs of customers such as credit cards, debit cards, consumer loans, credit deposit accounts. We engaged thousands of customers with products launched in the last quarter, including The “Bank’O Card Axxess” and consumer loan “Nakit Hazır”. Bank’O Card Axxess gives more than what a credit card is required to offer. Our aim is to reach the right customer and to ensure being a controlled part of their consumption habits rather than their spending. In 2014 we target to maintain increasingly this impetus that we attained during the last quarter of the year.

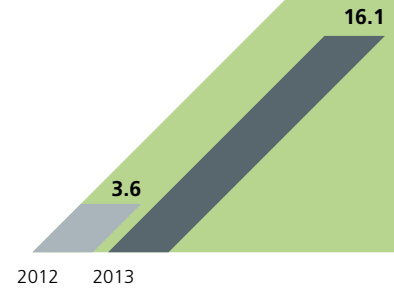
We signed contracts with various chain stores in order to provide our customers with our differentiated service. One example to this is Vatan Bilgisayar. We opened branches inside Topkapı and Bostancı, Ankara Söğütözü, İzmir Bornova, Bursa Nilüfer and Adana stores of Vatan Bilgisayar. Our customers who want to purchase a product in these stores can use a bank loan within minutes, without using their credit cards. Furthermore, the document collection procedure is eliminated.

In addition to these, we increased the amount of projects with prominent construction companies in the sector, in order to strengthen our popularity in the housing sector and to improve customer acquisition. As a competitive player in the market, we have started extending housing loans to our customers through agreements signed over 30 companies. We grew an important portion of our portfolio with the volume gained from the housing loans. The growth in the number of our branches is very important in terms of reaching more customers when marketing individual products.

Recently we have stepped into SME banking business. We, in this manner, have entered into an agreement with the International Finance Corporation (IFC) amounting USD 75 million in total. While we will be financing the investment needs of SMEs in particular, we will extend USD 25 million of the said loans for the trade finance transactions within the scope of the Global Trade Finance Program. The significance of SMEs in developing economies like our country is indisputable. Here, we will provide a complete solution, in which segment customers can cover all their financing requirements besides having the opportunity of receiving consultancy service. In this sense; you will hear the name Odeabank more frequently in SME segment during 2014. We will provide “specialized” services to the sectors and sizes of SMEs. We aim for an increase in the share of SME loans within our loans.

In terms of Commercial Banking; we signed a giant loan agreement with Kavanlar İnşaat, one of the strong names in construction sector, for “Symbol Kocaeli” which is one of the biggest mixed complex of Kocaeli, one of the most important trade centers in Marmara Region, and we provided 105 million USD project financing. We announced this agreement to the public through a press conference we organized. Furthermore; we established long-term loan relationships with many commercial companies for financing, investment loans, credit facilities for commitment projects, re-financing in high-cost projects in various sectors.

THE GROWTH TARGET OF OUR BANK IN RETAIL LOANS IS VERY CRUCIAL IN TERMS OF “CUSTOMER ACQUISITION AND RENDERING BANKING SERVICES”.



ASSET SIZE (TL BILLION)

In our Corporate Banking segment; we supported one of the most important merger and purchasing transactions of the year 2013 by providing the necessary funding for Kamil Koç, one of the most deep-rooted companies of Turkey, to be purchased by Actera. Moreover; within the framework of our vision to be an active bank in energy projects, we provided 40 million USD to 15MW geothermal power plant project of Enerjeo Enerji.

The superior performance we showed as a consequence of the works we carried out was also appreciated in international field. Initially; we were deemed worthy of the awards entitled "The Most Innovative Bank of Turkey" and "The Best New Bank of Turkey" by Global Banking and Finance Review, one of the leading economy publications of the world. Then we won the Jury Special Award in Banking Technology Awards 2013, where the greatest banks of the world competed against one another, and the Most Innovative Bank Award in International Finance Magazine Awards 2013. Furthermore; we have been included in "the first 100 companies", in which World Finance 100 selected the bests of the world.

Esteemed Stakeholders;
As Odeabank, we want to provide superior service quality in all segments of banking. Since our establishment, our medium-term aim is to be in the giant's league by 2017. What we have accomplished in a short period of one year constitutes an indicator for the fact that we can reach our 2017 target. Our aim is to boost the economy with more resources.

In 2014 we will continue our branching activities and grow swiftly thanks to the power fueled by our shareholder as well as our efficient and qualified human resource and our technological infrastructure.

We aim at opening new branches and recruiting more employees this year. Within this conjuncture; we excitedly structured our service processes with an understanding through which each of our customers will feel special, in the structure, where we were focused on providing a fast, productive service in such a way our customer can gain maximum benefit in all segments of banking. I am fully confident that we will continue to create platforms where we can establish long-term, trust based relations with our customers thanks to the importance we place both on human resources and technology combined with the diversified product range.

Consequently, we have successfully closed our very first operating year in every aspect. The factors such as the capital structure, power of the shareholder, team and human quality play the leading role in a bank's achievement. As Odeabank, our greatest advantage is that we have a young, dynamic, ambitious, success-driven team in addition to the power and support of our shareholder. We are quite glad and proud due to the fact that we exceeded our targets in the end of our first activity year.

By this means, I would like to express my sincere thanks to our dynamic team, which carries out its business rather than considering banking only as a job, our shareholder, who have always been with us through their support, and most importantly, to our valuable customers who trust us and increase our power fuels us with more power. May next year bring health, happiness and success for everybody.

Hüseyin Özkaya

General Manager and Board Member

IN 2014 WE WILL CONTINUE
OUR BRANCHING ACTIVITIES
AND GROW SWIFTLY THANKS
TO THE POWER FUELED
BY OUR SHAREHOLDER AS
WELL AS OUR EFFICIENT AND
QUALIFIED HUMAN RESOURCE
AND OUR TECHNOLOGICAL
INFRASTRUCTURE.



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Odeabank'a hos geldiniz

Odeab

A TEAM THAT CREATES DIFFERENCE

Bringing together a specialized and experienced team of experts who have big goals, Odeabank continues to progress consistently. Odeabank creates difference in the sector with its 1.105 employees passionately carrying out their jobs in its branches that reached 37 in a short amount of time.

BANKING SECTOR AND ODEABANK IN 2013

As much as the first half of 2013 was positive in terms of the financial indicators in Turkish economy, the second half was that much negative with the sharp worsening in the risk appetite regarding developing countries. The benchmark bond rate declined to a record low level of 4.8% in May after reaching investment grade credit rating for the second time, while it doubled to 10.1% at the end of the year. Normalization signals in Federal Reserve's monetary policy since May 2013 increased risk aversion towards developing countries, and due to domestic political developments Turkish assets negatively decoupled at the end of the year. From this perspective, the first half of 2014 seems to be one of the most challenging periods after 2008 global crisis especially for the banking sector.

From the macroeconomic perspective, the inflation rate exceeded the inflation target uncertainty band for the second time in last five years at 7.4% at the end of 2013, indicating the need for more effort regarding price stability. Despite this relatively high inflation rate and increasing interest rates, we estimate a growth of around 4.0% in Turkish economy with high contribution of public expenditures. This is especially important in terms of showing the growth story of Turkey. Even though record gold imports worsened the headline figures, we see a more positive picture for the medium term with the new economic program that focuses on increasing the share of exports in gross domestic product and expectations of an end to the economic recession in Eurozone. In 2013, exports reached USD 151.9 billion with a drop of 0.4% and imports reached USD 251.7 billion with an increase of 6.4% compared to previous year, and foreign trade deficit was around USD 99.8 billion with an expansion of 18.7%. USD 11.8 billion of this deficit in 2013 was due to record-breaking net gold imports. More importantly excluding gold, exports increased by 6.9% and import

increased 3.4% in 2013. Turkish economy strengthened its exports potential with a wider product range and more diverse export market network in the recent years, and continued improving export outlook also in 2013 in spite of all the challenges.

In the following period, it is critical for exports to Middle East to continue while Eurozone economy recovers. The way to achieve this is to understand the demand from Middle East with local expertise and to establish healthy commercial relations. Right at this point, we take an important social responsibility with the power we get from our shareholder to strengthen ties of Turkish exporters with Middle East and North Africa. As the first bank to be established from scratch in Turkey after fifteen years, Odeabank worked hard to offer distinguished service to its customers in the past fourteen months. As a result of the appreciation of this hard work by our customers, we managed to initiate a change in the sector by climbing to 14th rank within deposit banks spot in a short amount of time. We plan to take this success even further in 2014 with our powerful shareholder, effective risk management, value-added technological infrastructure and qualified human resources.

We believe that Turkish economy, which differentiated itself positively by strengthening its public finance and banking sector balance sheet in the last decade, will continue to do so with the discipline it has established and will also be able to differentiate itself in terms of financial stability in the this decade despite all the serious challenges recently faced. Within this framework, despite short term uncertainties, we expect risk premiums to improve in the second half of 2014. In line with this, we plan to continue growing rapidly with our strong shareholder, effective technology use and high quality human resources despite the challenges.

In 2013, loans of banking sector reached TL 1.07 trillion with an increase of 32% and the deposits reached TL 1 trillion with an increase of 23%. As Odeabank, our asset size reached TL 16.1 billion, loans reached TL 11.3 billion and deposits reached TL 12.4 billion at the end of 2013. While Turkey received USD 8.4 billion of foreign direct investment in 2013, our investor invested approximately USD 1.1 billion of that sum through Odeabank. As of the end of 2013, we have 37 branches and 1,105 employees. All these results indicate that we made our difference felt in the banking sector with our service model that is built around well-thought-of-processes, technological infrastructure and qualified, experienced human resources. With the impact of macro-prudential policies, we expect the credit growth to be slower compared to 2013 and around 18.5%, and the deposit increase rate to decrease to 13% in 2014. Odeabank, we want to grow more than the sector in 2014 as in 2013 and support both households and real sector more.

Year 2013 had been a year that we moved with firm steps towards our goal of "being in the giants' league in 2017". Success that we achieved only in 14 months indicates that we can easily achieve our goal with the opportunities that the Turkish economy provides despite all the challenges. We believe that our achievements will be a guide for other investors who are considering to acquire a permit to establish a bank in Turkey from scratch to understand the opportunities of Turkey offers.

CORPORATE BANKING

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, Izmir 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 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 60 branch employees and an overall staff of 69 professionals since it was founded in October 2012, the Bank reached TL 3.9 billion of corporate deposits and TL 4.9 billion of cash loans as of year-end 2013.

2014 GOALS

In 2014 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.

ODEABANK CORPORATE BANKING
ASPIRES FOR A DIVERSIFIED
LOAN PORTFOLIO FOCUSING
ON REAL ESTATE DEVELOPMENT
AND INVESTMENT WHILE ALSO
ENCOMPASSING CONSTRUCTION
AND CONTRACTING, IRON AND
STEEL, ENERGY, TELECOM AND
RETAIL INDUSTRIES.

COMMERCIAL BANKING

Odeabank Commercial Banking, which serves all legal entity customer segments with an annual turnover of up to US\$ 75 million, experienced rapid acceleration in growth in 2013 soon after its establishment in 2012. The Department raised its loan volume from TL 800 million at the beginning of 2013 to more than TL 5 billion by year-end 2013, and its deposits from TL 325 million to above TL 1.6 billion. As of the end of 2013, Odeabank Commercial Banking serves its nearly 5,000 clients in 20 locations; seven Commercial Centers in Istanbul (3), Ankara, Izmir, Bursa and Adana as well as 13 branches.

FAST AND EFFICIENT BUSINESS CONDUCT

Putting together its product lineup so as to meet all financial needs of customers, Odeabank Commercial Banking established a sound position in the sector within just one year owing to its fast and efficient business conduct as well as an approach centered round customer experience and needs. The Department was especially successful in serving the financial needs of its clients through its fast and customer-oriented approach. As an outcome of Odeabank's personalized banking

approach, company needs are assessed specifically for each firm based on the unique circumstances of the firm and the Bank tries to fulfill the request within the time frame the firm needs the financing through fast lending processes. As part of this effort, customer relationships are built upon a strong foundation from day one.

Fulfilling the needs of its clients with the full array of commercial loan products, foreign trade finance, cash management, and differentiated treasury products, Odeabank Commercial Banking funded many important refinancing, project financing and investment loan deals in the sector through its specialized and dynamic staff and its innovative approach. In particular, the broad presence of Bank Audi in the Middle East Region serves as a major benefit for clients that have commercial ties with this region.

Beginning to undertake efforts in the SME banking* segment as well in 2013, Odeabank made major strides in this field. One such step is a US\$ 50 million cash facility the Bank secured from the IFC to finance the investment needs of SMEs.

2014 GOALS

Aiming to continue growing its loan book and deposit base and to serve through more branches as of year-end 2014, Odeabank Commercial Banking is also targeting rapid growth particularly in the number of SME segment customers in accordance with these goals. As part of its SME Banking efforts, the Bank will offer "specialized" services to SMEs based on their own specific dynamics.

Capitalizing on Bank Audi's extensive correspondent banking network and relationships in many countries in the Middle East and North Africa Region, Odeabank Commercial Banking will also continue to support the trade and investment transactions of its clients in this region. Special services are being planned at the Head Office level for this specific purpose.

(*) The definition of SME Banking expresses the Bank's own definition of SME, including the internal bank limits.

RETAIL BANKING

Launching its operations with an approach of investing in the best in banking and valuing the life and time of each customer, Odeabank opened its first branch on November 1, 2012. The Bank made a successful foray into the Retail Banking segment with the vision, "Not Everyone's Bank but Yours".

Thanks to its dynamic and experienced staff growing with each passing day, Odeabank Retail Banking reached 160 employees and 29 branches in 2013. Setting its 2013 goal as expanding its customer base through superior services and an extensive product lineup and laying the groundwork for long-lasting relationships with customers, Odeabank gathered major momentum in customer acquisitions in the face of fierce competition despite its recent entry into the sector. The Bank reached nearly 110 thousand customers and TL 6.6 billion of retail deposits owing to its innovative and solution-oriented strategy.

Odeabank Retail Banking operates through three main business lines: Wealth Management, Debit and Credit Cards, Consumer Loans.

WEALTH MANAGEMENT

Wealth Management is comprised of products and services geared to protecting and growing savings. Savings are invested in fixed income instruments such as deposits and bonds/eurobonds, mutual funds, equities, and alternative investment vehicles such as derivative products, taking into consideration customers' expectations of risk and return.

Aspiring to make a difference in asset management and to be the first bank that comes to mind in "investment", Odeabank aimed to assist its customers in channeling their savings and investments of any size with a professional approach at international standards and built the infrastructure for this task throughout 2013.

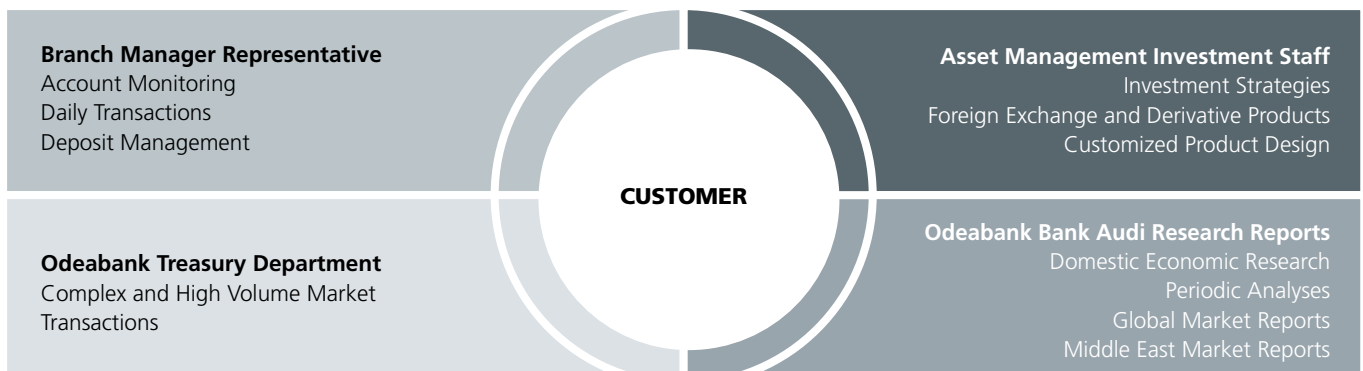
Wealth Management approach comprises five core elements:

- Getting to know the client well,
- Protecting the customer from risks based on the customer's own definition and measure of risk,
- Offering the most diverse and innovative investment opportunities in the market,

- Managing the process via an experienced and professional team with investment certification,
- Creating an investment strategy within a planned process independent of fluctuations.

Odeabank's Wealth Management relationship begins with the customer representatives at the branches; encompasses the Wealth Management, Treasury and Economic Research & Strategy Departments at the Head Office level; and is conducted with the goal of rendering a high-quality service by way of one-on-one transactions and rich market reports. These teams are managed by professionals with 12-23 years of banking experience; more than 50% of the staff in some of these units holds postgraduate degrees and Capital Markets Board certifications. Odeabank's wealth management pools together experience from 15 domestic and foreign banks. In short, the Bank offers unprecedented qualifications in asset management within its industry.

ODEABANK ASSET MANAGEMENT ORGANIZATION



RETAIL BANKING

Odeabank's WealthManagement services differentiated along these axes reached 8,000 term deposit and investment clients, TL 6.6 billion of retail deposits, and TL 7.8 billion in retail investment trading volume as of year-end 2013.

Multi-fund platform

As part of its innovative approach Odeabank broke another new ground in 2013 by creating a multi-fund platform where it offers 11 funds from Turkey's five leading asset management companies (AkPortföy, Finans Portföy, İşPortföy, TEB Portföy and YK Portföy) to its customers through a single channel.

With the same customer-oriented and innovative approach, the Bank aims to offer access to and trading of a wide variety of mutual funds from a larger number of companies through all alternative distribution channels in 2014. Odeabank is also working on unveiling a digital platform where investors can follow economic developments closely. In addition, the Bank aims to enrich its product lineup with such deposit products as gold accounts, long term savings accounts, and daily savings accounts to address diverse customer needs and expectations. Odeabank also plans to launch the requisite infrastructure and services for customers who want to trade equities in domestic and overseas markets in 2014.

INSURANCE AND PRIVATE PENSION

In accordance with its mission of being a one-stop-shop for all needs of its clients, Odeabank ventured into bancassurance as part of the cooperation with AvivaSA Emeklilik ve Hayat A.Ş., AXA Sigorta A.Ş. and MetLife Emeklilik ve Hayat A.Ş.

Completing the systems infrastructure work in non-life and life insurance branches, Odeabank began offering the most effective and expeditious solutions to its customers through the branch channel. The Bank also added new products to its portfolio as part of its product development efforts.

Odeabank also stands by its customers via the private pension plan that was developed to assist them in attaining the retirement of their dreams in accordance with their savings targets. As part of its technology- and customer-centered approach, the Bank aims to roll out products that the customers can access through all distribution channels in 2014.

Debit and Credit Cards

In accordance with the "unique solutions for different needs" approach with a focus on innovative service concept and use of advanced technology, two new credit cards were unveiled this year: the no-fee Bank'O Card, and the Bank'O Card Axess that was launched as part of the Axess loyalty platform.

The Bank'O Card credit card, which was launched in June and has no annual fee, was met with great interest thanks to the surprise installment, deferral and discount campaigns, 'Bank'O Service' assistance and concierge service opportunities, and convenient cash solutions.

Odeabank launched the Bank'O Card Axess credit card that combines the innovative world of Bank'O Card, difference-making product features and campaigns with the great brand power of Axess. Bringing a breath of fresh air into the credit card market with the campaigns conducted throughout the launch period, the Bank'O Card Axess was designed to address shopping and cash needs instantaneously, offer convenient solutions for customers at every point, and ensuring highest level of customer satisfaction and loyalty.

Enjoyable and secure card use

The Bank'O Card Axess credit cards made a flashy entrance into the credit cards market with features such as installment offerings at more than 250 thousand Axess member businesses and chip-point earning reward system; assertive marketing communications; campaigns diversity; and a unique product/service approach.

With its perspective of supporting prudent use of credit cards, Odeabank aims to make using credit cards a much more enjoyable and secure experience through such applications as the spending warning and limit monitoring system that encourages responsible shopping and the secure credit card use platform. In addition, the Bank looks out for the interest of the consumers by setting credit limits commensurate with monthly spending and payment performance of customers applying for a credit card.

As it has done in 2013, Odeabank intends to follow customer needs very closely and apply the most advanced customer management methods in accordance with its "personalized banking approach" in the years ahead. In this regard, the goal is to reach the right customer and to be a prudent part of their consumption habits.

Debit cards issued in customer name

Another product in the Odeabank family of debit and credit cards is the Bank'O Debit Cards. In the last quarter of 2012, as accounts were being opened, these cards were handed to customers right away at the branch so that they could access their accounts instantaneously. As of the first quarter of 2013, customers are able to use their debit cards bearing the Mastercard logo issued in their name to access their Odeabank accounts, withdraw cash from all ATMs in Turkey and abroad, and pay with the debit card instead of cash to shop.

The Debit and Credit Cards Department will initiate Customer Relationship Management (CRM), loyalty and commitment management programs. The Department will also implement the Customer Experience Management (CEM) using its perceptions of customer feedback from outside and through complaint management. As a result, the Department will implement the principle of serving the right customer with the right product through the right channel in accordance with the "customer first" objective.

CONSUMER LOANS

Odeabank continued to stand by the consumers in 2013 with its innovative and high-quality service approach and expanding product lineup. The Bank solidified its market position by offering products for every need of consumers including low-interest, low-fee and no-fee general-purpose loans; ready-cash fast loan; Overdraft Account available on a 24/7 basis for emergency needs; a rich array of mortgage products; and car loans.

Key to credit

In addition to expanding its branch network, Odeabank will also be a pioneer in taking service to the customer's door in 2014. Aiming to be the "key to credit" in the customer's pocket, the Bank will continue to offer products that are available to the clients instantaneously when they need it, without the burden of visiting a branch. Activating the instant response mechanism in response to a loan application by a customer, Odeabank will convey the loan amount and the number of monthly payments it can offer. The Bank will focus on a customer-oriented service approach via convenient and flexible payment plans.

Odeabank also began to put together a high-quality Car Loan portfolio by providing the superior service of its specialist branch staff in the vehicle purchases of its customers. The Bank will continue to offer customized payment plans and attractive payment terms and conditions for the new and used vehicle purchases of its customers in 2014.

Offering long maturity and low monthly payment options for home loans as well as all other consumer loans, Odeabank drafts the most suitable payment plans for customer budgets. Making a strong entrance into the residential mortgage market in 2013, the Bank financed its customers' home purchases that are in development/construction stage through special agreements with 45 residential projects. In addition, Odeabank offered the most convenient payment plans for existing home purchases and continued to grow its home loan portfolio strategically. Mortgage applications can also be submitted through the Odeabank website, which makes available the information, calculators and product offerings that customers need in their home purchases.

Proving that it will be a major player in the sector in 2013, Odeabank aims to enrich the world of consumer loans with business partners and to grow its client portfolio and loan book profitably in 2014.

LAUNCHING ITS OPERATIONS
WITH AN APPROACH OF
INVESTING IN THE BEST IN
BANKING AND VALUING THE LIFE
AND TIME OF EACH CUSTOMER,
ODEABANK OPENED ITS FIRST
BRANCH ON NOVEMBER 1, 2012.

DIRECT BANKING

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 2013 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.

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, Odeabank Internet Banking was enhanced with Bank'O Card Credit Card applications and transactions, loan applications, loan payments, login with mobile signature, bill and tax payments, bond-bill and mutual fund transactions. Complimentary anti-virus protection was also put in place for the security of the Bank's clients. Usage of Odeabank Internet Banking is growing rapidly alongside new customer acquisitions. Number of unique customers logging into internet banking neared 10,000 in December 2013. More than 70,000 financial transactions worth TL 1.6 billion were conducted in 2013.

8.2 MILLION PAGE VIEWS

The Odeabank website, where customers and potential customers can reach detailed information on the Bank's products as well as calculation tools such as loan interest rates, had 8.2 million page views in 2013. The m.odeabank.com.tr site for mobile devices; website in the English language; loan and credit card application; mortgage survey and contact request; currency converter; and the REIDIN residential real estate indices report were added to the website in 2013.

Customers can quickly and conveniently access their Bank information with any mobile phone through the mobile banking application that can be reached at m.odeabank.com.tr. This system that was launched in 2013 allows clients to login to this app using their Internet Banking username and password and conveniently perform their elementary banking transactions such as EFT, card transactions, and viewing account activity.

444 8 444 CONTACT CENTER

Available on a 24/7 basis and can be reached via video call through kiosks located at the branches as well as through a tablet PC app, the 444 8 444 Contact Center was enriched with the addition of card transactions, loan and credit card applications, bond-bill and mutual fund transactions, bill and tax payments correspondingly with the expansion of the Bank's products and services in 2013. All of the Contact Center employees offer service both in Turkish and in English at identical quality standards on a single line.

ODEABANK ATMS AND SELF-SERVICE BANKING

Rolling out its first ATMs in October 2012, Odeabank expanded its ATM network to 46 ATMs as of year-end 2013. 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.

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, teller queue tablet PC application was launched at the branches in 2013. 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.

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 2013 Odeabank has 17,000 followers on Facebook, 1,000 on Twitter and 3,100 on LinkedIn.

BUSINESS SOLUTIONS

In 2013 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.

140 MAJOR PROJECTS

The Business Solutions Unit undertook the efforts to establish the technology infrastructure suitable for Odeabank's objectives and needs and to complete the certification processes; the Unit implemented 140 projects during this period. The projects carried out during the first year following the Bank's establishment phase are as follows:

- The Credit Card System commenced service and the brand sharing project was finalized after the completion of the MasterCard, Visa and BKM (Interbank Card Center) certifications. During this period, member business infrastructure was established and MasterCard, Visa and

BKM certifications were completed.

- The first phase of the "Tablet Teller" app was implemented in order to support the open teller practice within the branch concept, to provide more detailed information to customers regarding teller transactions, and to present potential opportunities to customers.
- In an effort to support the Bank's strategic business goals, 20 new applications were developed on the Business Intelligence Applications and the analyzable inventory was enriched.
- In recognition of the projects it has implemented in this field, Odeabank Business Intelligence was deemed worthy of the "Best Self-Service Business Intelligence Application in 2013 – Finance Sector" Award at the IDC Best Big Data and Business Analytics Project Awards on November 21, 2013.
- Infrastructure was developed and commenced operation to disburse the approved loans, applications for which were received through Direct Banking channels, via the store, direct sales, branch or courier delivery channels based on customer preference.
- Corporate resource planning and real estate appraisal systems were rolled out and these applications were integrated with the core banking system.
- The first phase of the automation work regarding the evaluation of consumer loan and credit card applications was completed and commenced operation.

2014 GOALS

In 2014 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. The design of the Bank's ATM, Internet Banking, Mobile Banking and Contact Center applications will be completely overhauled in order to provide Odeabank clients with the identical customer experience at every channel they obtain service.

The solutions that were developed to give customers access particularly to credit card and consumer finance instruments through the Bank's branches and direct sales channels as well as other Banks' ATM networks and especially PTT (Turkish Postal Service) branches to conduct their transactions will be unveiled. Within this scope, the "Odea On-Line" application where home mortgage and car loan applications can be made through car dealerships and real estate and residential project offices will commence service.

The efforts carried out in 2013 for an evaluation of the loan customer portfolio, at the application stage and routinely, will be continued in 2014 with the implementation of new phases. The product portfolio will be expanded with new loan and deposit product offerings for retail, commercial and small business segment customers.

THE BUSINESS SOLUTIONS UNIT
UNDERTOOK THE EFFORTS TO
ESTABLISH THE TECHNOLOGY
INFRASTRUCTURE SUITABLE
FOR ODEABANK'S OBJECTIVES
AND NEEDS AND TO COMPLETE
THE CERTIFICATION PROCESSES;
THE UNIT IMPLEMENTED 140
PROJECTS DURING THIS PERIOD.

TRANSACTION BANKING

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, Transaction Banking activities take on a very prominent role for successfully sustaining customer-oriented banking and creating client-based sources of income.

In the Transaction Banking segment in 2013, 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 Transaction 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 Transaction Banking aims to implement alternative financing solutions encompassing the entire supply chain with an innovative perspective and to offer innovative products, superior service and flexible solutions as part of this effort.

PAYMENT MANAGEMENT SERVICES

In 2013 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.

COLLECTION MANAGEMENT SERVICES

Odeabank focused on projects regarding the Direct Debiting System (DDS) that is intended to facilitate financial flow by mediating the collection system between the producer-main company and the distributor-dealer as well as the Card Collection Systems and launched these products.

COMPANY AND BILL COLLECTIONS

Odeabank launched tax and SGK (Social Security Institution) collection services in 2013. Finalizing the agreements and efforts so as to serve through all channels, the Bank began mediating collections for a total of 20 companies. Odeabank ATMs began accepting bill payments, allowing customers to pay their bills without entering an order.

CORPORATE NOTIFICATION SERVICES

The account statement and settlement service, designed to allow monitoring of all banking services regarding domestic and overseas transactions in real time, was unveiled. In 2013 the Bank attempted to generate conveniences for the users by providing products and services through the Internet Banking channel to corporate and commercial clients.

Odeabank Transaction Banking, the main operating goal of which is to increase the transaction volume in elementary banking products and to create demand deposit and commission income for the Bank, will closely monitor innovative developments in 2014 and strive to enrich the products and channels through which Odeabank serves its customers. As part of this effort, in addition to the Direct Debiting System, the Unit plans to launch the Supplier and Inventory Financing products geared toward trade financing as well as offering solutions and products for the needs of all stakeholders within the value chain, such as dealers, distributors, suppliers and employees in addition to the customers.

PAYMENT MANAGEMENT THAT COMBINES TRENDS WITH LOCAL NEEDS

In 2014 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. Within this scope, new and simple payment systems and channels that combine global trends with local needs, such as SWIFTNET Fileact, will be rolled out for the customers.

Odeabank Transaction Banking will continue to improve and expand its Internet Banking services for corporate and commercial clients in 2014. The Unit will strive to sustain the growth in commission income and cost-free resources from demand deposits by launching new products and services as well as deeper penetration of existing products and services.

TECHNOLOGY FOR CUSTOMERS AND EMPLOYEES

Odeabank deploys advanced technologies that will enhance the speed and quality of service in every sphere of life in an effort to maximize customer and employee satisfaction.

New technology applications unveiled as part of the “everything is at your fingertips” approach within Odeabank in 2013 are as follows:

- On Odeaport, the homepage of all employees;
 1. Instant notification structure with a pop-up window in necessary situations
 2. Automation of Visitor and Shift Notice Form
 3. Transition to a digital system for vacation and payroll, performance system
 4. Operational Risk Notice Form that digitalizes operational risk notifications
- 5. Ordering business cards through the system
- 6. Purchasing structure to digitalize purchasing, delivery notices, billing, expense notification
- 7. Instantaneous access to personal information and phone number by entering an employee name in the search box, capability to call somebody from the computer
- 8. Risk and Regulation Bulletins structure
- 9. Odea Support structure for employees to ask questions, submit their problems and transmit new requests regarding themselves
- Teller queue tablet PC application for 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 ORDER TO CARRY THE CUSTOMER AND EMPLOYEE SATISFACTION TO THE BEST LEVEL, ODEABANK ARRANGES THE ADVANCED TECHNOLOGIES THAT WILL INCREASE SPEED AND SERVICE QUALITY IN EVERY POINT OF LIFE.

INFORMATION TECHNOLOGIES

Information Technologies Department is responsible for the Bank's system, communication, security and software infrastructure as well as 24/7 error-free, fast, auditable, scalable and instantly observable operation of the integrated banking application that runs on the infrastructure. The Department carried out the following projects:

- Capacities of server, disk and backup units were reassessed and increased in response to projects and demands submitted by business solutions, direct banking and information security departments due to their business requirements following the establishment stage of the Bank.
- Choice, installation and maintenance and support, to ensure up-to-date status, of the communication network and security elements of the Main Banking Platform and all Third Party software were carried out.
- Virtual and physical server farm grew from 300-strong to more than 400-strong and all security patches are managed with periodic updates.
- The largest chosen link capacities were maintained and continued to be implemented in all branches that were inaugurated in 2013.
- All standards that were chosen when the Bank was being founded were maintained and all new environments and infrastructures were migrated into production environment under these standards.
- Business continuity test was performed successfully with the information security department.
- Treasury was migrated to a real-time-monitored universal product generation environment as a front office sales and risk platform and the work for the second phase was initiated.
- Software that instantaneously monitors the evaluation of risks and advantages experienced while making loans to customers was installed and adaptation efforts are still ongoing.
- Access security level was improved by implementing double-layer identification check software programs for remote access systems. Off-Site ATM and kiosk network infrastructures were developed and commenced operation. Network and application performance monitoring systems were implemented.
- Branches, in-store branches, DSF (Direct Sales Force) offices and transitional offices equipped with high-speed fiber optic infrastructure were opened in nearly 40 locations during 2013.

- Infrastructure allowing branch and head office users to record conversations over their phone lines under their preferred conditions was installed and commenced service.
- UAT coordination was performed for 70 small and medium size development and project demands in 2013.

2014 GOALS

The Information Technologies Department intends to carry out the following projects in 2014:

- Adaptation work on the other components of the existing security and network administration products will be initiated; instantaneous point-to-point control and intervention is planned.
- The Department plans to focus more sharply on virtualization and transition to a more dynamic and manageable infrastructure where resources are used more effectively.
- The Department plans to procure proactive service solutions in data centers.

TREASURY AND CAPITAL MARKETS

The Treasury and Capital Markets Group is 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.

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 / or interest rate risks. 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.

Rich product range

Following the establishment, the Treasury and Capital Markets Unit of Odeabank has started to provide services with a rich and diversified product range. By connecting to the interbank and organized markets, relations with banks were initiated and liquidity raising operations were realized. A temporary infrastructure has been set up to monitor all positions and risks related to the Unit and for daily reporting. The tests of "Murex", the leader in treasury systems specializing in the area of competitive pricing, have been successfully completed and its installation and the integration process to the banking system have been planned. The Treasury Sales Team visits customers in the corporate, commercial and retail business lines and a range of available products have been introduced and necessary operations have been carried out to offer a complete range of treasury products to customers, just as in the case of the other banking products.

In addition, the necessary training has been provided to introduce treasury products to all the business lines of the Bank; and apart from the customers that the Unit makes direct transactions with, the pricing of treasury products has been done through branches and channels.

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

In order to provide advantageous pricing to all business lines and distinguished customers in the realm of treasury products, international markets have been continuously monitored and buying - selling transactions have been carried out for profit-making. By providing updated market information to customers and business lines, new products and solutions have been developed and priced in line with customers' needs.

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

As part of the Bank's relationships with financial institutions following the commencement of Odeabank's operations, the Financial Institutions and Funding Department met with nearly 250 banks in 11 countries outside of Turkey to promote the Bank as part of its marketing activities and established correspondent banking relationships with a total of 277 banks.

The Department leveraged the strong banking network of Bank Audi encompassing 13 countries while focusing on relationships with international banks in order to fulfill the foreign trade finance, treasury, payment and other needs of clients in the most effective manner.

Nostro accounts were established in 11 different currencies at 12 reputable banks to be used for foreign currency transfers and all payment transactions of the customers and the Bank.

As part of its efforts to obtain resources for the Bank, the Department obtained a total of USD 450 million in funding from 20 distinct banks in 2013.

In addition to the international banks it is already doing business with, the Department will strive to add more banks to its correspondent portfolio as part of its marketing activities in 2014. In addition, Odeabank Financial Institutions and Funding will carry out the necessary efforts to provide funding denominated in foreign currencies at varying maturities.

FOREIGN TRADE

The Foreign Trade Unit provides product support to Odeabank's corporate and commercial centers regarding sales and marketing activities and helps raise the Bank's foreign trade financing transactions volume. Following the Bank's acquisition of its banking license, the unit began conducting visits to customers operating in the corporate, commercial and SME segments and was met with immense interest.

The Foreign Trade Unit is responsible for organizing customer visits, events and trainings in coordination with the branches so as to accelerate new customer acquisitions and penetration with the purpose of deepening relationships with corporate and commercial clients. Furthermore, the Unit monitors global and local foreign trade corridors, trends and market needs to assist the Bank in offering new products in synch with market dynamics and appealing to customer needs in addition to the conventional foreign trade products in financing of foreign trade.

EXTENSIVE PRODUCT LINEUP

Odeabank's Foreign Trade Unit, which boasts an extensive lineup of import and export finance products in addition to

the full array of traditional foreign trade finance products, has a particular focus on the North Africa and Middle East Regions stemming from the strong presence, vast experience and ongoing deep-seated relationships of the parent company Bank Audi Group in these regions. Bank Audi's knowledge, experience and know-how owing to its presence in these regions dating back many years present a major value-added for customers and allow Odeabank to offer secure solutions compatible with the laws and regulations of various countries. The Middle East and North Africa Region, which has an increasing share of Turkey's foreign trade in recent years, holds a major place in Odeabank's strategic foreign trade finance growth objectives and is one of the most important factors differentiating the Bank from the local competition.

While the primary target region is the African continent and the Middle East countries that are at the epicenter of Turkey's foreign trade objectives for the upcoming years, which also comprise the only region that Turkey has a positive trade surplus with, developed as well as other emerging markets are also of utmost importance for Odeabank.

TARGETING THE SECTORS THAT SHAPE THE COMMODITIES TRADE

The primary industries targeted by Odeabank in its foreign 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. As of the end of 2013, Turkey's exports and imports stand at USD 152 billion and USD 252 billion, respectively.

Odeabank financed USD 365 million of export and USD 1.2 billion of import transactions in 2013, for a total foreign trade finance volume of USD 1.5 billion. Odeabank Foreign Trade Department's goal is to capture at least a 1% market share in Turkey's foreign trade volume in 2014.

IN PARALLEL TO THE STRONG
EXISTENCE, WIDE EXPERIENCE
AND ONGOING ROOTED
RELATIONS OF BANK AUDI
GROUP IN NORTH AFRICA AND
MIDDLE EAST, ODEABANK
FOREIGN TRADE DEPARTMENT
HAS A SPECIAL FOCUS ON THESE
REGIONS.

PROJECT AND STRUCTURED FINANCE

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.

In 2013, the first year of the Bank's establishment, Odeabank Project and Structured Finance Department studied more than 100 deals in various sectors with a focus on energy, commercial real estate, service industries and corporate acquisitions. The Department boasts an extensive lineup of products in Project Financing, Acquisition Financing, Privatization Financing, Syndications and Long-Term Structuring, which also supports the sustainable growth of Turkey.

Of these deals considered by the Bank, 10 of them were financed by the Bank with an at-risk capital of USD 375 million. These deals consist of four renewable energy project financing transactions (two hydro plants, one geothermal facility and one wind farm), two company acquisition financing transactions, two syndication transactions positioned as a credit agent, one shopping mall financing, and one restructuring deal.

In light of the Bank's growth strategy and soaring demand, Odeabank's support for its clients in structured finance will continue at an increasing clip along with vast industry and project experience, with a particular focus on the following areas:

- Renewable energy projects (Primarily geothermal, wind and hydroelectric plants)
- Thermal power plants
- Private equity fund company acquisitions
- Privatization deals
- Commercial real estate projects (Shopping mall, hotel and office building projects)
- Restructuring deals

ECONOMIC RESEARCH AND STRATEGIC PLANNING

The Economic Research and Strategic Planning Department formulated 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 2013 the Department conducted 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 rival banks, the Economic Research and Strategic Planning Department informed the senior management of national and international developments that may prompt a change in strategy. In addition to the senior management, 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 2013, the Economic Research and Strategic Planning 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 in the national and international arena in accordance with the demands of internal and external customers in 2014.

PERIODICALLY ANALYZING
THE BANK PERFORMANCE IN
COMPARISON TO COMPETITOR
BANKS, THE ECONOMIC
RESEARCH AND STRATEGIC
PLANNING DEPARTMENT INFORM
THE TOP MANAGEMENT ABOUT
NATIONAL AND INTERNATIONAL
DEVELOPMENTS THAT MAY CAUSE
STRATEGIC CHANGES.

CENTRAL OPERATIONS

Correspondingly with the rapidly growing organization of Odeabank, its business models are gaining flexibility thanks to its advanced technology infrastructure. Within this scope, the growing transaction volume of all business lines in banking activities is managed effectively thanks in part to the efficient and accurately-used main banking system and contributions of the experienced personnel, and all transactions are realized with minimal error and delay ratio.

In 2013 "Branch On-the-Job System Trainings" were launched at the branches in order for branch operations and marketing staff to use the system effectively and to finalize transactions with maximum efficiency along with proper time management. Training schedules are created on a monthly basis; the planning is carried out in accordance with the needs of the branches.

OPERATIONAL EFFICIENCY

Since its establishment, Odeabank has carried out all operations – from the simple and routine to the most complex and sophisticated - in a centralized manner. As a result of the increasing operational efficiency and effectiveness resulting from the centralization of operations and positioning of the branches as a marketing hub, the Bank is rendering high quality service to its customers. As part of this, a "Customer Services Administration" was added to the centralized operations organization in order to serve as a bridge between marketing and operations and to ensure smooth functioning of the processes.

As of the latest update, the following units are positioned within the Central Operations under the operations umbrella: Payment Systems (TL and FX), Foreign Trade Operations, Credit Operations, Treasury Back Office and Investment Products Operations, Card Transactions and Direct Banking Operations, Transaction Banking Operations, Check and Promissory Note Operations, Branch Operations Administration and Customer Services Administration.

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 Unit constantly publishes 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 Organization Unit shares summary information with the users on a daily basis through educational and reminder-oriented Q&A under the "Do You Know These?" or "Do You Recognize This Screen?" titles.

The Bank's role and authorization matrix, created to set job descriptions and authorization levels of system users, is updated constantly as the organizational structure grows and new applications commence service. As the access rights frame is updated, the role and authorization matrices, along with the existing authorization group, are communicated to the departments by IT in order to make the necessary definitions.

The Unit supports and provides input into the projects, development efforts and process design initiatives from an organization viewpoint. The Branch Quality Visits, which were conducted to identify the bottlenecks and areas of improvement in the processes and customer experience and to solicit the opinions, suggestions and feedback of the employees, proved extremely productive in terms of finding out the deficiencies and needs particularly at the new branches. The reports drafted and shared with the related units following the visits support the efforts to increase the productivity of the branches and to enhance customer satisfaction.

BY MEANS OF THE PROCESS
PORTAL WHICH WAS PUT
INTO PRACTICE IN ODEAPORT,
THE ORGANIZATION DIVISION
COORDINATES VERSION
TRACKING, ANNOUNCEMENT
AND PUBLICATION OF THE
ODEABANK DOCUMENTS AND
PROCESSES SUCH AS POLICIES,
PROCEDURES AND FORMS.

CORPORATE COMMUNICATIONS AND MARKETING

Corporate Communications and Marketing is responsible for publicizing the Bank to the public through advertising and PR activities, conveying clear and accurate news and information about the Bank to the public and communications within the organization in compliance with the main targets and strategy of Odeabank. It manages marketing and corporate communication activities in conformity with the Bank's mission, vision, short and long-term targets and policies; develops new communication strategies, and puts them into action.

88% BRAND RECOGNITION

The Corporate Communication and Marketing Department is responsible for market analysis, rival analysis, brand management, reputation management, management of the public relations processes and the management of the communication budget of the Bank's marketing units. In 2013 the Department actively managed all initiatives that will contribute to the Bank's recognition and visibility. The Department carried out an image launch campaign in January. According to the results of the survey conducted after the campaign, Odeabank has attained 88% brand recognition.

The Corporate Communication and Marketing Department undertook the launch of "Ready Cash" and Bank'O Card Axess campaigns in the Retail Banking segment in 2013, as well as carrying out campaign management initiatives that turned into successful business results for the Bank. In all activities, public relations initiatives and sponsorships of Odeabank geared toward the public at large or specific groups, the Department carried out projects that represented the Bank in the most appropriate way in the eyes of the target audience. As part of this effort, Odeabank assumed the name sponsorship of Galatasaray Women's Basketball Team pursuant to the sponsorship agreement inked with Galatasaray Sports Club. After the agreement, the team changed its name to "Galatasaray Odeabank Women's Basketball Team". As part of the same agreement, Odeabank acquired the advertising rights for the back of match jerseys and practice wear of the Galatasaray Liv Hospital Men's Basketball Team. Odeabank named the North Bleachers of the Ali Sami Yen Sports Complex Türk Telekom Arena after the Bank itself.

All digital projects regarding Odeabank's website, intranet portal and other marketing projects were completed in cooperation with the MagiClick Digital Agency. 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; acted as a bridge in the communication of the General Manager and Deputy General Managers with the press as part of a planned effort; and contributed to the name recognition of the Bank through these activities.

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

The Corporate Communication and Marketing Department will continue to undertake projects that will make a positive contribution to the Bank's recognition and brand perception in 2014.

LEGAL

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.

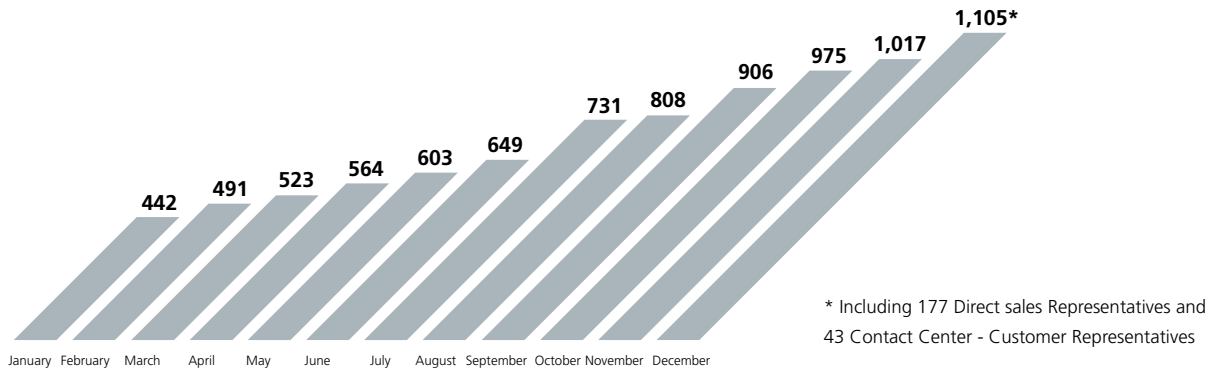
In this framework, during the foundation of the Bank, the Legal Department worked on the composition of all credit and guarantee agreements needed by the Bank, the negotiation and signature of all contracts for the purchase of goods and services; supported the drafting of the agreements/ documents necessary 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. The Department took part in organizing the Bank's general assembly and board of directors meetings. As part of this effort, the Department coordinated the organization of three extraordinary general assembly meetings, one ordinary general assembly meeting, and six board of directors meetings. The Department provided legal support to branch inaugurations and undertook a variety of tasks in this scope including registration at the Commerce Directorates, negotiation of lease contracts, coordination of passing the required board of directors resolutions, and preparation of the list of authorized signatures for branch officials.

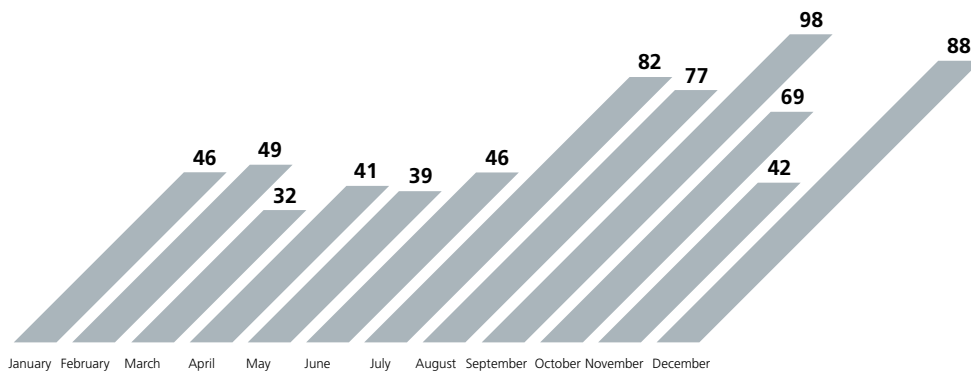
HUMAN RESOURCES

In 2013 Odeabank hired 871 new employees to the Head Office units and branches. As of year-end 2013, Odeabank has 1,105 employees.

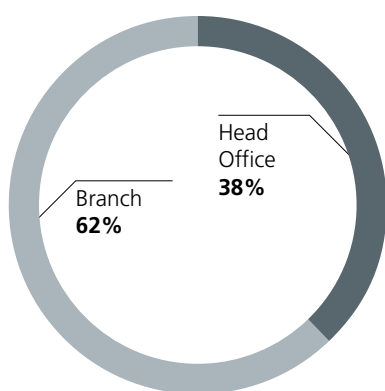
Odeabank's staff continued to expand with the addition of new colleagues who are enthusiastic about being bankers, success-oriented, innovative, difference-makers, unique, respecting of the customers they serve as much as themselves and who have a high sense of social awareness.



DEVELOPMENT OF NUMBER OF EMPLOYEES

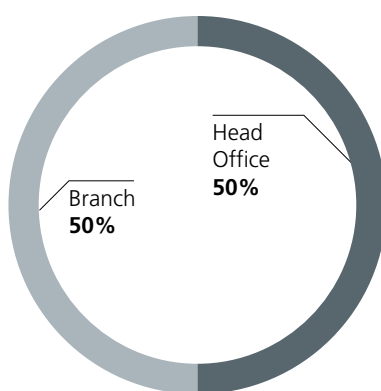


INCREASE IN NUMBER OF EMPLOYEES BY MONTH



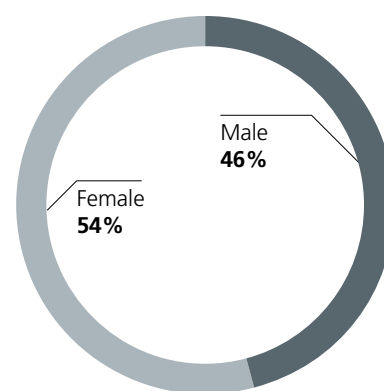
BREAKDOWN BY LOCATION

Excluding Direct Sales Representatives and Contact Center Customer Representatives, 62% of the personnel are employed at the branches and 38% at the Head Office.



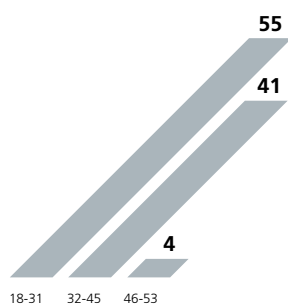
BRANCH-HEAD OFFICE BREAKDOWN

Including Direct Sales Representatives and Contact Center Customer Representatives, the Branch- Head Office breakdown of the Bank's employees stands at 50%-50%.



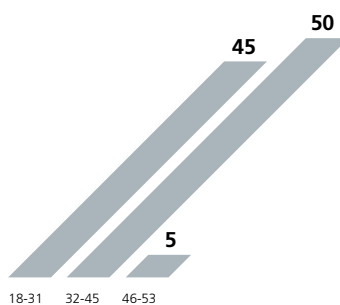
MALE-FEMALE BREAKDOWN

The Bank's personnel comprise 46% male and 54% female employees.



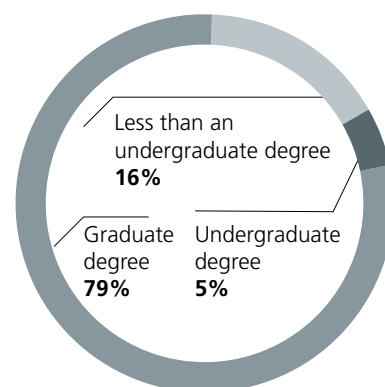
BREAKDOWN BY AGE (%)

The average employee age at the Bank is 32. 65% of the employees belong to Generation Y (born in 1980 or later).



BREAKDOWN BY AGE (%)

The average employee age, excluding Direct Sales staff and contact center representatives, is 34.



EDUCATION LEVEL

Excluding drivers, cash collectors, receptionists, service personnel, direct sales representatives and contact center customer representatives, 95% of our employees hold an undergraduate degree or higher.

HUMAN RESOURCES

GEOGRAPHIC BREAKDOWN

As of year-end 2013, the Bank has a 37-strong branch network and employees in 12 different provinces.

The Bank is active in Adana, Ankara, Antalya, Bursa, Denizli, Gaziantep, Istanbul, Izmir, Izmit, Kayseri, Konya and Muğla.

50% of the existing branches are located in Istanbul. Employees of the Head Office and Istanbul branches constitute 63% of the total number of employees.



SELECTION AND PLACEMENT

Completing the establishment process in 2012 and entering the growth phase, Odeabank made new hires in 2013 in accordance with the Bank's strategies.

As a newly established bank, Odeabank initially proceeded with an experienced staff in an effort to create a high-performance company. References from within the Bank were used as the primary source of recruitment. In addition, Odeabank carefully evaluated job applications received from the leading consulting companies in the sector, human resources portal and social media and moved the hiring process forward with candidates who were suitable for the job descriptions. The active hiring strategy is being implemented within this framework.

YOUNG TALENTS

That being said, it is crucial for Odeabank to recruit young talent and incorporate them into the Bank. As part of this effort, the first step in hiring inexperienced candidates was taken by recruiting the asset managers of the future who will work in the Commercial Banking business line of the branches. The first 16 new graduates with no prior professional experience began their jobs as "Commercial Banking Sales Manager Trainees" in 2013.

The recruitment process for experienced candidates terminates with the selection of the most suitable candidate for the position following the interviews conducted by related department managers and Human Resources as well as screening processes. Depending on the position, recruitment process of the inexperienced candidates is supported with personality inventory, foreign language examination, case studies and group interviews.

Salary and Benefits Practices

Salary and benefits practices were developed within the framework of the principles of supporting fair and superior performance within the bank, increasing motivation and providing competitive benefits within the sector.

As part of the strategy built upon rewarding value and high performance fairly and effectively, the Bank made salary increases and bonus payments that vary according to position in 2013.

While showing some variation based on the job performed and business needs, food allowance, private health insurance, transportation and paid vacation days are among the benefits provided to the employees. A life insurance policy in the name of the employee was added to the fringe benefits provided by Odeabank in 2013.

Performance Management

Odeabank's Performance Management strategy is predicated on breaking the Bank's long term goals down to the individual level and ensuring that they are embraced by each employee; increasing employee motivation; laying the groundwork for a fair compensation management system; creating output for career management; and identifying the basic training needs of employees. The Performance System was devised with the purpose of creating a high-performance company from high-performance individuals.

In addition to ensuring that each employee successfully completes his/her routine daily tasks, the performance management system aims to measure and quantify the role of each employee's work in the Bank's productivity as well as their value added. 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.

Human Resources Management Systems

Odeabank's Human Resources Applications were opened for the use of all employees as part of the Bank's effort to manage all human resources processes on a common portal and to minimize operational transactions. The core objective is the expeditious and effective management of human resources processes with the support of a user-friendly interface and a strong technology infrastructure.

HUMAN RESOURCES

HR MANAGEMENT MODULES THAT WERE IMPLEMENTED IN 2013**1. Vacation Request-Approval System**

Employees can view their vacation time balances rolled over from the previous period as well as their current vacation time allowance through the "Vacation Request-Approval System". They can enter their sick leave and paid vacation time requests and follow the approval process online. The system also provides the opportunity to print approved time off request forms.

2. E-Payroll Viewing

The E-Payroll Viewing module is a personalized platform where employees can view their monthly salary payments on an advanced electronic system and examine their deductions and pay details.

3. Performance Management System

Odeabank employs a goal and competency-based Performance Management System. The system allows for the quantification of the performance evaluation of employees according to measurable goals. Performance Management was designed with the following main processes in mind:

- **Goal Setting:** There are two basic goal categories: "Business Goals" and "Behavioral Goals-Expected Competencies". For portfolio-bearing employees, "Scorecard Goals" is a third area where goals can be tracked on a monthly basis.

- **Performance Display and**

Observation: Employees display their performance in light of the agreed-upon goals, work with discipline, and focus on improving their technical and professional skills. Managers assume the responsibility for tracking, coaching, solidifying, improving and documenting the employee's performance within an entire cycle of performance evaluation.

- **Performance Evaluation Meetings:**

Performance evaluation meetings give the manager and the employee the opportunity to discuss the performance displayed during the related performance period, appreciating and solidifying the successful areas, identify the areas for improvement, and craft development plans. Managers are responsible for entering the performance evaluation of the employee into the system.

4. My HR Module

The "My HR Module" application, which is about to be put in service pending last user tests, is an application where employees can manage their own Human Resources processes by entering their personal information in update screens. The objective is to reduce operational work load and increase business productivity. In accordance with their authorizations on the intranet, employees can utilize the "My HR Module" Application to update their detailed personal information, make additions, and get a printout of their information in CV/resume format.

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 2013 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

Odeabank's training activities are planned in light of long term strategic needs and goals with the objective of providing a continuous learning environment and creating a motivated, high-performance and professional work force who work effectively.

Odeabank Human Resources analyzes the training and development needs of the employees and develops solutions to fulfill the identified needs.

In 2013 training activities were planned within the framework of:

- Training programs geared toward improving behavioral and technical skills,
- Orientation/rotation training for employees starting a new job,
- Mandatory training dictated by legal or regulatory obligations,
- "Commercial Banking Sales Manager Trainee" development program,
- Domestic/overseas training requests.

IN ACCORDANCE WITH THE
LONG TERM STRATEGIC NEEDS
AND OBJECTIVES, ODEABANK
TRAINING ACTIVITIES ARE
PLANNED WITH THE GOALS TO
PROVIDE CONTINUOUS LEARNING
ENVIRONMENT AND TO CREATE
A MOTIVATED, EFFECTIVE,
HIGH-PERFORMANCE AND
PROFESSIONAL WORK FORCE.

CORPORATE SOCIAL RESPONSIBILITY POLICY

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 are 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:

- a. Vaccine Campaign
- b. Occupational Health and Safety Trainings
- c. 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 encourage 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.
Abdullah A. Alhobayb	Board Member	24.05.2012	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 Sakallıoğlu	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
Antoine Boufarah	AGM in charge of Operations	15.06.2012	Bachelor's Degree
Naim Hakim	AGM in charge of Finance	15.06.2012	Master'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).

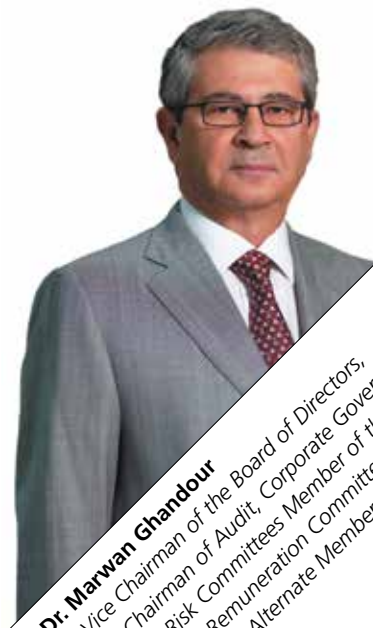


Samir Hanna
Chairman of the Board of Directors, Shareholder
Chairman of the Remuneration Committee

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.



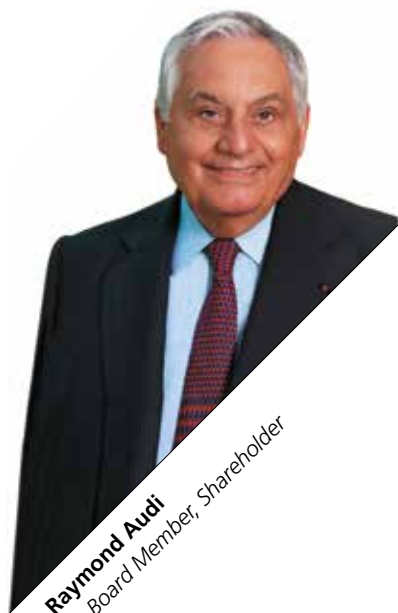
Dr. Marwan Ghandour
Vice Chairman of the Board of Directors,
Chairman of Audit, Corporate Governance,
Risk Committees Member of the
Remuneration Committee and Associate,
Alternate Member of the Credit Committee

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 Investment / 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 / 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 sal - Audi Saradar 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
Chairman 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 sal – Audi Saradar 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
Member of the Credit Committee

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
Associate/alternate Member of the
Credit Committee

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

Prior to joining Bank Audi sal – Audi Saradar 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



Abdullah A. Alhobayb
Board Member

Abdullah Alhobayb holds a Master's degree in Electrical Engineering from Karlsruhe University in Germany.

Between 1970 and 1978, Abdullah Alhobayb served as an Engineer in major electrical and industrial companies in Saudi Arabia. He is the chairman of several leading companies in Saudi Arabia comprising ABB Saudi Arabia (a leader in power and automation technologies), General Lighting Company Ltd (one of the largest manufacturers in the Middle East lighting industry), Ink Products Company Ltd (manufacturer of industrial ink) and United Industrial Investments Company Ltd (a leading paint manufacturing company).

He is also the Chairman of Audi Capital (KSA) (an Investment Banking subsidiary of Bank Audi sal – Audi Saradar Group / Lebanon (Bank Audi), incorporated in the Kingdom of Saudi Arabia) and a member of the Board of Directors of Bank Audi sae in Egypt. He also was an advisor to the previous Board of Directors of Bank Audi Group. He is an Independent member of the Board of Directors of Bank Audi Group since 2006, a member of its Corporate Governance and Remuneration Committee and its Group Audit Committee.

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



Hüseyin Özkaya
Board Member, General Manager,
Credit Committee Member

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

After receiving his Undergraduate degree in Management Engineering from the Istanbul Technical University in 1985, he completed an MBA 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
Audit Committee Member

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.

MANAGEMENT AND CORPORATE GOVERNANCE POLICIES



LEFT TO RIGHT

Gökhan Erkıralp
Assistant General Manager

Erol Sakallıoğlu
Assistant General Manager

Cem Muratoglu
Assistant General Manager

Serkan Özcan
Assistant General Manager

Alpaslan Yurdagül
Assistant General Manager

**LEFT TO RIGHT**

Hüseyin Özkaya
General Manager, Board Member

Fevzi Tayfun Küçük
Assistant General Manager

Yalçın Avcı
Assistant General Manager

Antoine Boufarah
Assistant General Manager

Ayşe Korkmaz
Board Member, Audit Board Member

Naim Hakim
Assistant General Manager

MANAGEMENT AND CORPORATE GOVERNANCE POLICIES

Fevzi Tayfun Küçük*Assistant General Manager*

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

Alpaslan Yurdağül*Assistant General Manager*

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

Cem Muratoğlu*Assistant General Manager*

He was born on the 16th of August in 1967 in Erzurum. He studied Petroleum Engineering at the Engineering Faculty of the Middle East Technical University (1989), and completed his MBA at Ankara Bilkent University (1992). Muratoğlu worked as Deputy General Manager in charge of Retail Banking in Akbank T. A.Ş. (2001–2008), 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 23rd of December in 1972 in Adana. He completed his undergraduate degrees in Mathematics and Economics in 1995 in Wabash College / Crawfordsville, Indiana. He was employed as the Treasury and Capital Markets Director of Ulusbank T.A.Ş. (1997-2001). He later moved to HSBC Bank A.Ş. in 2001 as the Balance Sheet Management Manager. In 2003 and 2004, he headed the Portfolio Management Group of HSBC Investment Securities Co. 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 30th of July 1972 in Ankara. He completed his undergraduate degree in Metalurgical 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.

Antoine Boufarah*Assistant General Manager*

He was born on the 7th of February in 1970 in Hammana, Lebanon. He is a graduate of the Executive Management Program at the Harvard Business School (2010) and holds a Bachelor's Degree in Finance and Accounting from the University of Ottawa (1995). He is a Chartered Accountant (CA) and has also obtained the Certified Internal Auditor (CIA) designation from the Institute of Internal Auditors. Antoine Boufarah career started with Ernst & Young where he has served in various

positions in in Canada, Bermuda and Beirut offices. He joined Bank Audi Group in 2001 where he served as Head of Group Internal Audit until being appointed as Project Manager on the Audi Group Turkish expansion in 2011. Antoine Boufarah is currently serving as Assistant General Manager – Chief Operation Officer 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 4th 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.

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	Freddie Baz	Board Member
Committee Member	Hatem Ali Sadek	Board Member
Committee Member	Hüseyin Özkaya	Board Member, CEO
Committee Associate Member	Marwan Ghandour	Board Member
Committee Associate Member	Imad Itani	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

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 2013, Our bank's Board of Directors held meetings on these dates: 9th of January 2013, 7th of March 2013, 27th of June 2013, 23rd of August 2013, 14th of November 2013, 17th of December 2013, In 2014, Our bank's Board of Directors held actual meetings on the 22nd of January 2014.

On the 9th of January 2013, 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 Members Mr. Marwan Ghandour, Mr. Raymond Audi, Mr. Freddie Baz, Mr. Imad Itani, Mr. Abdullah İbrahim A. Alhobayb, Mr. Hüseyin Özkaya and Mr. Ayşe Korkmaz attended the meeting. Mr. Hatem Ali Sadek could not attend the meeting due to his valid excuse.

11 (eleven) Board Resolutions were passed at this meeting.

On the 7th of March 2013, 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 Members Mr. Marwan Ghandour, Mr. Raymond Audi, Mr. Freddie Baz, Mr. Imad Itani, Mr. Abdullah İbrahim A. Alhobayb, Mr. Hüseyin Özkaya and Mr. Ayşe Korkmaz attended the meeting. Mr. Hatem Ali Sadek could not attend the meeting due to his valid excuse.

17 (seventeen) Board Resolutions were passed at this meeting.

On the 27th of June 2013, 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 Members Mr. Marwan Ghandour, 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.

13 (thirteen) Board Resolutions were passed at this meeting.

On the 23rd of August 2013, 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 Members Mr. Marwan Ghandour, 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.

14 (fourteen) Board Resolutions were passed at this meeting.

On the 14th of November 2013, 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 Members Mr. Marwan Ghandour, 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.

16 (sixteen) Board Resolutions were passed at this meeting.

On the 17th of December 2013, 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 Members Mr. Marwan Ghandour, 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.

20 (twenty) Board Resolutions were passed at this meeting.

In 2013, our Board of Directors, without holding actual meeting, took 87 (eighty seven) decisions in compliance with the Turkish Commercial Code, Article 390/4.

COMMITTEE MEETINGS

AUDIT COMMITTEE

In 2013, the Audit Committee held 8 meetings and took 10 decisions.

CORPORATE GOVERNANCE COMMITTEE

In 2013, the Corporate Governance Committee, held a meeting on the 17th of December 2013 and took one decision.

RISK COMMITTEE

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

REMUNARATION COMMITTEE

Committee member Mr. Youssef Nasr, on the 29th of November 2012 resigned from the Committee and Dr. Marwan Ghandour was appointed in his position.

In 2013, the Remuneration Committee held a meeting on the 7th of March 2013 and took one decision.

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

Manager, Tuğba Ayıran Ekşioğulları

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. In her earlier years, Ekşioğulları studied at the Kadıköy Anatolian High School. 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 and as Compliance Unit Manager in Akbank T.A.Ş. in 2008. As of April 2012, she has been working in the capacity of Compliance Officer at Odea Bank A.Ş. with the title of 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 of Director at the Internal Audit Unit of Odea Bank A.Ş.

INTERNAL CONTROL

Group Manager, Vural Göral

In 2001, he got his master's degree in Hacettepe University Political Science. In 1997, he got his bachelor's degree in Hacettepe University Public Management Dept. He began his career in Banking in 1999 as an Assistant Inspector for Turkish Ticaret Bankası A.Ş. Between 1999-2003 he worked for Türk Ticaret Bankası A.Ş. as an Assistant Inspector. Between 2003-2012 he worked in the Internal Controls Unit in Dışbank A.Ş. (after sale and mergers, name of bank was first changed to Fortis A.Ş. and then to TEB A.Ş.). Between 2012-2013, he worked in Fiba Bank A.Ş. Branch Operations Management Unit Manager. Since September 16, 2013, he works for Odeabank A.Ş. as the Internal Control 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 SECURITY AND OPERATIONAL RISK

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 Chairman of General Inspection 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 Security and Operational Risk.

STATUTORY AUDITOR

Egemen Selçuk Karaduman

A graduate of the School of Business Administration of Ankara Bilkent University, Egemen Karaduman started his professional career as an Assistant Auditor at Mega YMM (Certified Public Accountants) between 1997 – 1998. Between 1999 – 2003 Karaduman worked as an Auditor at Erdikler Eratlar YMM (Arthur Andersen), as Manager and Senior Manager in Kuzey YMM (Ernst & Young) in 2003. As of 2009, he continued his career as Independent – Public

Accountant – Financial Advisor Serkan Yiğit

Graduating from the Faculty of Economics and Administrative Sciences of the Department of Business Administration of Abant İzzet Baysal University, Yiğit worked at Birleşik Uzmanlar Bağımsız Denetim ve YMM A.Ş. as an Auditor between 2007 – 2010; and as Auditor at Uzman Kadro YMM LTD.ŞTİ. between 2010 April – November. He still works independently at Batı SMMM Ltd Şti

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) Current Period: 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	-	-	-	-	-	-

Prior Period: December 31, 2012

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	11,000	-	-
Interest and commission income	-	-	-	-	-	-

b.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Deposits						
Balance at beginning of period	-	-	-	-	9,109	-
Balance at end of period	-	-	-	-	343,965	-
Interest on deposits	-	-	-	-	856	-

The Bank has obtained Subordinated Loan amounting to TL 639,209 and short term loan amounting to TL 213,040 from risk group of the Bank and interest expense amounting to TL 14,481 in 2013.

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, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Financial assets at fair value through profit and loss						
Dönem Başı		-	821,874	-		-
Dönem Sonu		-	198,695	821,874		-
Toplam Kar/Zarar		-	1,728	3,018		-

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, 2013 is TL 13,353.

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
ATOS Bilişim Danışmanlık ve Müşteri Hizmetleri San. Tic. A.Ş.	External Calls - Call Center Services
Akademi 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
Callpex Çağrı Merkezi ve Müşteri Hizmetleri A.Ş.	Outgoing/Incoming Call Services
Callus Bilgi ve İletişim Hizmetleri A.Ş.	External Calls - Call Center Services
CMC İletişim Bilgisayar Reklam ve	Call Center Services
Danışmanlık Hizmetleri Sanayi Ticaret A.Ş.	
Çizgi Gayrimenkul Değerleme A.Ş.	Real Estate Value Assessment
Elit Gayrimenkul Değerleme A.Ş.	Real Estate Value Assessment
Etik Gayrimenkul Değerleme A.Ş.	Real Estate Value Assessment
Finar Enformasyon Derecelendirme ve Danışmanlık Hizmetleri A.Ş.	Monitoring of the companies in Turkey Trade Registry
Intertech Bilgi Teknolojileri A.Ş.	Information Technology Infrastructure and Banking Platform
Karbil Yazılım ve Bilişim Teknolojileri Tic. Ltd. Şti.	Credit Card and POS Operations
Kuryenet Motorlu Kuryecilik ve Dağıtım Hizmetleri A.Ş.	Credit Card Delivery
Magiclick	Website Service
MTM Holografi Güvenlik ve Bilişim Tek. San. Tic. A.Ş.	Cheque Printing
NCR Bilişim Sistemleri Ltd. Şti.	ATM Service Hardware, Software and Peripheral Components Purchasing Agreement
Netlab Arge Yazılım Hizmetleri ve Ticaret Koll. Şirketi	Search Engine Optimization Service Agreement
Plastikkart Akıllı Kart İletişim Sistemleri Sanayi ve Ticaret A.Ş.	Card Purchase/Sale Agreement
Probil Bilgi İşlem Destek ve Danışmanlık San. ve Tic. A.Ş.	Infrastructure and Services Supplementary Agreement
Provus Bilişim Hizmetleri A.Ş.	Credit Card Balance Statement Printing and Delivery
Qlikview	Business Intelligence Tool Maintenance & Support Services
RM Arşiv Yönetim Hizmetleri A.Ş.	Archive Services Data Entry Services
Securverdi Güvenlik Hizmetleri A.Ş.	Security Services
Taksim Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Real Estate Value Assessment
Tepe Savunma ve Güvenlik Sistemleri Sanayi A.Ş.	Security Staff Services Acquisition
TSKB Gayrimenkul Değerleme A.Ş.	Real Estate Value Assessment
Ulusal Gözlem Merkezi (UGM)	Alarms and Electronic Intelligence Services Acquisition
Yatırım Gayrimenkul Değerleme A.Ş.	Real Estate Value Assessment
32 Bit Bilgisayar Hizmetleri San. ve Tic. Limited	MQ Murex Deal Integrator Software Maintenance and Support Services Agreement
	TCMB Crawler Software Maintenance and Support Services Agreement
	BBPAPI Integrator Software Maintenance and Support Services Agreement

SUMMARY OF THE ANNUAL REPORT

SUBMITTED TO THE GENERAL ASSEMBLY

Welcome to Our bank's Ordinary General Assembly Meeting of 2013. 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 2013 will be submitted for your revision and consent.

2013 was an unusual year where we witnessed risk appetite in two opposite momentums in the world economy. Until May volatility was low in the financial markets. However, after May, risk perception on the developing countries began to worsen with the signals from FED indicating that the monetary policy will be normalized. Besides, the Euro Zone pressing down the world economy, began to recover towards the end of 2013 and gave signals of a higher growth in 2014 compared to 2013. Whereas, financial conditions becoming stringent in the developing countries and high capital outflows put pressure on economic activity. As a consequence, in 2013, world economy grew approximately by 3,0%, a close result compared to 3,1% in 2012. Turkey's main trading partners, Euro Zone economies downsized by -0,4%.

We forecast that it will take a few years to get out of the crisis of the century while monetary policies will be in an expanding position in general during this period. Besides this, with the mild recovery phase in the USA in spite of the cold weather conditions and with the risk premiums noticeably recuperating due to fiscal measures taken in Europe we expect that the recovery in the global economy will continue. However, doubts about the developing countries, especially China, and ongoing uncertainty in Turkey continue to cause risk.

In the period after May 2013, financial assets of Turkey, an outstanding developing country, rapidly lost value. Although TL lost more than 20% of its value, Turkey's economy achieved to grow by approximately 4% in 2013. Downsizing in the Euro Zone, Turkey's main trading partner, weakened Turkey's export performance. With the impact of the gold imported in highest figures ever, current deficit ratio in national income went up from 6,2% in 2012 to 7,8% in 2013. If you recalculate excluding the gold import, a partial recovery can be seen in the current account balance. In 2014, – with the expectation of gold import getting normalized – we forecast that current deficit will reduce speed due to slowing down domestic demand with the continuing impacts of the value loss in TL as this situation presses down the increase in inflation. Thus, in 2014, the importance of current deficit will fall back on the agenda of economy, as the significance of inflation and growth will stand out. At this point, the strict policy approach followed by the Central Bank since November 2013, indicate that a more decisive monetary policy to restrict macro-economic risks will be carried out.

Although predictability has declined and the scene regarding the perception management issues has become vague in short term, 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 consistency in the last decade. In the upcoming period, after overcoming the short risks, Turkey's economy will reach sustainable growth in the light of the new economic program carried out since 2010. The crucial component for overcoming the short term problems is perception management which was carried out successfully in the last decade. In this aspect, there seems to be a significant consensus indicating that the perception of Turkey will recover with the diminishing political tension in 2014.

Turkish banking sector is an example for both developed and developing countries in terms of profitability, growth potential and low risk. 4% growth in 2013 had positive impacts on the Turkish banking sector. According to BDDK data, in 2013, assets increased by 26,4% to 1,73 trillion TL, credits increased by 31,8% to 1 trillion 49 billion TL, deposits increased by 22,5% to 945,8 billion TL, compared to 2012. Whereas, net profit reached 24,7 billion TL with a limited increase and capital adequacy ratio fell from 17,9% to 15,3% due to the fast credit growth at the end of 2012. In 2014, it is expected that profitability indicators will be under pressure with the macro measures taken in the sector in addition to the recent increase in risk premiums. Moreover, we forecast that the Turkish banking sector will continue to separate positively in the long run after overcoming the short term risks with its stronger capital, experienced management and phase of achieving sustainable growth. In 2014, we expect that credits will grow by 18.5%, assets will grow by 17%, and deposits will grow by 12,5% approximately. Although the increase in the ratio of credits versus deposits is a particular risk, this figure seems reasonable within the framework of comparative analysis because in Turkey, non-deposit resources have begun to grow only recently. At this point, we believe that the increase in non-deposit resources is crucial. Depending on the extending maturity of the treasury bonds, domestic short term bond demand is covered increasingly by the banks. Also, long term securities issued in and outside the country by the banks contribute to macro-economic consistency and sustainable profitability of the banks.

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 five times in 2013 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 fulfilled its responsibilities with 6 personnel including Internal Audit Head, 1 Information Systems Auditor and 4 Internal Auditors and reported its engagements to the Audit Committee in 2013. The purpose of the Internal Audit is to provide senior management independent objective assurance that the activities of the Bank are conducted in accordance with the Law and other applicable legislation and with the internal strategies, policies, 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 in 2013. Apart from the planned audit engagements, such activities as incident-based examinations, participation in various projects and consultancy services initiated by the executive departments were also covered in the activities of 2013.

INTERNAL CONTROL

The Internal Control fulfilled its responsibilities with 4 personnel as of December 31, 2013. 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 2013 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.

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 amount subject to credit.

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.

To measure structural interest rate risk, interest rate repricing gap and duration analyses are performed and the economic value of equity (EVoE) is measured. Structural interest rate risk hedging transactions are evaluated by the Asset and Liability Committee (ALCO).

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 SECURITY AND OPERATIONAL RISK

In 2013, within the Data Security and Operational Risk Department, 13 staff members composed of one group manager, four assistant managers, four senior specialists, three specialists and one intern employee carried out their tasks. Under the Data Security and Operational Risk Department, the Data Security Unit, Business Continuity and Operational Risk Unit, Application Security Unit and Transaction Security Unit carry out their tasks.

Within the scope of Data Security the following tasks were carried out: management of control track monitoring products, monitoring of the suspicious activities threatening Bank's data security; reporting these activities to related units ensuring that measures were taken; through data security perspective reviewing all agreements signed with other firms and submitting comments, pursuing the legislation on Data Security and fulfilling the requirements regarding such legislation; creating Data Security policy and procedures; carrying out the Data Security Awareness process; preparing the Security Plan; evaluating all access and authorization requests about the infrastructure within the framework of Data Security; carrying out VISA PIN Security Control set up tasks and self-assessment tasks; carrying out data possession and classification tasks; carrying out IT Risk Assessment tasks; and assessment of all information systems and business operations within the framework of data security.

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; preparing business continuity policy and

procedures; carrying out business impact and risk analysis tasks; preparing and updating business rescue plans and sharing them with related departments; and making business continuity tests.

Within the scope of Operational Risk the following tasks were carried out: pursuing, recording, reporting operational risks within the Bank in line with the Basel II and local regulations; preparing Operational Risk policy and procedures, making risk control self-assessment, specifying the Bank's Operational Risk profile, taking and pursuing preventive and recuperative measures against risk and loss; preparing Operational Risk trainings.

Within the scope of Application Security the following tasks were carried out: reviewing Personal Loan and Credit Card applications coming from all application channels; pursuit 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: installing and managing InterFraud application; monitoring all money transfers made through Internet Banking within the framework of specific scenarios in order to prevent fraud; getting confirmation from the customers when necessary; creating scenarios regarding the risks for Internet Banking and credit card transactions; carrying out the correspondence replying information requests from the public authorities; reporting the credit card transactions detected as fictitious and "cash use" to related departments, preventing fraud and specifying relevant parameters on authorization and preparing Transaction Security procedures within the scope of visa certification.

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" 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.

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

After starting its banking operations in October 2012, Odea Bank's total assets reached TL 16.1 billion as of December 31, 2013. The main driver of this increase was due to a rapid growth in the diversified loan portfolio spanning from large corporates to commercial clients as well as SMEs and retail customers. Composition of the customer groups and their shares in the loan portfolio are presented in the following table:

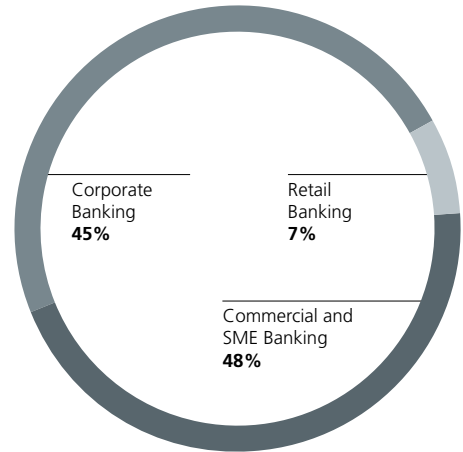
Liquidity is closely monitored and treated as an important balance sheet management component. Cash, Central Bank Balances, Bank Placements and reverse repo totaled TL 3.4 billion or 21% of the total balance sheet.

Thanks to the customer base that were created within a demanding environment due to newly enacted legislations, deposit portfolio climbed to TL 12.4 billion where retail customers covered 54% that were touched through 37 branches and alternative distribution channels.

To diversify its funding structure Odea Bank's borrowing topped TL 1.4 billion from various local and international Banks and financial institutions.

This outstanding performance could not been achieved without the robust support from the main shareholder, Bank Audi, the Bank has increased its equity and subordinated debts to TL 2 billion from initially invested USD 300 million bringing its capital adequacy ratio to 15.61%.

2013 was a year where Odea absorbed setting up costs mainly on branch network expansion and staffing expenses which pushed operating costs to reach TL 260 million levels while income was building gradually to reach TL 189 million. Charges on regulatory general loan provision expenses stemming from the above mentioned newly generated loan portfolio at TL 70 million also affected the bottom line which reached negative TL 137 million in line with the budgeted result for the first "establishment" year of the bank.



CONVENIENCE TRANSLATION OF THE REPORT ON COMPLIANCE OF ANNUAL REPORT



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CONVENIENCE TRANSLATION OF THE REPORT ON COMPLIANCE OF ANNUAL REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH

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. as of December 31, 2013 with the audited financial statements drawn up as of the end of the accounting period. The Annual Report is the responsibility of the Bank's management. Our responsibility, as independent auditors, is to express an opinion about the annual report that we have audited.

We have conducted our audit in accordance with the procedures and principles set out by the regulations on preparation and issuance of annual reports in the Banking Law No. 5411 and Turkish Commercial Code No. 6102 ("TCC") and regulations on independent auditing principles. Those regulations require that we plan and conduct the audit to obtain reasonable assurance whether the financial information included in the annual report is free from material errors. 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 material aspects, the information regarding the financial position of Odea Bank A.Ş. as of December 31, 2013 in accordance with the procedures and principles set out by the regulations in conformity with Article 40 of the Banking Law No. 5411 and TCC; it includes a summary report of the Board of Directors and 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.

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

Fatma Ebru Yücel
SMMM, Partner

March 13, 2014
İstanbul, Turkey

odeabank

Bank'O

Card

PLATINUM



5213 6900 0

VALID
THRU

MONTH/YEAR

01/1

BETÜGÜL TOKER



PRODUCTS THAT OFFER PRIVILEGE

Odeabank also introduced Bank'O Card Axess at its customers' service through a wide range of card application methods. Meeting cash needs and offering many privileges to the users without annual fee, Bank'O Card Axess was introduced by the famous actress Hlya Avar to Turkey.

STATUTORY AUDITORS' REPORT FOR 2013

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CONVENIENCE TRANSLATION OF THE REPORT ON VARIOUS AUDIT RESPONSIBILITIES ARISING FROM TURKISH COMMERCIAL CODE NO 397-406

To the Board of Directors of Odea Bank A.Ş.,

1. The financial statements of Odea Bank A.Ş ("Bank") as at December 31, 2013 have been audited to confirm its compliancy with the prevailing accounting principles and standards set out as per Article 37 of the Banking Act No: 5411 and other regulations, circulars, communiqués and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting and auditors' report dated March 04, 2014 have been issued on these financial statements.
2. In accordance with Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January – 31 December 2013 are not in compliance with the code and provisions of the Banks's articles of association in relation to financial reporting.
3. Pursuant to Article 378 of Turkish Commercial Code no. 6102, in companies which are not traded at the stock exchange, a Committee on the Early Identification of the Risk is established when the auditor finds it necessary and reports it in writing to the board of directors. According to subparagraph 4, Article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by the Public Oversight Accounting Board ("POA"), shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditors' report. As of the date of the financial statements, POA has not announced the principles of this report yet accordingly no separate report has been drawn up relating to it.

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, 2014
İstanbul,

ODEA BANK A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT DECEMBER 31, 2013 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)**



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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 Board of Directors of
Odea Bank A.Ş.
İstanbul

ODEA BANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying unconsolidated balance sheet of Odea Bank A.Ş. ("the Bank") as at December 31, 2013, and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the year then ended and the summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Bank's Board of Directors for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the "Communiqué on Banks' Accounting Practice and Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency ("BRSA"). 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; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette dated November 1, 2006 and numbered 26333 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from 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 audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Odea Bank A.Ş. as at December 31, 2013 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.

Additional paragraph for convenience translation to English:

As explained in detail in Note I. 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

İstanbul
March 4, 2014

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, 2013**

Address : Maslak Mah. Ahi Evran Caddesi Olive Plaza No:11 Şişli/İstanbul

Telephone : (0 212) 304 84 44, (0 212) 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



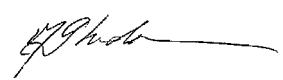
Naim HAKİM
Assistant General Manager
In charge of Finance



Hüseyin ARITKAN
Financial
Reporting Senior Manager



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/Finansal Raporlamadan Sorumlu Kıdemli Müdür
Telephone Number: (0 212) 304 86 55
Fax Number: (0 212) 304 84 45

Translated into English from the original Turkish report and financial statements

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Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****AS OF DECEMBER 31, 2013**

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

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

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, 2013, the shareholders' structure and their ownerships are summarized as follows:

Name / Commercial Title	Current Period		Prior Period	
	Share Amount	Share Ratios %	Share Amount	Share Ratios %
Bank Audi sal-Audi Saradar Group	1.403.787	93,827%	441.157	82,688%
Audi Saradar Private Bank	90.698	6,062%	90.698	17,000%
Raymond Audi	555	0,037%	555	0,104%
Samir Hanna	555	0,037%	555	0,104%
Freddie Baz	555	0,037%	555	0,104%
	1.496.150	100,00%	553.520	100,00%

With the permission of BRSA dated June 21, 2013 and numbered 20008792.84.1-15704, the Bank's paid in capital has increased to 1.086.510 TL and with the permission of BRSA December 19, 2013 and numbered 20008792.84.1-31580, the Bank's paid in capital has increased to 1.496.150 TL in the form of cash injection. As of December 31, 2013, the Bank's paid in capital consists of 14.961.500.000 shares which nominal value is TL 0,10.

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****AS OF DECEMBER 31, 2013**

(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
Chairman of the Board of Directors	Samir HANNA	Chairman	High school
Vice President Of The Executive Board	Marwan GHANDOUR	Member Of The Board Of Directors/ Member Of Audit Committee	PHD Degree
Members of the Board of Directors	Raymond AUDI	Member Of The Board Of Directors	High school
	Imad ITANI	Member Of The Board Of Directors	PHD Degree
	Abdullah İbrahim A ALHOBAYB	Member Of The Board Of Directors	Master Degree
	Freddie Baz	Member Of The Board Of Directors	PHD Degree
	Hatem Ali SADEK	Member Of The Board Of Directors	Master Degree
	Ayşe KORKMAZ	Member Of The Board Of Directors/ Member Of Audit Committee	
	Bachelor's Degree		
Member of the Board of Directors and General Manager	Hüseyin ÖZKAYA	Member of Board of Directors and General Manager	
	Master Degree		
Deputy General Manager	Erol SAKALLIOĞLU	Commercial Banking	Bachelor's Degree
Assistant General Managers	Alpaslan YURDAGÜL	Financial Institutions and Investment Banking	Master Degree
	Antoine BOUFARAH	Operation and Information Technologies	Bachelor's Degree
	Cem MURATOĞLU	Retail Banking	Master Degree
	Fevzi Tayfun KÜÇÜK	Business Solutions, Direct Banking, Transactional Banking	Master Degree
	Gökhan ERKIRALP	Treasury and Financial Institutions	Bachelor's Degree
	Naim HAKİM	Finance	Master Degree
	Serkan ÖZCAN	Economic Research and Strategic Planning	Master Degree
	Yalçın AVCI	Corporate Banking	Master Degree

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, 2013:

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

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

^(*)With the permission of BRSA dated June 21, 2013 and numbered 20008792.84.1-15704, the Bank's paid in capital has increased to 1.086.510 TL and with the permission of BRSA December 19, 2013 and numbered 20008792.84.1-31580, the Bank's paid in capital has increased to 1.496.150 TL in the form of cash injection. As of December 31, 2013, the Bank's paid in capital consists of 14.961.500.000 shares which nominal value is TL 0,10.

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, 2013, there are 37 domestic branches with 1.105 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.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED FINANCIAL STATEMENTS****AS OF DECEMBER 31, 2013**

(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 31.12.2013			Audited Prior Period 31.12.2012		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	I-1	112.666	1.664.512	1.777.178	271.873	137.904	409.777
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	I-2	4.600	96.583	101.183	2.838	2.773	5.611
2.1 Financial assets held for trading		4.600	96.583	101.183	2.838	2.773	5.611
2.1.1 Public sector debt securities		2.610	-	2.610	-	-	-
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		1.990	96.583	98.573	2.838	2.773	5.611
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	I-3	515.607	634.237	1.149.844	243.015	144.397	387.412
IV. MONEY MARKET PLACEMENTS		460.098	-	460.098	935.738	-	935.738
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		460.098	-	460.098	935.738	-	935.738
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	I-4	942.532	-	942.532	78.132	-	78.132
5.1 Share certificates		-	-	-	-	-	-
5.2 Public sector debt securities		942.532	-	942.532	78.132	-	78.132
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS AND RECEIVABLES	I-5	6.968.909	4.375.561	11.344.470	1.083.095	648.593	1.731.688
6.1 Loans and receivables		6.931.480	4.375.561	11.307.041	1.083.095	648.593	1.731.688
6.1.1 Loans to risk group of the Bank		-	-	-	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		6.931.480	4.375.561	11.307.041	1.083.095	648.593	1.731.688
6.2 Non-performing loans		46.186	-	46.186	-	-	-
6.3 Specific provisions (-)		8.757	-	8.757	-	-	-
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	I-6	-	-	-	-	-	-
8.1 Public sector debt securities		-	-	-	-	-	-
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	I-7	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	I-8	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)	I-9	-	-	-	-	-	-
11.1 Accounted for under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	I-10	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	I-11	-	-	-	-	-	-
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	I-12	104.438	-	104.438	41.342	-	41.342
XV. INTANGIBLE ASSETS (Net)	I-13	48.246	-	48.246	17.790	-	17.790
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		48.246	-	48.246	17.790	-	17.790
XVI. INVESTMENT PROPERTY (Net)	I-14	-	-	-	-	-	-
XVII. TAX ASSET	I-15	30.154	-	30.154	7.100	-	7.100
17.1 Current tax asset		11.834	-	11.834	5.423	-	5.423
17.2 Deferred tax asset		18.320	-	18.320	1.677	-	1.677
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	I-16	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	I-17	48.410	103.243	151.653	18.272	1.317	19.589
TOTAL ASSETS		9.235.660	6.874.136	16.109.796	2.699.195	934.984	3.634.179

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED FINANCIAL STATEMENTS****AS OF DECEMBER 31, 2013**

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

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

	Note Ref (Section Five)	Audited Current Period 31.12.2013			Audited Prior Period 31.12.2012		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	5.881.732	6.490.226	12.371.958	2.142.149	374.997	2.517.146
1.1 Deposits from risk group of the Bank		59.552	284.413	343.965	9.083	26	9.109
1.2 Other		5.822.180	6.205.813	12.027.993	2.133.066	374.971	2.508.037
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	II-2	42.650	60.705	103.355	-	4.390	4.390
III. FUNDS BORROWED	II-3	3.008	1.164.365	1.167.373	-	360.942	360.942
IV. MONEY MARKET BALANCES		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	221.454	-	221.454	-	-	-
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		2.609	139	2.748	1.226	-	1.226
VIII. OTHER LIABILITIES	II-5	114.239	13.961	128.200	16.511	4.928	21.439
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	II-6	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	II-7	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	II-8	85.033	35.126	120.159	26.041	7.357	33.398
12.1 General loan loss provisions		55.949	35.126	91.075	11.132	7.357	18.489
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserve for employee benefits		3.143	-	3.143	859	-	859
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		25.941	-	25.941	14.050	-	14.050
XIII. TAX LIABILITY	II-9	24.313	-	24.313	3.974	-	3.974
13.1 Current tax liability		24.313	-	24.313	3.974	-	3.974
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	II-10	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	II-11	-	639.209	639.209	-	177.849	177.849
XVI. SHAREHOLDERS' EQUITY	II-12	1.331.027	-	1.331.027	513.815	-	513.815
16.1 Paid-in capital		1.496.150	-	1.496.150	533.520	-	533.520
16.2 Capital reserves		(8.546)	-	(8.546)	(133)	-	(133)
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities valuation differences		(8.546)	-	(8.546)	(133)	-	(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 Income or (Loss)		(156.577)	-	(156.577)	(19.572)	-	(19.572)
16.4.1 Prior years' income/ (loss)		(19.572)	-	(19.572)	-	-	-
16.4.2 Current year income/ (loss)		(137.005)	-	(137.005)	(19.572)	-	(19.572)
TOTAL LIABILITIES AND EQUITY		7.706.065	8.403.731	16.109.796	2.703.716	930.463	3.634.179

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET****CONTINGENCIES AND COMMITMENTS AS OF DECEMBER 31, 2013**

(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 31.12.2013			Audited Prior Period 31.12.2012		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		5.475.947	8.658.055	14.134.002	500.564	942.869	1.443.433
I. GUARANTEES	III-1	622.693	311.640	934.333	61.948	28.066	90.014
1.1 Letters of guarantee		622.693	121.548	744.241	61.948	14.126	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		622.693	121.548	744.241	61.948	14.126	76.074
1.2 Bank loans		-	44.079	44.079	-	-	-
1.2.1 Import letter of acceptance		-	44.079	44.079	-	-	-
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		-	146.013	146.013	-	13.940	13.940
1.3.1 Documentary letters of credit		-	146.013	146.013	-	13.940	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		-	-	-	-	-	-
II. COMMITMENTS	III-1	827.826	1.319.520	2.147.346	29.481	43.115	72.596
2.1 Irrevocable commitments		827.826	1.319.520	2.147.346	29.481	43.115	72.596
2.1.1 Forward asset purchase and sales commitments		553.111	1.102.569	1.655.680	19.651	41.871	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		97.450	216.951	314.401	9.547	-	9.547
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		37.369	-	37.369	283	-	283
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		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		80	-	80	-	1.244	1.244
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	III-2	4.025.428	7.026.895	11.052.323	409.135	871.688	1.280.823
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		4.025.428	7.026.895	11.052.323	409.135	871.688	1.280.823
3.2.1 Forward foreign currency buy/sell transactions		396.221	550.815	947.036	15.835	157.896	173.731
3.2.1.1 Forward foreign currency transactions-buy		110.081	368.201	478.282	6.800	79.844	86.644
3.2.1.2 Forward foreign currency transactions-sell		286.140	182.614	468.754	9.035	78.052	87.087
3.2.2 Swap transactions related to foreign currency and interest rates		1.161.037	3.197.882	4.358.919	270.817	592.099	862.916
3.2.2.1 Foreign currency swaps-buy		627.950	782.572	1.410.522	252.604	134.510	387.114
3.2.2.2 Foreign currency swaps-sell		221.559	1.218.478	1.440.037	18.213	366.589	384.802
3.2.2.3 Interest rate swaps-buy		155.764	598.416	754.180	-	45.500	45.500
3.2.2.4 Interest rate swaps-sell		155.764	598.416	754.180	-	45.500	45.500
3.2.3 Foreign currency, interest rate and securities options		2.468.170	3.278.198	5.746.368	122.483	121.693	244.176
3.2.3.1 Foreign currency options-buy		1.061.601	1.818.770	2.880.371	83.885	37.876	121.761
3.2.3.2 Foreign currency options-sell		1.406.569	1.459.428	2.865.997	38.598	83.817	122.415
3.2.3.3 Interest rate options-buy		-	-	-	-	-	-
3.2.3.4 Interest rate options-sell		-	-	-	-	-	-
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	-	-	-	-	-
3.2.4.1 Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2 Foreign currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		9.338.927	5.358.927	14.697.854	267.100	-	267.100
IV. ITEMS HELD IN CUSTODY		156.737	144.049	300.786	458	-	458
4.1 Assets under management		13.612	-	13.612	-	-	-
4.2 Investment securities held in custody		42.579	11.163	53.742	-	-	-
4.3 Checks received for collection		3.304	119.730	123.034	458	-	458
4.4 Commercial notes received for collection		97.242	13.156	110.398	-	-	-
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		9.182.190	5.214.878	14.397.068	266.642	-	266.642
5.1 Marketable securities		-	-	-	-	-	-
5.2 Guarantee notes		772.753	144.126	916.879	28.512	-	28.512
5.3 Commodities		820.095	-	820.095	-	-	-
5.4 Warrants		-	-	-	-	-	-
5.5 Properties		6.770.374	4.536.391	11.306.765	238.130	-	238.130
5.6 Other pledged items		818.968	534.361	1.353.329	-	-	-
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		14.814.874	14.016.982	28.831.856	767.664	942.869	1.710.533

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED FINANCIAL STATEMENTS****AS OF DECEMBER 31, 2013**

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

III. STATEMENT OF INCOME

	Note (Section Five)	Audited Current Period 01.01-31.12.2013	Audited Prior Period 01.01-31.12.2012
I. INTEREST INCOME	IV-1	673.175	44.145
1.1 Interest on loans		523.446	11.213
1.2 Interest received from reserve deposits		-	-
1.3 Interest received from banks		14.972	31.302
1.4 Interest received from money market placements		78.235	1.025
1.5 Interest received from marketable securities portfolio		56.393	605
1.5.1 Held-for-trading financial assets		6.597	123
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		49.796	482
1.5.4 Investments held-to-maturity		-	-
1.6 Finance lease income		-	-
1.7 Other interest income		129	-
II. INTEREST EXPENSE	IV-2	534.868	12.518
2.1 Interest on deposits		500.157	12.196
2.2 Interest on funds borrowed		24.547	322
2.3 Interest on money market borrowings		10.164	-
2.4 Interest on securities issued		-	-
2.5 Other interest expense		-	-
III. NET INTEREST INCOME (I-II)		138.307	31.627
IV. NET FEES AND COMMISSIONS INCOME		7.114	5.280
4.1 Fees and commissions received		13.855	5.407
4.1.1 Non-cash loans		6.418	59
4.1.2 Other	IV-12	7.437	5.348
4.2 Fees and commissions paid		6.741	127
4.2.1 Non-cash loans		-	-
4.2.2 Other	IV-12	6.741	127
V. DIVIDEND INCOME	IV-3	-	-
VI. NET TRADING INCOME	IV-4	43.236	24.922
6.1 Securities trading gains/ (losses)		1.080	305
6.2 Gain/(losses) from derivative financial instruments		(11.206)	2.875
6.3 Foreign exchange gains/ (losses)		53.362	21.742
VII. OTHER OPERATING INCOME	IV-5	1.289	-
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		189.946	61.829
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-6	82.233	18.489
X. OTHER OPERATING EXPENSES (-)	IV-7	260.741	63.073
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		(153.028)	(19.733)
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. PROFIT / (LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD		-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	IV-8	(153.028)	(19.733)
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-9	16.023	161
16.1 Provision for current income taxes		1.483	(1.516)
16.2 Provision for deferred taxes		14.540	1.677
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	IV-10	(137.005)	(19.572)
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-
18.3 Income on other discontinued operations		-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Loss from assets held for sale		-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-
19.3 Loss from other discontinued operations		-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
21.1 Provision for current income taxes		-	-
21.2 Provision for deferred taxes		-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	IV-11	(137.005)	(19.572)

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED****UNDER SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2013**

(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 01.01-31.12.2013	Audited Prior Period 01.01-31.12.2012
I. Additions to marketable securities revaluation differences for available for sale financial assets	(10.516)	(166)
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	2.103	33
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	(8.413)	(133)
XI. Profit/Loss	(137.772)	(19.572)
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(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	(137.005)	(19.572)
XII. Total Profit/Loss accounted for in the period (X±XI)	(146.185)	(19.705)

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED DECEMBER 31, 2013

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

THOUSANDS OF TURKISH LIRA(TL)																				
CHANGES IN SHAREHOLDERS' EQUITY										Revaluation										
Note (Section Five)	Paid-In Capital	Adjustment to Share Capital	Share Premiums	Share Cancellation	Share Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income (Loss)	Marketable Securities Value Increase	Surplus on Tangible and Intangible Assets	Bonus Shares from Invest. In Ass., Subs. and J.V.	Hedging Reserves	Val.Chan.In Prop. And Eq. HFS Purp./ Minority Disc. Opr.	Total Equity Before Minority Shares	Minority Shareholders' Shares	Total Equity	
PRIOR PERIOD 31/12/2012																				
I.	Period Opening Balance																			
II. Changes in Accounting Policies according to TAS 8																				
2.1	Effects of errors																			
2.2 Effects of the Changes in Accounting Policies																				
III. New Balance (I+II)																				
Changes in the period																				
IV.	Increase/Decrease due to the Merger																			
V.	Marketable Securitis Valuation Differences																			
VI.	Hedging Transactions																			
6.1	Cash Flow Hedge																			
6.2	Foreign Investment Hedge																			
VII.	Property and Equipment Revaluation Differences																			
VIII.	Intangible Fixed Assets Revaluation Differences																			
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures																				
IX.	Foreign Exchange Differences																			
X.	Changes due to the disposal of assets																			
XI.	Changes due to the reclassification of assets																			
XII.	Effects of changes in equity of investments in associates																			
XIII.	Capital Increase																			
XIV.	II-12	533.520	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	533.520	-	533.520
14.1	Cash Increase																			
14.2	Internal Resources																			
XV.	Share Premium																			
XVI.	Share Cancellation Profits																			
XVII.	Paid-in-capital inflation adjustment difference																			
XVIII. Other																				
XIX.	Current Year Income or(Loss)																			
XX.	Profit Distribution																			
20.1	Dividens Paid																			
20.2	Transfers to Reserves																			
20.3	Other																			
Period End Balance (III+IV+V+.....+XVIII+XX+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 ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED DECEMBER 31, 2013

(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 Premiums	Share Cancellation	Share Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Income (Loss)	Prior Period Income (Loss)	Marketable Securities Net Increase (Loss)	Revaluation Surplus on Tangible Intangible Assets	Bonus Shares from Invest. In Ass. Subs. and J.V. Reserves	Hedging Disc. Opr.	Prop. And HFS Purp./ Minority Shares	Val Chan In Eq.	Total Equity Before Minority Shares	Total Shareholders' Equity	
CURRENT PERIOD																					
31/12/2013																					
I. Prior Period End Balance		533.520	-	-	-	-	-	-	-	-	-	(19.572)	-	(133)	-	-	-	-	-	-	513.815
Changes in the period																					
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Marketable Securitis Valuation Differences		-	-	-	-	-	-	-	-	-	-	-	-	(8.413)	-	-	-	-	-	(8.413)	
IV. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V. Property and Equipment Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. Effects of changes in equity of investments in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII. Capital Increase	II-12	962.630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	962.630	
12.1 Cash Increase		962.630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	962.630	
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV. Paid-in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI. Other		-	-	-	-	-	-	-	-	-	19.572	(19.572)	-	-	-	-	-	-	-	-	
XVII. Current Year Income of (Loss)		-	-	-	-	-	-	-	-	-	(137.005)	-	-	-	-	-	-	-	-	(137.005)	
XVIII. Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Period End Balance (I+II+III+...+XVI+XVII+XVIII)		1.496.150	-	-	-	-	-	-	-	-	(137.005)	(19.572)	(8.546)	-	-	-	-	-	-	1.331.027	

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED STATEMENTS OF CASH FLOW****FOR THE PERIOD ENDED DECEMBER 31, 2013**

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

VI. STATEMENT OF CASH FLOW

	Note (Section Five)	Reviewed Current Period 31.12.2013	Reviewed Prior Period 31.12.2012
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(377.547)	(28.694)
1.1.1 Interest received		404.231	37.829
1.1.2 Interest paid		(476.355)	(3.581)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		47.983	5.584
1.1.5 Other income		55.669	-
1.1.6 Collections from previously written off loans		-	-
1.1.7 Payments to personnel and service suppliers		(228.475)	(26.924)
1.1.8 Taxes paid		(103.876)	(3.346)
1.1.9 Others	VI-1	(76.724)	(38.256)
1.2 Changes in operating assets and liabilities		16.428	1.209.540
1.2.1 Net (increase) decrease in financial assets held for trading		(2.649)	-
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		6.003	(1.221)
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(1.483.684)	(134.956)
1.2.4 Net (increase) decrease in loans		(9.338.235)	(1.728.006)
1.2.5 Net (increase) decrease in other assets	VI-1	(185.573)	(19.589)
1.2.6 Net increase (decrease) in bank deposits		332.027	-
1.2.7 Net increase (decrease) in other deposits		9.494.701	2.508.513
1.2.8 Net increase (decrease) in funds borrowed		1.023.451	360.727
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	VI-1	170.387	224.072
I. Net cash provided from banking operations		(361.119)	1.180.846
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(968.822)	(140.626)
2.1 Cash paid for purchase of jointly controlled entities, associates and subsidiaries		-	-
2.2 Cash obtained from sale of jointly controlled entities, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(111.024)	(62.809)
2.4 Fixed assets sales		-	-
2.5 Cash paid for purchase of financial assets available for sale		(916.441)	(77.817)
2.6 Cash obtained from sale of financial assets available for sale		(58.643)	-
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		1.423.990	533.520
3.1 Cash obtained from funds borrowed and securities issued		461.360	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase ^(*)		962.630	533.520
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	VI-1	76.724	23.421
V. Net increase / (decrease) in cash and cash equivalents		170.773	1.597.161
VI. Cash and cash equivalents at beginning of the period		1.597.161	-
VII. Cash and cash equivalents at end of the period		1.767.934	1.597.161

^(*) With the permission of BRSA dated June 21, 2013 and numbered 20008792.84.1-15704, the Bank's paid in capital has increased to 1.086.510 TL and with the permission of BRSA December 19, 2013 and numbered 20008792.84.1-31580, the Bank's paid in capital has increased to 1.496.150 TL in the form of cash injection. As of December 31, 2013, the Bank's paid in capital consists of 14.961.500.000 shares which nominal value is TL 0,10.

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED PROFIT DISTRIBUTION TABLE****FOR THE PERIOD ENDED DECEMBER 31, 2013**

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

VII. PROFIT DISTRIBUTION TABLE

	Audited Current Period 31.12.2013 ^(*)	Audited Prior Period 31.12.2012 ^(*)
I. DISTRIBUTION OF CURRENT YEAR INCOME/(LOSS)		
1.1 CURRENT YEAR INCOME/(LOSS)	(153.028)	(19.733)
1.2 TAXES AND DUTIES PAYABLE (-)	16.023	161
1.2.1 Corporate tax (Income tax)	1.483	(1.516)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	14.540	1.677
A. NET INCOME FOR THE YEAR (1.1-1.2)	(137.005)	(19.572)
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	-	-
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE	-	-
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

^(*) As of December 31, 2013 and December 31, 2012 the Bank has loss for the current year.

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2013

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

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

The amendments of TAS and TFRS, 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 assesses the impact of TFRS 9 Financial Instruments standard.

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.

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, 2013 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.

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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").

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 on an accrual basis.

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

V. Explanations on Fees and Commission Income and Expenses

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

VI. Explanations on Financial Assets

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

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

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

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

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

Cash, Banks, and Other Financial Institutions

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

Financial Assets at Fair Value Through Profit and Loss

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

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

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Held to Maturity Investments

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

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

Held-to-maturity securities are carried at "amortized cost" using the "effective interest method" after their initial recognition. Interest income related with held-to-maturity securities is recorded in "Interest income" and impairment arising from a decrease in cost or revalued amounts is recorded in "Provision for impairment of loans and other receivables" accounts in balance sheet.

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. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

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 and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale, are unlisted in an active market and whose payments are fixed or can be determined.

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.

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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 December 31, 2013 the Bank has booked 8.757 TL specific provision for its loans (December 31, 2012: None).

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, 2013, the Bank has TL 460.098 of reverse repo transactions (December 31, 2012: TL 935.738).

As of December 31, 2013, the Bank has TL 221.454 of repo transactions (December 31, 2012: None).

As of December 31, 2013, the Bank does not have any marketable securities lending transaction (December 31, 2012: None).

X. Explanations on Assets Held for Sale and Discontinued Operations

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

The Bank does not have any assets held for sale as of December 31, 2013 (December 31, 2012: None).

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

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XI. Explanations on Goodwill and Other Intangible Assets

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

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

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

XII. Explanations on Tangible Fixed Assets

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

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

	%
Buildings	2
Safety box	2
ATM	10
Furniture, fixtures and others	20
Office equipments	25

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

Normal maintenance and repair cost of the properties are expensed.

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

XIII. Explanations on Leasing Transactions

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

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

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

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

XIV. Explanations on Provisions and Contingent Liabilities

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

As of balance sheet date, there is not any case opened against to the Bank which has the possibility of losing.

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XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans:

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

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

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

Defined Contribution Plans

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

Short-term Employee Benefits

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

XVI. Explanations on Taxation

Corporate tax:

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

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

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

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

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

Deferred Tax Liability / Asset:

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

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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 carryforward 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 deferred tax resulting from differences related to items that are debited or credited directly to equity is netted with these accounts.

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

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax income stated under the deferred tax provision amounting to TL18.320 in the statement of financial position.

XVII. Additional Explanations on Borrowings

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

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

The Bank has not issued convertible bonds.

XVIII. Explanations on Issued Share Certificates

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

XIX. Explanations on Avalized Drafts and Acceptances

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

XX. Explanations on Government Grants

There are no government grants utilized by the Bank.

XXI. Explanations on Segment Reporting

Since the Bank is not listed, disclosure requirements of IFRS 8 are not applicable for the Bank.

XXII. Explanations on Other Matters

None, other than above explanations.

Explanation for convenience translation to English

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

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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, 2013 the Bank's capital adequacy ratio is 15,61 % (December 31, 2012: 36,42 %).

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 Type	Risk Weights								
	Bank								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Contingent and Non-Contingent Receivables from central governments or central banks	2.685.582	-	-	515	-	-	-	-	-
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	-	-	-	87.548	-	32.803	-	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	10.229.474	-	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	387.231	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Mortgages	-	-	-	466.791	-	119.024	-	-	-
Past Due Receivables	-	-	-	-	-	26.231	11.198	-	-
Receivables defined in high risk category by Regulator	-	-	-	-	-	9.358	26.291	218.316	2.089
Secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and corporate	-	-	977.876	336.986	-	7.594	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-
Other Receivables	90.139	-	151	-	-	227.450	-	-	-

Summary information related to the capital adequacy ratio:

	December 31, 2013	December 31, 2012
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	966.558	146.393
Capital requirement for market risk (II) (Value at Market Risk*0.08) (MRCR)	21.814	2.668
Capital requirement for operational risk (III) (ORCR)	9.274	-
Shareholders' Equity	1.946.925	678.578
Shareholders' Equity/((CRCR+MRCR+ORCR) * 12.5) * 100	15,61	36,42

(*) As of December 31, 2013 the Bank, as per BRSA's approval has calculated value at operational risk based on 2012 year end income statement and reflected the figure into capital adequacy calculation.

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Information related to the components of shareholders' equity:

	31 Aralık 2013	31 Aralık 2012
CORE CAPITAL		
Paid in Capital	1.496.150	533.520
Nominal capital	1.496.150	533.520
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	19.572
Current period loss (net)	137.005	19.572
Prior years' losses	19.572	-
Leasehold improvements (-)	48.396	13.696
Intangible assets (-)	48.246	17.790
Deferred tax asset exceeding 10% of the Core Capital (-)	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-	-
Total Core Capital	1.242.931	482.462
SUPPLEMENTARY CAPITAL		
General loan loss reserves	91.075	18.489
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	177.760
45% value increase of available for sale financial assets and associates and subsidiaries	(8.546)	(133)
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	-	-
Total Supplementary Capital	703.994	196.116
CAPITAL	1.946.925	678.578
DEDUCTIONS FROM THE CAPITAL		
Investments in Unconsolidated Financial Institutions (Domestic, Foreign) and Banks	-	-
The Secondary Subordinated Loans extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and Debt Instruments That Have Primary Secondary Subordinated Loan Nature Purchased From Them	-	-
Investment in Financial Institutions (Domestic, Foreign) and Banks, in which less than 10% equity interest is exercised and that exceeds 10% and more of the total core and supplementary capital of the Bank	-	-
Loans extended as contradictory to the articles 50 and 51 of the law	-	-
The net book value of Bank's Immovables that are 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed according to banking law article 57 as they have been held for more than five years from the acquisition date	-	-
Other	-	-
Total Shareholders' Equity	1.946.925	678.578

^(*) On December 27, 2012, the Bank obtained a subordinated loan from Parent Bank-Bank Audi SAL amounting to USD 100 million, with 10 years maturity and a repayment option at the end of five years. The interest rate was determined 3% for the first five years unless usage of repayment option interest rate to be 4%. With the written approval of BRSA dated December 25, 2012, the loan has been approved as subordinated loan and was taken into consideration as supplementary capital within the limits of the Regulation Regarding Banks' Shareholders' Equity. Besides, on September 24, 2013, the Bank obtained a subordinated loan from Parent Bank-Bank Audi SAL amounting to USD 200 million, with 10 years maturity and a repayment option at the end of five years. The interest rate was determined 6%. With the written approval of BRSA dated September 20, 2013, the loan has been approved as subordinated loan and was taken into consideration as supplementary capital within the limits of the Regulation Regarding Banks' Shareholders' Equity.

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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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	Current Period Risk Amount ^(*)	Average Net Loan Amount After Provisions
Risk Types^(*)		
Contingent and Non-Contingent Receivables from central governments or central banks	2.686.097	1.971.242
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	117.306	65.811
Contingent and Non-Contingent Corporates	11.084.094	6.530.784
Contingent and Non-Contingent Retail Receivables	509.441	121.636
Contingent and Non-Contingent Receivables Secured by Mortgages	666.323	425.321
Past Due Receivables	37.429	6.135
Receivables defined in high risk category by Regulator	261.741	99.995
Secured by mortgages	-	-
Securitization positions	-	-
Short-Term Receivables from Banks, brokerage houses and corporates	2.977.711	1.410.768
Investments similar to collective investment funds	-	-
Other Receivables	317.740	191.778
Total	18.657.882	10.823.470

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

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

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

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

The proportion of the Bank's top 100 and 200 cash loan customers' in total cash loans is 50% and 64% respectively.

The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 80% and 93%.

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 38% and 47% respectively.

The Bank provided a general loan loss provision amounting to TL 91.075 (31 December 2012: TL 18.489).

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Significant Risks that are significant on the profile of the regions

31 Dec 2013															
	Due from Governments or Central Banks	Regional Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	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	Other Receivables	Total
Domestic	2.686.097	-	-	-	-	103.696	391.675	634.699	37.429	261.538	-	932.495	-	317.740	15.800.384
European Union Countries	-	-	-	-	-	1.727	-	343	-	198	-	212.353	-	-	214.621
OECD Countries ^(*)	-	-	-	-	-	-	21.304	-	-	-	-	71.520	-	-	92.824
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	-	-	-	-	-	85.052	-	-	85.052
Other Countries	-	-	-	-	-	5.930	2.736	-	-	5	-	21.036	-	-	37.159
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/ Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2.686.097	-	-	-	-	111.353	394.411	635.042	37.429	261.741	-	1.322.456	-	317.740	16.230.040
31 Dec 2012															
	Due from Governments or Central Banks	Regional Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	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	Other Receivables	Total
Domestic	481.727	-	-	-	-	27.253	1.557.377	17.809	-	2.213	-	340.633	-	95.923	2.522.936
European Union Countries	-	-	-	-	-	54	27.995	-	-	-	-	37.648	-	-	65.697
OECD Countries	-	-	-	-	-	-	-	-	-	-	-	2.320	-	-	2.320
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	-	-	-	-	-	27.107	-	-	27.107
Other Countries	-	-	-	-	-	5.522	131.662	-	-	-	-	-	-	-	137.184
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/ Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	481.727	-	-	-	-	32.829	1.717.034	17.809	-	2.213	-	407.708	-	95.923	2.755.244

^(*) 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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Sector concentrations for cash loans:

Sectors/Counterparties	Due from Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non- Contingent Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	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	Other Receivables	TL	FC	Total	
1 Agriculture	-	-	-	-	-	-	101.793	-	1.155	22.705	-	-	-	-	111.412	14.241	125.653	
1.1 Farming and Raising Livestock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.2 Forests TL, Wood and Paper	-	-	-	-	-	-	97.950	-	1.155	22.705	-	-	-	-	107.569	14.241	121.810	
1.3 Fishery	-	-	-	-	-	-	3.843	-	-	-	-	-	-	-	3.843	-	3.843	
2 Manufacturing	-	-	-	-	-	-	2.987.082	-	57.837	6.225	1.158	-	-	-	1.563.154	1.489.148	3.052.302	
2.1 Mining and Quarry	-	-	-	-	-	-	220.441	-	10.051	-	-	-	-	-	136.986	93.506	230.492	
2.2 Production	-	-	-	-	-	-	2.766.641	-	47.786	6.225	1.158	-	-	-	1.426.168	1.395.642	2.821.810	
2.3 Electricity, Gas and Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3 Construction	-	-	-	-	-	-	2.653.794	-	351.888	1.366	-	-	-	-	1.750.871	1.256.177	3.007.048	
4 Services	-	-	-	-	-	-	111.353	3.094.974	19	129.872	5.768	8	1.322.456	-	3.127.467	1.536.983	4.664.450	
4.1 Wholesale and Retail Trade	-	-	-	-	-	-	1.767.692	-	33.733	5.449	-	-	-	-	1.525.148	281.726	1.806.874	
Hotel, Tourism, Food and Beverage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.2 Services	-	-	-	-	-	-	559.744	-	45.625	-	-	-	-	-	254.942	350.427	605.369	
4.3 Transportation and Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.4 Financial Institutions	-	-	-	-	-	-	111.353	203.772	-	36.310	-	-	1.322.456	-	861.392	812.499	1.673.891	
4.5 Real Estate and Renting Services.	-	-	-	-	-	-	329.723	-	11.786	319	-	-	-	-	249.633	92.195	341.828	
4.6 Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.7 Education Services	-	-	-	-	-	-	102.928	19	1.368	-	-	-	-	-	104.315	-	104.315	
4.8 Health and Social Services	-	-	-	-	-	-	131.115	-	1.050	-	8	-	-	-	132.039	134	132.173	
5 Other	2.686.097	-	-	-	-	-	1.626.128	394.392	94.290	1.365	260.575	-	-	-	317.740	2.886.405	2.494.182	5.380.587
Total	2.686.097	-	-	-	-	-	111.353	10.463.771	394.411	635.042	37.429	261.741	-	1.322.456	317.740	9.439.311	6.790.729	16.230.040

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

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

Risk by Risk Weights Balances:

											Deductions from the shareholders' equity	
Risk Weights ^(*)		0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	
1	Amount before the credit risk mitigation	2.775.721	-	978.027	883.972	394.411	10.934.328	37.874	223.618	2.089	-	96.642
2	Amount after the credit risk mitigation	2.775.721	-	978.027	891.839	387.231	10.651.934	37.489	218.316	2.089	-	96.642

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

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Important sectors or type of information according to counterparty

Sectors/Counterparties	Loans			
	Impaired Receivables	Past Due Receivables	Impairment	Provisions
Agricultural	28.381	-	-	5.676
Farming and raising livestock	28.381	-	-	5.676
Forestry	-	-	-	-
Fishing	-	-	-	-
Manufacturing	7.260	14.329	455	1.035
Mining	-	-	-	-
Production	7.260	8.412	337	1.035
Electricity, Gas, Water	-	5.917	118	-
Construction	2.236	3.124	62	870
Services	5.927	52.747	1.746	477
Wholesale and retail trade	5.927	50.140	1.694	477
Hotel, Food, Beverage services	-	-	-	-
Transportation and Telecommunication	-	301	6	-
Financial Institutions	-	-	-	-
Real Estate and Lending Service	-	-	-	-
Self employment service	-	-	-	-
Education Service	-	740	15	-
Health and social services	-	1.566	31	-
Other	2.382	8.146	164	699
Total	46.186	78.346	2.427	8.757

Information related to Impairment and Loan Loss Provisions:

	Opening Balance	The amount of provision in the period	Reversal of Provision	Other Provisions	Closing Balance
1 Specific Provisions	-	8.757	-	-	8.757
2 General Provisions	18.489	72.586	-	-	91.075

Internal credit rating system

Risk Class	Internal Rating Grade
High	
Risk rating class 1	1
Risk rating class 2	2
Good	
Risk rating class 3	3
Risk rating class 4	4
Standard	
Risk rating class 5	5
Risk rating class 6	6
Risk rating class 7	7
Risk rating class 8	8
Substandard	
Risk rating class 9	9
Risk rating class 10	10

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.

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On the basis of main groups collateral's, data compiled for the sub-standard of risk ratings, are as it follows:

- Risk rating class 9: The existing risk amount is TL 42.147 for 42 customers in this class. Distribution of the risk among collaterals are: 29% mortgage and 4 % cheques.
- Risk rating class 10: The existing risk amount is TL 5 for 2 customers in this class.

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.

Information Related to Market Risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk-Standard Method	7.183
(II) Capital Requirement to be Employed For Specific Risk-Standard Method	-
Standard Method For Specific Risk of Necessary Capital Requirement on Securitization Positions	-
(III) Capital Requirement to be Employed For Currency Risk – Standard Method	3.723
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	-
(V) Capital Requirement to be Employed For Settlement Risk-Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options-Standard Method	663
(VII) Capital Requirement to be Employed For Counterparty Risk-Standard Method	10.245
(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	21.814
(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	272.675

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

	Average	December 31, 2013 ^(*)	
		Maximum	Minimum
Interest Rate Risk	7.154	15.505	3,392
Common Stock Risk	-	-	-
Currency Risk	13.529	29.580	4,176
Commodity Risk	-	-	-
Settlement Risk	-	-	-
Option Risk	869	338	320
Counterparty Risk	6.331	11.601	1.310
Total Value Subject to Risk	27.883	57.024	9.198

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

Quantitative Counterparty Risk Information

	Amount
Interest Rate Based Contracts	3.522
Exchange Rate Based Contracts ^(*)	51.670
Commodity Based Contracts	-
Common Stock Based Contracts	-
Gross Profit Fair Value ^(**)	90.974
Benefits to Clarify	-
Net Amount of Current Risk	-
Guarantees Held	260
The Net Position of Derivatives ^(***)	145.906
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.

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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	61.830	15	9.275
The amount subject to operational risk (Total*12,5) ^(*)					-	115.938

^(*) With the approval of BRSA dated November 19, 2012 and numbered 23254, the Bank did not calculate the amount subject to operational risk for interim periods of the year 2013.

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, 2013 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

	24 Dec 2013	25 Dec 2013	26 Dec 2013	27 Dec 2013	30 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

	24 Dec 2013	25 Dec 2013	26 Dec 2013	27 Dec 2013	30 Dec 2013	31 Dec 2013
USD	1,7893	1,7877	1,7848	1,7829	1,7826	1,7776
CHF	1,9549	1,9516	1,9484	1,9544	1,9430	1,9394
GBP	2,895	2,8796	2,8787	2,8823	2,8708	2,8733
100 JPY	2,1151	2,1049	2,0866	2,075	2,0656	2,0605
EURO	2,3651	2,3586	2,3566	2,3657	2,3517	2,3452

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before December 31, 2013 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1,9705
CHF	2,3025
GBP	3,3739
100 JPY	1,9931
EURO	2,6305

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December 31, 2013	EUR	USD	OTHER	TOTAL
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	14.709	1.649.294	509	1.664.512
Banks	262.171	353.138	18.928	634.237
Financial Assets at Fair Value Through Profit and Loss (****)	-	-	-	-
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-
Loans (*)	1.641.199	3.764.415	-	5.405.614
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Held-To-Maturity Investments	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	32.848	70.395	-	103.243
Total Assets	1.950.927	5.837.242	19.437	7.807.606
Liabilities				
Bank Deposits	58.945	225.420	-	284.365
Other Deposits	1.588.316	4.615.267	2.278	6.205.861
Derivative financial liabilities (****)	-	-	-	-
Funds Provided From Other Financial Institutions	157.193	976.136	31.036	1.164.365
Subordinated Loan	-	639.209	-	639.209
Miscellaneous Payables	30	108	1	139
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities (**)	3.885	10.076	-	13.961
Total Liabilities	1.808.369	6.466.216	33.315	8.307.900
Net Balance Sheet Position	142.558	(628.974)	(13.878)	(500.294)
Net Off-Balance Sheet Position	9.428	459.431	14.163	483.022
Financial Derivative Assets	934.159	2.417.025	216.776	3.567.960
Financial Derivative Liabilities	1.193.962	2.062.183	202.790	3.458.935
Forward deposit purchase commitments	289.038	448.186	1.059	738.283
Forward deposit sales commitments	19.807	343.597	882	364.286
Non-Cash Loans (**)	105.319	205.718	603	311.640
December 31, 2012				
Total Assets	242.084	926.845	4.477	1.173.406
Total Liabilities	154.502	768.588	16	923.106
Net Balance Sheet Position	87.582	158.257	4.461	250.300
Net Off-Balance Sheet Position	(86.763)	(189.769)	(5.039)	(281.571)
Financial Derivative Assets	52.075	198.419	47.236	297.730
Financial Derivative Liabilities	129.457	394.009	50.492	573.958
Forward deposit purchase commitments	-	18.264	-	18.264
Forward deposit sales commitments	9.381	12.443	1.783	23.607
Non-Cash Loans (**)	5.934	22.132	-	28.066

(*) Foreign currency indexed loans amounting to TL 1.030.053 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.

(****) Financial assets at fair value through profit and loss and derivative financial liabilities 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 ^(*)		Effect on equity	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
ABD Doları	% 10	(16.954)	3.151	(16.954)	3.151
ABD Doları	%(10)	16.954	(3.151)	16.954	(3.151)
EURO	% 10	15.199	82	15.199	82
EURO	%(10)	(15.199)	(82)	(15.199)	(82)

(*) 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):

Current Period-December 31, 2013

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

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

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Prior Period-December 31, 2012

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	230.032	-	-	-		179.745	409.777
Banks	319.760	-	-	-	-	67.652	387.412
Financial Assets at Fair Value Through Profit and Loss	703	1.949	2.794	92	73	-	5.611
Money Market Placements	935.738	-	-	-	-	-	935.738
Available-For-Sale Financial Assets		-	78.132	-	-	-	78.132
Loans	325.718	202.403	751.578	365.120	86.869	-	1.731.688
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	85.821	85.821
Total Assets	1.811.951	204.352	832.504	365.212	86.942	333.218	3.634.179
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Customer Deposits	777.406	1.039.885	556.213	5.779	-	137.863	2.517.146
Money Market Borrowings	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	1.226	1.226
Borrowings	-	-	-	-	177.849	-	177.849
Subordinated Loans	-	281.351	79.591	-	-	-	360.942
Other Liabilities (*)	35	3.177	1.179	-	-	572.625	577.016
Total Liabilities	777.441	1.324.413	636.983	5.779	177.849	711.714	3.634.179
Balance Sheet Long Position	1.034.510	-	195.521	359.433	-	-	1.589.464
Balance Sheet Short Position	-	(1.120.061)	-	-	(90.907)	(378.496)	(1.589.464)
Off-Balance Sheet Long Position	43.780	281.953	325.210	17.797	17.776	-	686.516
Off-Balance Sheet Short Position	43.223	283.005	264.523	3.555	-	-	594.306
Total Position	1.035.067	(1.121.113)	256.208	373.675	(73.131)	(378.496)	92.210

(*) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 513.815, TL 3.974 tax liabilities, TL 33.398 provisions, and TL 21.438 other liabilities.

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Average interest rates applied to monetary financial instruments:

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

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

	EURO %	USD %	YEN %	TL %
Prior Period-December 31, 2012				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	5,00
Banks	0,25	0,28	-	5,73
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Money Market Placements	-	-	-	5,90
Available-For-Sale Financial Assets	-	-	-	6,03
Loans	5,32	5,60	-	12,36
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Customer Deposits	3,42	3,44	-	8,93
Subordinated Loans	-	3,00	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	1,20	1,18	-	-

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.

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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	(273.901)	(14,07)%
	(400)	261.508	13,43%
EUR	200	(19.940)	(1,02)%
	(200)	6.516	0,33%
USD	200	42.751	2,20%
	(200)	(81.239)	(4,17)%
Total (For Negative Shock)		186.785	9,59%
Total (For Positive Shock)		(251.090)	(12,90)%

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

VII. Explanations Related to Share Certificates Position Risk

The Bank has no outstanding share certificate position.

VIII. Explanations Related to Liquidity Risk

Liquidity risk 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 pre-financing and syndication products to generate additional sources.

In accordance with the "Communiqué on the Measurement and Assessment of Liquidity 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%. Liquidity ratios of the Bank as at 31 December 2013 are presented below:

	Current Period 31 December 2013			
	First maturity tranche (Weekly)		Second maturity tranche (Monthly)	
	YP	TP + YP	YP	TP + YP
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, 2013	Demand	Up to 1 Month	1-3 Month	3-12 Months	1-5 Years	Over 5 Years	Undistributed ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.777.178	-	-	-	-	-	-	1.777.178
Banks	299.960	849.884	-	-	-	-	-	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	-	-	77.290	433.280	180.476	251.486	-	942.532
Loans	37.429	746.674	633.525	2.568.554	4.711.259	2.647.029	-	11.344.470
Held-To-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	334.491	334.491
Total Assets	2.114.567	2.058.779	720.570	3.058.271	4.921.253	2.901.865	334.491	16.109.796
Liabilities								
Bank Deposits	95	215.189	106.079	11.629	-	-	-	332.992
Customer Deposits	498.654	7.412.677	4.022.548	105.063	24	-	-	12.038.966
Funds Provided From Other Financial Institutions	-	249.002	460.346	351.320	-	106.705	-	1.167.373
Money Market Borrowings	-	221.454	-	-	-	-	-	221.454
Subordinated Loans	-	-	-	-	-	639.209	-	639.209
Miscellaneous Payables	-	-	-	-	-	-	2.748	2.748
Other Liabilities ^(**)	-	5.254	26.693	47.738	23.670	-	1.603.699	1.707.054
Total Liabilities	498.749	8.103.576	4.615.666	515.750	23.694	745.914	1.606.447	16.109.796
Liquidity Gap	1.615.818	(6.044.797)	(3.895.096)	2.542.521	4.897.559	2.155.951	(1.271.956)	-
Prior period								
Total Assets	247.397	1.627.092	43.080	932.867	665.203	32.719	85.821	3.634.179
Total Liabilities	139.124	780.583	1.322.415	635.804	5.779	177.849	572.625	3.634.179
Liquidity Gap	108.273	846.509	(1.279.335)	297.063	659.424	(145.130)	(486.804)	-

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

^(**) The other liabilities line in the undistributed column consist of shareholders' equity amounting to TL 1.331.027, TL 24.313 tax liabilities, TL 120.159 provisions and TL 128.200 other liabilities

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Analysis of financial liabilities by remaining contractual maturities:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments (*)	Total
As of December 31, 2013							
Bank Deposits	215.535	106.509	11.733	-	-	-	333.777
Customer deposits	7.929.926	4.053.789	107.765	26	-	-	12.091.506
Subordinated Loans	-	-	-	-	960.591	-	960.591
Funds Provided From Other Financial Institutions	250.983	468.167	1.126.245	-	-	-	1.845.395
Funds From interbank money market	-	-	-	-	-	-	-
Total	8.396.444	4.628.465	1.245.743	26	960.591	-	15.231.269

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments (*)	Total
As of December 31, 2012							
	-	-	-	-	-	-	-
Bank Deposits	137.863	1.463.988	940.817	10.176	-	-	2.552.844
Customer deposits	-	-	-	-	239.131	-	239.131
Subordinated Loans	-	94.983	267.038	-	-	-	362.021
Funds Provided From Other Financial Institutions	-	-	-	-	-	-	-
Funds From interbank money market	-	-	-	-	-	-	-
Total	137.863	1.558.971	1.207.855	10.176	239.131	-	3.153.996

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2013						
Gross settled						
Foreign exchange forward contracts	467.869	858.096	4.227.278	1.140.157	-	6.693.400
Currency swaps	958.884	1.491.180	142.464	258.033	-	2.850.561
Interest Rate Swap Agreement	-	-	-	1.123.260	385.102	1.508.362
Total	1.426.753	2.349.276	4.369.742	2.521.450	385.102	11.052.323
	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2012						
Gross settled						
Foreign exchange forward contracts	5.895	144.680	23.156	-	-	173.731
Currency swaps	57.834	330.219	383.863	-	-	771.916
Total	63.729	474.899	407.019	-	-	945.647

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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, 2013

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

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

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.

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.

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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	Fair Value	Book Value	Fair Value
	December	December	December	December
	31,2013	31, 2013	31, 2012	31, 2012
Financial Assets	13.859.515	11,998,252	3.132.970	3.132.970
Money Market Placements	460.098	460.098	935.738	935.738
Banks	1.149.844	1.149.844	387.412	387.412
Available-For-Sale Financial Assets	942.532	942.532	78.132	78.132
Held-To-Maturity Investments	-	-	-	-
Loans	11.307.041	9,445,778	1.731.688	1.731.688
Financial Liabilities	14.309.488	14,204,552	3.078.602	3.078.602
Bank Deposits	332.991	333,778	-	-
Other Deposits	12.038.967	12,040,907	2.517.146	2.517.146
Funds Borrowed From Other Financial Institutions	1.167.373	1,165,538	360.942	360.942
Subordinated Loans	639.209	533,381	177.849	177.849
Miscellaneous Payables	130.948	130,948	22.665	22.665

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.

- Quoted market prices (non-adjusted) (1st level)
- 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)
- 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, 2013	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Assets at Fair Value through Profit and Loss	2.610	98.573	-	101.183
Available-For-Sale Financial Assets	942.532	-	-	942.532
Financial Liabilities				
Derivative financial liabilities held for trading	-	103.355	-	103.355

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December 31, 2012	Level 1	Level 2	Level 3	Total
Financial Assets	-	5.611	-	5.611
Financial Assets at Fair Value through Profit and Loss	78.132	-	-	78.132
Available-For-Sale Financial Assets	-	-	-	-
Financial Liabilities	-	4.390	-	4.390
Derivative financial liabilities held for trading				

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.

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 2013		December, 31 2012	
	TL	FC	TL	FC
Cash in Vault/Foreign Currency	33.000	45.306	3.386	2.795
Balances with the Central Bank of Turkey	79.566	1.619.155	268.487	135.109
Other	100	51	-	-
Total	112.666	1.664.512	271.873	137.904

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

	December, 31 2013		December, 31 2012	
	TL	FC	TL	FC
Unrestricted demand deposits	79.566	515	38.455	153
Unrestricted time deposits	-	-	230.032	-
Restricted time deposits	-	1.618.640	-	134.956
Total	79.566	1.619.155	268.487	135.109

c) Explanations related to reserve deposits:

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

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

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
Classified as unrestricted deposit	2.610	-	-	-
Subject to repurchase agreements	-	-	-	-
Given as collateral/blocked	-	-	-	-
Total	2.610	-	-	-

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None**b) Positive differences related to derivative financial assets held-for-trading:**

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
Forward Transactions	392	14.051	111	1.590
Swap Transactions	1.379	10.199	2.610	779
Futures Transactions	-	-	-	-
Options	219	72.333	117	404
Other	-	-	-	-
Total	1.990	96.583	2.838	2.773

3. a) Information on banks:

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
Banks				
Domestic	515.607	334.438	243.015	77.322
Foreign	-	299.799	-	67.075
Branches and head office abroad	-	-	-	-
Total	515.607	634.237	243.015	144.397

b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
European Union Countries	134.148	37.648	-	-
USA and Canada	151.721	27.107	-	-
OECD Countries ^(*)	13.930	2.320	-	-
Other	-	-	-	-
Total	299.799	67.075	-	-

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

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

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	244.163	-	78.132	-
Other	-	-	-	-
Total	244.163	-	78.132	-

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

As of December 31, 2013, available-for-sale financial assets subject to repurchase agreements amount to TL 221.166 (31 December 2012: None).

b) Information on financial assets available for sale portfolio:

	December 31, 2013	December 31, 2012
Debt securities	942.532	78.132
Quoted on a stock exchange	942.532	78.132
Not quoted	-	-
Share certificates	-	-
Quoted on a stock exchange	-	-
Not quoted	-	-
Impairment provision (-)	-	-
Total	942.532	78.132

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

	December 31, 2013		December 31, 2012	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	2.578	-	191	-
Total	2.578	-	191	-

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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	Restructured or Rescheduled	Other	Loans and Other Receivables	Restructured or Rescheduled	Other
Cash Loans						
Non-specialized loans	11.228.695	-	-	49.671	28.675	-
Loans given to enterprises	-	-	-	-	-	-
Export loans	782.250	-	-	-	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	-	-	-	-	-	-
Foreign loans	63.475	-	-	-	-	-
Consumer Loans	694.121	-	-	8.292	15	-
Credit cards	49.358	-	-	-	-	-
Precious metals loans	-	-	-	-	-	-
Other	9.639.491	-	-	41.379	28.660	-
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	11.228.695	-	-	49.671	28.675	-

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

	Standard loans and other receivables	Loans and other receivables under close monitoring
Number of extensions		
Extended by 1 or 2 times	-	28.675
Extended by 3,4 or 5 times	-	-
Extended by more than 5 times	-	-
Extension periods		
0-6 Months	-	20.723
6-12 Months	-	-
1-2 Years	-	-
2-5 Years	-	7.952
5 Years and over	-	-

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
Cash Loans				
Short term loans and other receivables	3.372.301	-	23.534	-
Non-Specialized loans	3.372.301	-	23.534	28.675
Specialized loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and long-term loans and other receivables	7.856.394	-	26.137	-
Non-Specialized loans	7.856.394	-	26.137	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-

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

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	12.626	686.141	698.767
Housing Loans	2.944	415.545	418.489
Car Loans	441	16.677	17.118
General Purpose Loans	9.226	253.919	263.145
Other	15	-	15
Consumer Loans -Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	47.233	1.582	48.815
With Installments	27.483	1.582	29.065
Without Installments	19.750	-	19.750
Individual Credit Cards-FC	258	27	285
With Installments	145	27	172
Without Installments	113	-	113
Personnel Loans-TL	244	2.076	2.320
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	244	2.076	2.320
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	233	25	258
With Installments	137	25	162
Without Installments	96	-	96
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL(Real Persons)	1.326	-	1.326
Overdraft Accounts-FC(Real Persons)	15	-	15
Total	61.935	689.851	751.786

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

Current Period-31.12.2013

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	68.416	1.906.661	1.975.077
Business Loans	-	-	-
Car Loans	4.195	25.995	30.190
General Purpose Loans	63.330	1.322.458	1.385.788
Other	891	558.208	559.099
Commercial loans with installment facility-Indexed to FC	3.765	352.111	355.876
Business Loans	-	-	-
Car Loans	40	8.760	8.800
General Purpose Loans	3.725	343.351	347.076
Other	-	-	-
Commercial loans with installment facility –FC	-	-	-
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Corporate Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL(Legal Entities)	122.342	-	122.342
Overdraft Accounts-FC(Legal Entities)	244	-	244
Total	194.767	2.258.772	2.453.539

g) Loans according to types of borrowers:

	December 31, 2013	December 31, 2012
Private Sector	11.307.041	1.731.688
Total	11.307.041	1.731.688

h) Distribution of domestic and foreign loans:

	December 31, 2013	December 31, 2012
Domestic loans	11.243.566	1.573.273
Foreign loans	63.475	158.415
Total	11.307.041	1.731.688

i) Loans granted to subsidiaries and associates: None.

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j) Specific provisions provided against loans:

	December 31, 2013	December 31, 2012
Specific provisions		
Loans and receivables with limited collectability	6.594	-
Loans and receivables with doubtful collectability	1.939	-
Uncollectible loans and receivables	224	-
Total	8.757	-

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

k.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled:

	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
31.12.2013	-	-	-
(Gross amounts before the specific reserves)	-	-	-
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	-
31.12.2012	-	-	-
(Gross amounts before the specific reserves)	-	-	-
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	-

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
Prior Period End	-	-	-
Additions (+)	46.186	-	-
Transfers from other categories of non-performing loans (+)	-	7.361	224
Transfers to other categories of non-performing loans (-)	7.585	-	-
Collections (-)	-	-	-
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Individual loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the end of the period	38.601	7.361	224
Specific provision (-)	6.594	1.939	224
Net Balances on Balance Sheet	32.007	5.422	-

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

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Current Period (Net)	32.007	5.422	-
Loans to Real Persons and Legal Entities (Gross)	38.601	7.361	224
Specific provision (-)	6.594	1.939	224
Loans to Real Persons and Legal Entities (Net)	32.007	5.422	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	-	-	-
Loans to Real Persons and Legal Entities (Gross)	-	-	-
Specific provision (-)	-	-	-
Loans to Real Persons and Legal Entities (Net)	-	-	-
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, 2013, the Bank has uncollectible loans and receivables amounting to TL 224.

m) Explanations on write-off policy:

As of December 31, 2013 there is no write-off amount evaluated according to decision of the Board of Directors.

6. Information on held-to-maturity investments:

a.1) Information on held-to-maturity investments given as collateral or blocked: None.

a.2) Held-to-maturity investments subject to repurchase agreements: None.

b) Information on public sector debt investments held-to-maturity: None.

c) Information on held-to-maturity investments: None.

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d) Movement of held-to-maturity investments: None.

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.

12. Information on tangible assets (Net):

	Closing Balance December 31, 2012	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2013
Cost:						
Land and buildings	9.174	-	-	-	-	9.174
Leased tangible assets	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-
Other	34.727	73.894	-	-	-	108.621
Total Cost	43.901	73.894	-	-	-	117.795
	Closing Balance December 31, 2012	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2013
Accumulated Depreciation:						
Land and buildings	31	183	-	-	-	214
Leased tangible assets	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-
Other	2.528	10.615	-	-	-	13.143
Total Accumulated Depreciation	2.559	10.798	-	-	-	13.357
Net Book Value	41.342	63.096	-	-	-	104.438

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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.****13. Information on intangible assets:**

	Closing Balance December 31, 2013	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2013
Cost:						
Software cost	17.790	37.384	-	-	-	55.174
Other intangible assets	1.118	11	-	-	-	1.129
Total Cost	18.908	37.395	-	-	-	56.303
	Closing Balance December 31, 2012	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2013
Accumulated Depreciation:						
Software cost	1.081	6.869	-	-	-	7.950
Other intangible assets	37	70	-	-	-	107
Total Accumulated Depreciation	1.118	6.939	-	-	-	8.057
Net Book Value	17.790	30.456	-	-	-	48.246

14. Investment Property (Net): None.**15. Explanations on deferred tax assets:**

a) As of December 31, 2013, the Bank has deferred tax asset amounting to TL 18.320 arising from tax losses and other deductible temporary differences amounting to TL 5.596 (December 31, 2012: None) and TL 12.724 (December 31, 2012: TL 1.677), respectively.

b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.

c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

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	December 31, 2013		December 31, 2012	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
Reserve for Employee Benefits	3.143	629	859	172
Other provisions	25.000	5.000	14.050	2.810
Net Book Value and Tax Value Differences of Assets:	119.165	23.833	-	-
Deferred Commissions	34.128	6.826	-	-
Tax Losses	27.982	5.596	-	-
Other	4.160	832	5.666	1.133
Deferred Tax Assets	213.578	42.716	20.575	4.115
Net Book Value and Tax Value Differences of Assets:	98.573	19.715	-	-
Tangible Fixed Assets	23.238	4.648	6.580	1.316
Financial Assets	167	33	5.611	1.122
Deferred tax liability (-)	121.978	24.396	12.191	2.438
Deferred tax Asset (Net)	91.600	18.320	8.384	1.677

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

None.

17. Information on other assets:

a) Breakdown of other assets:

	December 31, 2013	December 31, 2012
Settlement Accounts	25.942	2.226
Advances and Deposits Given ^(*)	103.008	6.768
Prepaid Expenses	21.248	10.595
Total	150.198	19.589

^(*) Advances and deposits given mainly consist of margin account for derivative transactions amounting to TL 77.223.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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II. Explanations and Disclosures Related to the Liabilities**1. Information on maturity structure of deposits:****a.1) December 31, 2013:**

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	35.304	-	145.634	3.648.637	10.802	26.136	46.581	-	3.913.094
Foreign currency deposits	289.957	-	750.732	4.988.582	125.519	43.860	7.212	-	6.205.862
Residents in Turkey	281.839	-	750.732	4.949.005	125.150	40.973	5.152	-	6.152.851
Residents abroad	8.118	-	-	39.577	369	2.887	2.060	-	53.011
Public sector deposits	6.130	-	-	3.340	-	-	-	-	9.470
Commercial deposits	166.828	-	412.719	1.065.508	10.849	-	1.126	-	1.657.030
Other institutions deposits	435	-	1.494	251.583	-	-	-	-	253.512
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	95	-	332.895	-	-	-	-	-	332.990
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	95	-	332.895	-	-	-	-	-	332.990
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	498.749	-	1.643.474	9.957.650	147.170	69.996	54.919	-	12.371.958

December 31, 2012:

	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	4.075	-	5.720	590.746	535.552	203.348	9.306	-	1.348.747
Foreign currency deposits	84.851	-	4.790	216.556	64.648	4.153	-	-	374.998
Residents in Turkey	84.851	-	4.790	216.441	64.648	4.153	-	-	374.883
Residents abroad	-	-	-	115	-	-	-	-	115
Public sector deposits	-	-	-	-	-	-	-	-	-
Commercial deposits	48.937	-	124.336	558.051	54.417	2.018	-	-	787.759
Other institutions deposits	-	-	-	4.007	1.635	-	-	-	5.642
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	137.863	-	134.846	1.369.360	656.252	209.519	9.306	-	2.517.146

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

Saving Deposits ^(*)	Under the Guarantee of Insurance December 31, 2013	Exceeding the Limit of Insurance December 31, 2013	Under the Guarantee of Insurance December 31, 2012	Exceeding the Limit of Insurance December 31, 2012
Saving deposits	543.258	3.369.835	33.127	1.315.620
Foreign currency saving deposits	73.452	2.004.074	2.296	98.774
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	616.710	5.373.909	35.423	1.414.394

(*) 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, 2013	December 31, 2012
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	343.965	9.109
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 trading derivative financial liabilities:

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

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
Forward Transactions	4.470	2.184	-	2.073
Swap Transactions	38.125	4.868	-	1.669
Options	55	53.653	-	648
Futures Transactions	-	-	-	-
Other	-	-	-	-
Total	42.650	60.705	-	4.390

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3. Information on borrowings:**a) Information on banks and other financial institutions:**

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
From Domestic Banks and Institutions	3.008	1.926	-	-
From Foreign Banks, Institutions and Funds	-	1.162.439	-	360.942
Total	3.008	1.164.365	-	360.942

b) Maturity analysis of borrowings:

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
Short-term	3.008	1.040.561	-	360.942
Medium and long-term	-	123.804	-	-
Total	3.008	1.164.365	-	360.942

c) Additional explanations related to the concentrations of the Bank's major liabilities:

The Bank has diversified its fund sources with customer deposits and funds borrowed from foreign banks.

4. Information on funds provided from repurchase agreement transactions:**a) Funds Provided Under Repurchase Agreements:**

	December 31, 2013	December 31, 2012
Funds Provided Under Repurchase Agreements	221.454	-
Total	221.454	-

5. 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.

6. Explanations on lease obligations (Net):

a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the Bank: None.

b) Explanations regarding operational leases: Bank has operational lease agreements for some branches.

c) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

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

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8. Information on provisions:**a) Information on general provisions:**

	December 31, 2013	December 31, 2012
General Provisions		
I. Provisions for First Group Loans and Receivables	86.703	18.074
-Additional provision for intentioned loans	-	-
II. Provisions for Second Group Loans and Receivables	2.427	-
-Additional provision for intentioned loans	1.434	-
Provisions for Non-cash Loans	1.945	415
Total	91.075	18.489

General provision movement for first, second group of loans and receivables and non-cash loans is as follows:

	First Group Loans and Receivables	Second Group Loans and Receivables	Non-Cash Loans
January 1, 2013	18.074	-	415
Additions	69.770	1.286	1.530
Disposals	-	-	-
December 31, 2013	87.844	1.286	1.945

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TL 109 on the foreign currency indexed loans are netted off from loans on the balance sheet.

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

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

The Bank have calculated reserve for employee termination benefits in line with the statutory regulations.

d.1) Movement of employee termination benefits: Please refer to below table.

d.2) Information on employee termination benefits and unused vacation accrual:

	December 31, 2013	December 31, 2012
Employee termination benefit provision	905	-
Unused vacation provision	2.238	859
Total of provision for employee benefits	3.143	859

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. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method. All actuarial gains and losses are recognized in the income statement.

e) Information on other provisions:

e.1) Provisions for possible losses: **None**.

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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 25.000 (31 December 2012: TL 14.050).

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.**

9. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Information on corporate tax:

As of 31 December 2013, the Bank does not have corporate tax provision.

a.2) Explanations on taxes payable:

	December 31, 2013	December 31, 2012
Payroll Tax	2.260	1.417
Taxation on Securities	10.887	520
BSMV	7.287	628
Property Tax	126	147
Value Added Tax Payable	1.563	566
Stamp Tax	-	-
Corporate Tax Payable	-	-
Foreign Exchange Transaction Tax	-	-
Other	517	46
Total	22.640	3.324

a.3) Information on premiums:

	December 31, 2013	December 31, 2012
Social Security Premiums-Employer	795	283
Social Security Premiums-Employee	724	308
Unemployment Insurance-Employer	102	39
Unemployment Insurance-Employee	52	20
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Other	-	-
Total	1.673	650

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

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

11. Information on Subordinated Loans:

	December 31, 2013		December 31, 2012	
	TC	FC	TC	FC
From domestic banks	-	-	-	-
From domestic banks	-	639.209	-	177.849
Total	-	639.209	-	177.849

On December 27, 2012 the Bank obtained a subordinated loan from Parent Bank-Bank Audi SAL amounting to USD 100 million, with 10 years maturity and a repayment option at the end of five years. The interest rate was determined 3% for the first five years unless usage of repayment option interest rate to be 4%. With the written approval of BRSA dated December 25, 2012, the loan has been approved as subordinated loan and was taken into consideration as supplementary capital within the limits of the Regulation Regarding Banks' Shareholders' Equity.

Besides, on September 24, 2013 the Bank obtained a subordinated loan from Parent Bank-Bank Audi SAL amounting to USD 200 million, with 10 years maturity and a repayment option at the end of five years. The interest rate was determined 6%. With the written approval of BRSA dated September 20, 2013, the loan has been approved as subordinated loan and was taken into consideration as supplementary capital within the limits of the Regulation Regarding Banks' Shareholders' Equity.

12. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

With the permission of BRSA dated June 21, 2013 and numbered 20008792.84.1-15704, the Bank's paid in capital has increased to 1.086.510 TL and with the permission of BRSA December 19, 2013 and numbered 20008792.84.1-31580, the Bank's paid in capital has increased to 1.496.150 TL in the form of cash injection. As of December 31, 2013, the Bank's paid in capital consists of 14.961.500.000 shares which nominal value is TL 0,10.

TL	December 31, 2013	December 31, 2012
Common stock ^(*)	1.496.150	533.520
Preferred stock	-	-
Total	1.496.150	533.520

(*) Nominal Capital

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

c) Information on share capital increases and their sources; other information on increased capital shares in the current period:

Date of increase	Amount of increase	Cash	Profit reserves subject to capital increase	Capital reserves subject to capital increase
20.06.13	552.990	552.990	-	-
25.12.13	409.640	409.640	-	-
Total	962.630	962.630	-	-

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

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Bank's equity due to the uncertainty of these indicators:

General loan provisions calculated over the recently formed loan portfolio and costs of establishment caused pressure on the income statement of the Bank that was established in October 2012 resulting a net year end loss of around TL 137,005. The Bank monitors closely the liquidity, interest rate and credit risk taking into account the macro economic conditions and makes prospective timely strategic decisions, analyzing daily the different ratios and efficient performance criteria.

g) Information on preferred shares: None.

h) Information on marketable securities value increase fund:

	December 31, 2013	December 31, 2012
From Associates, Subsidiaries, and Jointly Controlled Entities (Joint Vent.)	-	-
Valuation Difference	(8.546)	(133)
Foreign Exchange Difference	-	-
Total	(8.546)	(133)

i) Information on legal reserves: None.

j) Information on extraordinary reserves: None.

13. Information on minority shares: None.

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

1. Information on off-balance sheet liabilities:

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

	December 31, 2013	December 31, 2012
Loan granting commitments	314.401	9.547
Commitments for checks	37.369	283
Forward asset purchase and sales commitments	1.655.680	61.522
Credit card limit commitments	139.816	-
Other irrevocable commitments	80	1.244
Total	2.147.346	72.596

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, 2013	December 31, 2012
Other guarantees and collaterals	744.241	76.074
Letters of credit	146.013	13.940
Bank acceptance loans	44.079	-
Total	934.333	90.014

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

	December 31, 2013	December 31, 2012
Definite letter of guarantess	514.316	58.682
Temporary letter of guarantees	75.010	6.023
Other letter of guarantees	154.915	11.369
Total	744.241	76.074

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

	December 31, 2013	December 31, 2012
Non-cash loans given against achieving cash loans	-	-
With maturity of 1 year or less than 1 year	240	1.327
With maturity of more than 1 year	-	-
Other non-cash loans	934.093	88.687
Total	934.333	90.014

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

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

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	31 Aralık 2012			
	TP	(%)	YP	(%)
Agricultural	-	-	-	-
Farming and raising livestock	-	-	-	-
Fores TL	-	-	-	-
Fishery	-	-	-	-
Manufacturing	7.151	11,54	12.104	43,13
Mining	-	-	889	3,17
Production	6.239	10,07	11.215	39,96
Electric, gas and water	912	1,47	-	-
Construction	27.716	44,74	11.899	42,40
Services	27.081	43,72	4.063	14,48
Wholesale and retail trade	8.334	13,45	3.569	12,72
Hotel, food and beverage services	212	0,34	-	-
Transportation and telecommunication	10	0,02	-	-
Financial institutions	11.550	18,64	379	1,35
Real estate and renting services	6.975	11,26	115	0,40
Self-employment services	-	-	-	-
Education services	-	-	-	-
Health and social services	-	-	-	-
Other	-	-	-	-
Total	61.948	100,00	28.066	100,00

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

Non-cash loans	December 31, 2012		II nci Grup	
	TL	(%)	FC	(%)
Letters of guarantee	622.333	121.548	360	-
Bank acceptances	-	44.079	-	-
Letters of credit	-	146.013	-	-
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Factoring Commitments	-	-	-	-
Other commitments and contingencies	-	-	-	-
Total	622.333	311.640	360	-

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2) Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading	Hedging	Trading	Hedging
	December 31, 2013	December 31, 2013	December 31, 2012	December 31, 2012
Types of trading transactions				
Foreign currency related derivative transactions (I):				-
Forward transactions	947.036	-	173.731	-
Swap transactions	2.850.559	-	771.916	-
Futures transactions	-	-	-	-
Option transactions	5.746.368	-	244.176	-
Interest related derivative transactions (II):	-	-	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	1.508.360	-	91.000	-
Interest option transactions	-	-	-	-
Futures interest transactions	-	-	-	-
Other derivative transactions for trade (III)	-	-	-	-
A. Total trading derivative transactions (I+II+III)	11.052.323	-	1.280.823	-
		-		
Types of hedging transactions				
Fair value hedges	-	-	-	-
Cash flow hedges	-	-	-	-
Net investment hedges	-	-	-	-
B. Total hedging related derivatives	-	-	-	-
Total Derivative Transactions (A+B)	11.052.323	-	1.280.823	-

Forward foreign currency and swap transactions are for protection from currency fluctuations. According to TAS, they do not qualify as hedging instruments but trading and are remeasured at fair value.

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As of December 31, 2013 breakdown of the Bank's foreign currency forward and swap transactions based on currencies are disclosed below in their TL equivalents:

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
EURO	229.989	12.551	181.723	921.402	469.776	207.365	52.645	52.645	2.128.096
Other	19.365	-	70.883	76.264	126.531	126.531	-	-	419.574
Total	478.282	468.754	1.410.522	1.440.037	2.880.371	2.865.997	754.180	754.180	11.052.323

December 31, 2012	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Interest Swap Buy	Interest Swap Sell	Total
TL	6.800	9.035	252.604	18.213	83.885	38.598	33.774	33.774	476.683
USD	-	32.717	132.165	248.864	32.479	78.655	11.726	11.726	548.332
EUR	32.610	23.452	2.345	89.118	5.397	5.162	-	-	158.084
Other	47.234	21.883	-	28.607	-	-	-	-	97.724
Total	86.644	87.087	387.114	384.802	121.761	122.415	45.500	45.500	1.280.823

3. Information related to credit derivatives and risk exposures:

None.

4. Explanations on contingent liabilities and assets:

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

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

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

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

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

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

5. Custodian and intermediary services:

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

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IV. Explanations and Disclosures Related to the Statement of Income1. a) Information on interest on loans^(*):

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
Interest on loans ^(*)				
Short term loans	175.964	21.349	6.290	744
Medium and long term loans	203.212	122.921	1.801	2.378
Interest on non-performing loans	-	-	-	-
Total	379.176	144.270	8.091	3.122

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

b) Information on interest received from banks:

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
The Central Bank of Republic of Turkey (CBRT)	995	-	1.854	5.390
Domestic banks	13.461	514	24.058	-
Foreign banks	-	2	-	-
Branches and head office abroad	-	-	-	-
Total	14.456	516	25.912	5.390

c) Interest received from marketable securities portfolio:

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
Trading securities	6.587	10	123	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	49.796	-	482	-
Held-to-maturity securities	-	-	-	-
Total	56.383	10	605	-

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

2. a) Information on interest on funds borrowed:

	December 31, 2013		December 31, 2012	
	TL	FC	TL	FC
Interest on funds borrowed ^(*)				
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	54	16	-	-
Foreign banks	-	24.477	-	322
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	54	24.493	-	322

^(*) Includes fees and commission expenses for borrowings.b. Information on interest expense to associates and subsidiaries: **None.**c. Information on interest expense to marketable securities issued: **None.**

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ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2013**

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

d. Distribution of interest expense on deposits based on maturity of deposits:

December 31, 2013								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TL								
Bank deposits	-	2.027	-	-	-	-	-	2.027
Saving deposits	1	8.847	203.526	31.734	38.218	3.364	-	285.690
Public sector deposits	-	-	131	-	-	-	-	131
Commercial deposits	-	18.825	69.321	5.295	2.015	92	-	95.548
Other deposits	-	498	9.816	1.468	1.657	-	-	13.439
7 days call accounts	-	-	-	-	-	-	-	-
Total	1	30.197	282.794	38.497	41.890	3.456	-	396.835
Foreign Currency								
Foreign currency deposits	-	10.919	79.573	7.119	1.867	68	-	99.546
Bank deposits	-	3.776	-	-	-	-	-	3.776
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	14.695	79.573	7.119	1.867	68	-	103.322
Grand Total	1	44.892	362.367	45.616	43.757	3.524	-	500.157
December 31, 2012								
Time Deposits								
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total
TL								
Bank deposits	-	3	-	-	-	-	-	3
Saving deposits	-	22	3.248	2.219	806	20	-	6.315
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	409	4.305	284	-	18	-	5.016
Other deposits	-	-	7	19	-	-	-	26
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	434	7.560	2.522	806	38	-	11.360
Foreign Currency								
Foreign currency deposits	-	10	769	53	4	-	-	836
Bank deposits	-	-	-	-	-	-	-	-
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	10	769	53	4	-	-	836
Grand Total	-	444	8.329	2.575	810	38	-	12.196

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ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2013**

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

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

4. Information on net trading income:

	December 31, 2013	December 31, 2012
Income	1.519.285	43.806
Gains on capital market operations	9.353	329
Gains on derivative financial instruments	467.366	7.571
Foreign exchange gains	1.042.566	35.906
Losses (-)	1.476.049	18.884
Losses on capital market operations	8.273	24
Losses on derivative financial instruments	478.572	4.696
Foreign exchange losses	989.204	14.164

5. Information on other operating income: As of December 31, 2013, other operational income is amounting to TL 1.289.

6. Provision for impairment of loans and other receivables:

	December 31, 2013	December 31, 2012
Specific provisions for loans and other receivables	8.757	-
III. Group Loans and Receivables	6.594	-
IV. Group Loans and Receivables	1.939	-
V. Group Loans and Receivables	224	-
General loan loss provision expenses	72.586	18.489
Provision expenses for possible losses	-	-
Marketable securities impairment losses	890	-
Financial assets at fair value through profit and loss	890	-
Investment securities available for sale	-	-
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Jointly controlled entities	-	-
Investments held to maturity	-	-
Other	-	-
Total	82.233	18.489

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ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2013**

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

7. Information on other operating expenses:

	December 31, 2013	December 31, 2012
Personnel expenses	93.549	27.461
Unused vacation provision	1.379	859
Taxes and duties	-	1.768
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	10.798	2.559
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	6.939	1.118
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	122.171	13.016
Rent expenses	23.151	3.839
Maintenance expenses	309	86
Advertisement expenses	35.349	1.041
Other expenses ^(*)	63.362	8.050
Loss on sales of assets	-	-
Other ^(**)	25.905	16.292
Total	260.743	63.073

^(*) As of December 31, 2013, other operating expenses consist of TL 13.086 information technologies expenses and TL 13.954 audit and advisory expenses and others.

^(**) As of December 31, 2013, other expenses consist of other provision expenses amounting to TL 25.905 (31 December 2012: TL 14.050).

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

As of 31 December 2013, the Bank' loss before tax from continued operations is TL 153.028.

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

a) As of December 31, 2013; current tax expense is TL 1.483 and deferred tax income is TL 14.540.

b) The Bank has deferred tax income amounting to TL 14.450 (31 December 2012: TL 1.677) through the existence or closing of temporary differences except financial loss.

c) Information on deferred tax income or expense reflected to income table resulting from temporary differences, statutory losses and tax deductions and exceptions:

For the year ended December 31, 2013, deferred tax income arising from financial loss and temporary differences are amounting to TL 5.596 TL (December 31, 2012: None) and TL 12.724 (December 31, 2012: TL 1.677), respectively.

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ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2013**

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

d) Tax reconciliation:

	December 31, 2013	December 31, 2012
Loss before tax	158.538	19.733
Tax at the domestic income tax rate of 20%	30.606	3.947
Disallowables and others, net	(14.583)	(3.786)
Tax Expense Calculated	16.023	161

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

As of December 31, 2013 the Bank's net loss from continued operations is TL 137.005.

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 8.546.

b) Increase in cash flow risk hedging items: **None**.c) The reconciliation related with foreign currency translation reserves at the beginning and end of the period: **None**.d) Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements: **None**.e) Amounts transferred to legal reserves: **None**.

f) Information on shares issued:

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

VI. Explanations and Disclosures Related To Statement Of Cash Flows

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

"Others" line amounting to TL 76.724 in "Bank Operating profit before changes in operating assets and liabilities" consists of fees and commissions paid, gain/losses from derivative financial instruments and other operating expenses except for personnel expenses, unused vacation provision, depreciation expenses and taxes paid.

"Net increase/decrease in other liabilities" line amounting to TL 170.387 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 185.573 consists of changes in other assets.

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ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2013**

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

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

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

End of the period	December 31, 2013	December 31, 2012
Cash	158.538	274.789
Cash in TL/foreign currency	78.456	6.181
Central Bank of Republic of Turkey	80.082	268.608
Cash equivalents	1.609.396	1.322.372
Receivables from banks and other financial institutions	1.149.396	387.372
Receivables from money market placements	460.000	935.000
Total cash and cash equivalents	1.767.934	1.597.161

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) Current Period: 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	-	-	-	-	-	-

Prior Period: December 31, 2012

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

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(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, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Deposits						
Balance at beginning of period	-	-	-	-	9.109	-
Balance at end of period	-	-	-	-	343.965	-
Interest on deposits	-	-	-	-	856	-

The Bank has obtained Subordinated Loan amounting to TL 639.209 and short term loan amounting to TL 213.040 from risk group of the Bank and interest expense amounting to TL 14.481 in 2013.

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, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Financial assets at fair value through profit and loss						
Balance at beginning of period		-	821.874	-		-
Balance at end of period		-	198.695	821.874		-
Total Loss/ Profit		-	1.728	3.018		-

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, 2013 is TL 13.353.

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	37	1.105		
			Country	
Rep-offices abroad				
			Total Assets	Capital
Branches abroad	-	-	-	-
Off-shore branches	-	-	-	-

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

None.

IX. Explanations and disclosures related to subsequent events

None.

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ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2013

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

SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations on the Operations of the Bank:

None.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report:

The consolidated financial statements for the year ended December 31, 2013 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 February.., 2014 is presented preceding the consolidated financial statements.

II. Explanations and notes prepared by independent auditor:

None.

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