Ak Yatırım Menkul Değerler A.Ş.

Financial statements together with independent auditor's report for the year ended December 31, 2012

(Convenience translation of financial statements and auditor's report originally issued in Turkish, see note 2.F)

(Convenience translation of financial statements originally issued in Turkish, see note 2.F)

Ak Yatırım Menkul Değerler A.Ş.

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Independent auditor's report on the financial statements for the year ended December 31, 2012

To the Board of Directors of
Ak Yatırım Menkul Değerler A.Ş.

Introduction

We have audited the accompanying financial statements of Ak Yatırım Menkul Değerler A.Ş. ("the Company") which comprise the balance sheet as at December 31, 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of the Company management related to the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting standards issued by the Capital Markets Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Responsibility of the independent auditor

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the 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 assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Ernst & Young

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Ak Yatırım Menkul Değerler A.Ş. as of December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting standards issued by CMB.

Additional paragraph for convenience translation into English of financial statements originally issued in Turkish

The accounting principles described in Note 2 (defined as Capital Markets Board Financial Reporting Standards) to the accompanying financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting which was ceased one year earlier than in IFRS and the presentation of the basic financial statements and the notes to them. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and cash flows of the Company in accordance with IFRS.

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

Fatma Ebru Yücel, SMMM
Partner

March 15, 2013
Istanbul, Turkey

(Convenience translation of financial statements originally issued in Turkish, see note 2.F)

Ak Yatırım Menkul Değerler A.Ş.

Statement of the balance sheet
as of December 31, 2012 and 2011
(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited December 31, 2012	Audited December 31, 2011
Assets			
Current assets		**727.768.255**	**255.850.783**
Cash and cash equivalents	3	520.450.728	224.023.971
Financial investments	4	14.967.319	3.462.974
Trade receivables	6	191.251.458	27.505.015
Other receivables	6	200.234	58.843
Other current assets	12	898.516	799.980
Non-current assets		**3.419.751**	2.937.483
Financial investments	4	1.002.804	1.003.337
Other long term receivables	6	129.250	1.383.841
Property and equipment	8	1.620.975	124.380
Intangible assets	9	171.546	425.925
Deferred tax assets	19	495.176	255.850.783
Total assets		**731.188.006**	**258.788.266**
Liabilities			
Current liabilities		**600.344.990**	**124.690.386**
Financial liabilities	5	407.662.608	91.169.012
Trade payables	6	188.313.101	30.595.708
Provisions	10	200.200	339.630
Provisions for employee benefits	11	3.530.000	2.000.000
Other current liabilities	12	639.081	586.036
Non-current liabilities		**146.904**	**105.723**
Provisions for employee benefits	11	146.904	105.723
Shareholders' equity		**130.696.112**	**133.992.157**
Share capital	13	30.000.000	30.000.000
Adjustment to share capital	13	16.802.123	16.802.123
Special reserves	13	41.618.583	-
Restricted reserves	13	14.934.118	12.088.784
Retained earnings	13	10.798.500	7.180.634
Net income for the period	13	16.542.788	67.920.616
Total liabilities and shareholders' equity		**731.188.006**	**258.788.266**

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

(Convenience translation of financial statements originally issued in Turkish, see note 2.F)

Ak Yatırım Menkul Değerler A.Ş.

Statement of the income
for the year ended December 31, 2012 and 2011
(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited January 1 - December 31, 2012	Audited January 1 - December 31, 2011
Continuing operations			
Operating revenue			
Sales	14	627.534.040	604.984.276
Services income	16	26.909.880	20.908.374
Deductions from services income (-)	16	(630.317)	(452.961)
Cost of sales (-)	14	(626.048.158)	(606.005.520)
Interest income from operating activities	16	804.213	577.043
Gross operating profit		**28.569.658**	**20.011.212**
Marketing, sales and distribution expenses (-)	15	(1.644.381)	(1.611.595)
General administrative expenses (-)	15	(18.660.280)	(15.992.710)
Other operating income	16	398.829	61.316.125
Other operating expenses (-)		-	-
Operating profit		**8.663.826**	**63.723.032**
Financial income	17	28.355.287	38.645.926
Financial expenses (-)	18	(16.407.057)	(27.955.908)
Profit before tax		**20.612.056**	**74.413.050**
Tax expense (-)			
Taxes on income (expense)	19	(4.138.519)	(5.594.118)
Deferred tax income (expense)	19	69.251	(898.316)
Net Income for the period		**16.542.788**	**67.920.616**
Other comprehensive income		-	-
Other comprehensive income (after tax)		-	-
Total comprehensive income		**16.542.788**	**67.920.616**

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

(Convenience translation of financial statements originally issued in Turkish, see note 2.F)

Ak Yatırım Menkul Değerler A.Ş.

Statement of the changes in equity
for the year ended December 31, 2012 and 2011
(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

	Equity	Total equity adjustment	Total paid in capital	Restricted reserves	Retained earnings	Transfer to special reserves	Net income for the year	Total equity
January 1, 2011	30.000.000	16.802.123	46.802.123	9.857.986	7.333.969	-	17.205.851	81.199.929
Transfer to retained earnings	-	-	-	-	17.205.851	-	(17.205.851)	-
Transfer to legal reserves	-	-	-	2.230.798	(2.230.798)	-	-	-
Dividend paid	-	-	-	-	(15.128.388)	-	-	(15.128.388)
Net income for the year	-	-	-	-	-	-	67.920.616	67.920.616
December 31, 2011	30.000.000	16.802.123	46.802.123	12.088.784	7.180.634	-	67.920.616	133.992.157
January 1, 2012	**30.000.000**	**16.802.123**	**46.802.123**	**12.088.784**	**7.180.634**	-	**67.920.616**	**133.992.157**
Transfer to retained earnings	-	-	-	-	67.920.616	-	(67.920.616)	-
Transfer to legal reserves	-	-	-	2.845.334	(2.845.334)	-	-	-
Transfer to special reserves	-	-	-	-	(41.618.583)	41.618.583	-	-
Dividend paid	-	-	-	-	(19.838.833)	-	-	(19.838.833)
Net income for the year	-	-	-	-	-	-	16.542.788	16.542.788
December 31, 2012	**30.000.000**	**16.802.123**	**46.802.123**	**14.934.118**	**10.798.500**	**41.618.583**	**16.542.788**	**130.696.112**

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

Ak Yatırım Menkul Değerler A.Ş.

Statement of cash flows
for the years ended December 31, 2012 and 2010
(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	December 31, 2012	December 31, 2011
Cash flows from operating activities:			
Net income for the year		**16.542.788**	**67.920.616**
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amotisation	9	437.609	705.666
Provision for employment termination benefits	11	112.684	46.815
Provision for personnel bonus, unused vacation and personnel case	11	1.434.955	(1.107.257)
Provision for income taxes	19	4.069.268	6.492.434
Interest income, net		(12.136.549)	(11.910.123)
Interest paid		(14.819.065)	(26.385.187)
Interest received		26.439.473	38.155.110
Cancellation of provision for impairment of property and equipment		-	(11.316.179)
Sales expense / (income) of property and equipment		-	(49.330.236)
Operating profit before changes in operating assets and liabilities:		**22.081.163**	**13.271.659**
Net decrease / (increase) in securities)		(11.106.100)	2.071.727
Net (increase) / decrease in receivables from commercial and credited customers		(164.437.309)	50.456.212
Net decrease / (increase) in other assets and prepayments		1.179.396	1.906.138
Net increase in other liabilities		316.438.457	(308.938.826)
Income taxes paid		(4.996.226)	(6.384.568)
Employment termination benefits paid	11	(115.888)	(35.993)
Net decrease / (increase) in trade payables		157.717.393	(38.618.289)
Net cash provided by operating activities		**316.760.886**	**(286.271.940)**
Cash flows from investing activities:			
Sale of property and equipment		-	85.595.998
Capital returns of financial assets ready for sale		533	-
Purchase of property and equipment	8	(597.669)	(1.322.274)
Purchase of intangible assets, net	9	(124.240)	-
Net cash provided from / (used in) investing activities		**(721.376)**	**84.273.724**
Cash flows from in financing activities:			
Net (decrease) / increase in financial debts		108.184	(75.591)
Dividend paid		(19.838.833)	(15.128.388)
Net cash used in financing activities		**(19.730.649)**	**(15.203.979)**
Net increase in cash and cash equivalents		**296.308.861**	**(217.202.195)**
Cash and cash equivalents at the beginning of the year		**223.070.674**	**440.272.869**
Cash and cash equivalents at the end of year	3	**519.379.535**	**223.070.674**

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

1. Principal activities and organization

Ak Yatırım Menkul Değerler A.Ş. ("the Company") was incorporated on December 11, 1996 in accordance with the Capital Markets Law and other related regulations to perform capital market operations.

The Company: acts as an intermediary for initial public offerings or as an intermediary for the sale and purchase of equity securities previously offered to the public; offers individual portfolio management services; acts as an intermediary for the sale and purchase of derivative instruments; engages in repurchase agreement and reverse repurchase agreement transactions; and renders portfolio management services by obtaining the necessary licences from the Capital Markets Board of Turkey which grants the permission to conduct each operation.

In 2009 the Company transferred domestic individual customer accounts to Akbank T.A.Ş. After the transfer domestic individual customer accounts' operations are carried by Akbank T.A.Ş. Private Banking Branches, Akbank T.A.Ş. Treasury and Capital Market Transactions Department and Akbank T.A.Ş. branches.

As of December 31, 2012, the number of employees was 61 (December 31, 2011: 50). The address of the headquarters and registered office of the Company is Sabancı Center 4.Levent, 34330 Istanbul, Turkey.

The Company's financial statements for the period ended December 31, 2012 have been approved by the Company's Board of Directors on March 15, 2013. The General Assembly and the regulated bodies have the right to amend the financial statements within the legal framework.

2. Basis of presentation of financial statements

A. Basis of presentation

(a) Accounting standards

The Company keeps and prepares its legal financial statements in accordance with the accounting principles set by the Turkish Commercial Code (TCC), Capital Market Board (CMB) and tax regulations.

The Capital Markets Board of Turkey ("CMB") regulates the principles and procedures regarding the preparation, presentation and announcement of financial statements prepared by entities with the Communiqué No. XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. However, until the differences of IAS/IFRS as endorsed by the European Union from those issued by the International Accounting Standards Board ("IASB") are announced by the Public Oversight, Accounting and Auditing Standards Agency (Turkish Accounting Standards Board "TASB" was cancelled in 2011 and its duties were transferred to Public Oversight, Accounting and Auditing Standards Agency), IAS/IFRS issued by the IASB shall be applied. Within this scope, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the Public Oversight, Accounting and Auditing Standards Agency in line with the aforementioned standards shall be taken as a basis.

2. Basis of presentation of financial statements (continued)

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these financial statements, the financial statements have been prepared within the framework of Communiqué Serial XI No. 29 and related promulgations to this Communiqué as issued by the CMB in accordance with the accounting and reporting principles accepted by the CMB ("CMB Financial Reporting Standards") which are based on IAS/IFRS. The financial statements and the related notes to them are presented in accordance with the formats required by the CMB announced at 17th April, 2008 including the compulsory disclosures. Accordingly, required reclassifications have been made in the comparative financial statements (Please refer to note 2.c).

These financial statements, except for financial assets and liabilities expressed at fair values, are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected within the framework of Communiqué Serial XI No. 29 "Financial Reporting Standards in the Capital Markets" and in TL.

(b) Adoption of new and revised standards

The accounting policies adopted in preparation of the financial statements as at December 31, 2012 are consistent with those of the previous financial year, except for the adoption of new and amended International Financial Reporting Interpretations Committee (IFRIC) interpretations effective as of January 1, 2012. The impact of these standards and interpretations on the Company's financial position and performance are disclosed in related paragraphs.

IAS 12 Income Taxes: Recovery of Underlying Assets (Amendment)

The amendments are mandatory for annual periods beginning on or after January 1, 2012, but earlier application is permitted. IAS 12 has been updated to include i) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and ii) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. These amendments will be applied retrospectively. This amendment has no impact on the financial position or performance of the Company.

IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amended)

The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment affects disclosures only and has no impact on the financial position or performance of the Company.

Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, after the new standards and interpretations become in effect.

2. Basis of presentation of financial statements (continued)

IAS 1 Presentation of Financial Statements (Amended) – Presentation of Items of Other Comprehensive Income

The amendments are effective for annual periods beginning on or after July 1, 2012, but earlier application is permitted. The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendments will be applied retrospectively. The amendment affects presentation only and has no impact on the financial position or performance of the Company.

IAS 19 Employee Benefits (Amended)

Amended standard is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. The Company is in the process of assessing the impact of this amendment on the financial position and performance of the Company.

IAS 27 Separate Financial Statements (Amended)

As a consequential amendment to IFRS 10 and IFRS 12, the IASB also amended IAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Transitional requirement of this amendment is similar to IFRS 10. The interpretation is not applicable for the Company. The Company does not expect this amendment to have any impact on the financial position or performance of the Company.

IAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to IFRS 11 and IFRS 12, the IASB also amended IAS 28, which has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to IFRS 11. The Company does not expect this amendment to have any impact on the financial position of performance of the Company.

IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The Company does not expect that these amendments will have significant impact on the financial position or performance of the Company.

2. Basis of presentation of financial statements (continued)

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amended)

New disclosures would provide users of financial statements with information that is useful in (a) evaluating the effect or potential effect of netting arrangements on an entity's financial position and (b) analysing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. The amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The amendment affects disclosures only and will have no impact on the financial position or performance of the Company.

IFRS 9 Financial Instruments – Classification and measurement

As amended in December 2011, the new standard is effective for annual periods beginning on or after January 1, 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Company is in the process of assessing the impact of the new standard on the financial position or performance of the Company.

IFRS 10 Consolidated Financial Statements

The standard is effective for annual periods beginning on or after January 1, 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early.

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. This standard has not yet been endorsed by the EU. This amendment is not expected to have any impact on the financial position or performance of the Company.

IFRS 11 Joint Arrangements

The standard is effective for annual periods beginning on or after January 1, 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early. The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. This amendment is not expected to have any impact on the financial position or performance of the Company.

2. Basis of presentation of financial statements (continued)

IFRS 12 Disclosure of Interests in Other Entities

The standard is effective for annual periods beginning on or after January 1, 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements should be also adopted early. IFRS 12 includes all of the disclosures that were previously in IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. Further disclosure will be provided regarding interests in other entities within the scope of the new standard.

IFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under IFRS but does not change when an entity is required to use fair value. It is a single source of guidance under IFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. IFRS 13 is effective for annual periods beginning on or after January 1, 2013 and will be adopted prospectively. Early application is permitted. The new disclosures are only required for periods beginning after IFRS 13 is adopted — that is, comparative disclosures for prior periods are not required. The Company is in the process of assessing the impact of the new standard on the financial position or performance of the Company.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The Interpretation is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. Entities will be required to apply its requirements for production phase stripping costs incurred from the start of the earliest comparative period presented. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The interpretation is not applicable for the Company and will not have any impact on the financial position or performance of the Company.

(c) Comparative figures and the reclassification to the financial statements of the prior period

The Company complies with the principles and articles of valid commercial laws and regulations and Communiqués announced by CMB in the accounting records and the preparation of the financial statements.

In order to determine the financial status and performance trends, the financial statements of the Company have been prepared in comparison with the financial statements of previous periods. The Company prepared its balance sheet as of December 31, 2012 in comparison with the balance sheet prepared as of December 31, 2011; prepared the statement of income, statement of changes in shareholders' equity and cash flow statement between January 1 - December 31, 2012 in comparison with January 1 - December 31, 2011. Reclassifications are made on comparative figures to conform to changes in presentation of the financial statements in the current period.

2. Basis of presentation of financial statements (continued)

(d) Functional currency

Functional and presentation currency of the Company is Turkish Lira (TL).

(e) Offsetting

Financial assets and liabilities are offset and the net amount reported in the financial statements when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

B. Changes in accounting policies and the errors

Significant changes in accounting policies or material errors are corrected, retrospectively; by restating the prior period financial statements.

C. Changes in the accounting estimates

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates are not changed for the January 1 - December 31, 2012 period.

D. Summary of significant accounting policies

The significant accounting policies followed in the preparation of these financial statements are summarized below:

(a) Fee, Commission and Interest Income/Expense

(i) Fee and commission income and expenses

Fees and commissions are recorded as income or expense at the time the transactions to which they relate are made. Furthermore fund management, investment consulting fees, intermediary commissions and portfolio management commissions are recognized on an accrual basis.

(ii) Interest income and expense

Interest income and expenses are recognized in the income statement in the period to which they relate on an accrual basis. Interest income includes coupons earned on fixed income investment securities and amortization of discounts on government bonds.

2. Basis of presentation of financial statements (continued)

(b) Property and equipment

All property and equipment are carried at cost less depreciation (Note 8).

Depreciation is calculated on the restated amounts of property and equipment using the straight-line method to write-off the restated cost of each asset to its residual value over its estimated useful life as follows:

Buildings	50 years
Furniture and fixtures	5 years
Motor vehicles	5 years
Leasehold improvements	5 years

Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures incurred in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset. Capital expenditures include the cost components that increase the useful life, or the capacity of the asset, increase the quality of the product or decrease the costs.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Company estimate the recoverable amount of that asset and book value of the asset is increased to reestimated recoverable amount and impairment provision is reversed through income statement. Increased book value of the asset due to reversal of impairment loss, can not exceed the book value that may be realized if impairment loss is not recognized for the asset in prior periods.

Gains and losses on the disposal of premises and equipment are determined in reference to their carrying amounts and are taken into account in determining operating profit and they are reflected to related income and expense accounts in the current period.

(c) Intangible assets

Intangible assets comprise acquired intellectual property and computer software. They are recorded at acquisition cost and amortised on a straight-line basis over their estimated economic lives for a period not exceeding five years from the date of acquisition (Note 9).

Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

2. Basis of presentation of financial statements (continued)

(d) Financial instruments

(i) Trading securities

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

Trading securities are initially recognized at cost and are subsequently re-measured at fair value based on quoted bid prices. After, trading securities are valued at current market value.

In assessing the fair value of the trading securities, the best bid price as of the balance sheet date is used.

All regular way purchases and sales of trading securities are recognised at the settlement date, which is the date that the asset is delivered to/from the Company.

Profit and loss due to the changes in fair value of trading securities is included into "Other income and expenses" in the income statement. Interest and other income from trading securities is also included into "Other income" in the income statement.

Trading securities are recorded and derecognized at the transaction date.

(ii) Investment securities

Investment securities are classified into the following two categories: held-to-maturity and available-for-sale assets.

Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, are classified as available-for-sale. Management determines the appropriate classification of its investments at the time of the purchase.

Available-for-sale securities are initially recognised at cost. Available-for-sale investment debt and equity securities are subsequently remeasured at fair value based on quoted bid prices, or amounts derived from cash flow models. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in the shareholders' equity, unless there is a permanent decline in the fair values of such assets, in which case they are charged to the income statement. When the securities are disposed of or impaired, the related accumulated fair value adjustments are transferred to the income statement.

Investment securities with fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are carried at amortised cost using the effective yield method, less any provision for impairment.

Interest earned while holding investment securities is reported as interest income. The dividends receivable is included separately in dividend income.

Investment securities that are recognised at the settlement date, which is the date.

2. Basis of presentation of financial statements (continued)

Available for sale financial instruments whose fair values can not be determined reliably and that are not operating in organized markets are carried in financial statements with their historic costs deducting impairment loss, if any.

(iii) Sale and repurchase agreements

Securities sold under sale and repurchase agreements ("repos") are retained in the financial statements and the counterparty liability is recorded as due to customers. Securities purchased under agreements to resell ("reverse repos") are recorded as reverse repo receivables on the cash and due from banks account, together with the difference between the sale and repurchase price, which is accrued evenly over the life of the agreement using the effective field method.

(iv) Originated loans and provisions for loan impairment

Loans originated by the Company by providing money directly to the borrower or to a sub-participation agent at draw down are categorised as loans originated by the Company and are carried at amortised cost. All originated loans are recognised when cash is advanced to borrowers.

The Company grants margin trading loans to its customers for equity share transactions.

A credit risk provision for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and recoverable amount, being the present value of expected cash flows, including the amount recoverable from guarantees and collateral, discounted based on the interest rate at inception.

(e) Foreign exchange transactions

Transactions denominated in foreign currencies are accounted for at the exchange rates prevailing at the date of the transactions. The foreign currency denominated monetary assets and liabilities are translated with the buy exchange rates declarad by the Central Bank of the Republic of Turkey. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

(f) Borrowing costs

If an asset needs to be classified as construction-in-progress for a significant time, in order to be available for sale or available to use, borrowing costs related to the purchase and additional construction expenses are capitalized within the cost of asset. If there is an investment income related to the unconsumed part of the loans, it will be deducted from the capitalized interest expense.

All other finance expenses will be expensed during the period incurred.

(g) Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts its financial statements if such subsequent events arise which require an adjustment to the financial statements.

2. Basis of presentation of financial statements (continued)

(h) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in the financial statements and treated as "contingent assets or liabilities" (Note 10).

(i) Finance leases - as lessee

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the fair value of the leased asset. Leased assets are included in the property and equipment and depreciation on the leased asset is charged to income on a straight-line basis over the useful life of the asset. Interest and financial expenses related with Financial leasing is included in income statements. The total payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

(j) Related parties

For the purpose of these financial statements, direct and indirect shareholders, key management personnel and board members within the Hacı Ömer Sabancı Holding A.Ş. Group are considered and referred to as related parties. A number of transactions were entered into with related parties in the normal course of business (Note 20).

(k) Corporate and deferred taxes

Corporate tax

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognised in operating expenses (Note 19).

Corporate tax is subject to offsetting when a legal right exists about netting off the current tax assets / liabilities or when they are related to the corporate tax collected by the same tax regulator.

Deferred income taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income taxes.

The significant temporary differences result from the impairment on property and equipment, personnel bonus provision, difference between the carrying value and tax base of property and equipment, and employment termination benefits.

Deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised (Note 19).

2. Basis of presentation of financial statements (continued)

(l) Employment termination benefits

The Company accounts for employee termination benefits, vacation rights and other benefits to employees in accordance with "International Accounting Standard for Employee Rights" ("IAS 19") and they are classified under "provision for employment termination benefits" and "other current liabilities" accounts in the balance sheet respectively.

Under Turkish Labour Law, the Company is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Company arising from this liability regarding the actuarial projections and reflected to financial statements (Note 11).

The Company have to pay contribution to Social Security Association on behalf of the employees in the amounts determined by law. These contributions are expensed when they are accrued.

(m) Statement of cash flows

For the purposes of the cash flow statement, cash and cash equivalents include cash and due from banks with maturities shorter than three months excluding accrued interest and reverse repo (Note 3).

(n) Share capital and dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(o) Turkey Derivatives Exchange ("TURKDEX") Transactions

Cash guarantees given to perform transactions in the TURKDEX market are classified as trade receivables. Gains and losses arising as a result of transactions within the period are classified as other operating income. The valuation differences that are reflected to the income statements as a result of valuating the open transactions on the basis of market prices are classified under the trade receivables after offsetting them with the commissions paid and interest income due to the accretion of remaining guarantees.

E. Significant accounting estimates and assumptions

Preparation of financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during financial period. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results. Significant accounting evaluations, estimates and assumptions which must be specified separately are explained in the related notes.

F. Convenience translation into English of financial statements originally issued in Turkish

As at 31 December 2012, the accounting principles described in Note 2 (defined as CMB Accounting Standards) to the accompanying financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting and also for certain disclosures requirement of the CMB. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

3. Cash and cash equivalents

	December 31, 2012	December 31, 2011
Demand deposits	609.359	5.050.532
Time deposits	519.841.369	218.973.439
	520.450.728	**224.023.971**

Cash and cash equivalents included in the statements of cash flows for the year ended December 31, 2012 is as follows:

	December 31, 2012	December 31, 2011
Demand deposits	609.359	5.050.532
Time deposits	518.770.176	218.020.142
	519.379.535	**223.070.674**

Maturity of the time deposits is less than 3 months and the average interest rate is %8,18 (December 31, 2011: %11,89).

4. Financial investments

a) Current assets

	December 31, 2012	December 31, 2011
Trading securities		
Government bonds and treasury bills	1.156.976	1.049.043
Investment funds	5.157.272	-
Equity securities (listed)	8.653.071	2.413.931
	14.967.319	**3.462.974**

Securities in the amount of TL 1.156.976 (December 31, 2011: TL 906.130) with a nominal value of TL 1.185.000 (December 31, 2011: TL 930.000) have been pledged at Takasbank A.Ş. as collateral at December 31, 2012.

In the portfolio of the Company, bonds and bills belonging to Akbank T.A.Ş., Ulusal Factoring A.Ş., Rönesans Gayrimenkul Yatırım A.Ş. and Eko Factoring A.Ş. are present as private sector bonds and bills.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

4. Financial investments (continued)

b) Non-current assets

	December 31, 2012	December 31, 2011
Available-for-sale financial assets		
Common stocks	1.002.804	1.003.337
	1.002.804	**1.003.337**

When there is a permanent impairment in the fair values of available-for-sale financial assets, the impact of these impairments are transferred to the income statement.

Non-listed at December 31, 2012 and 2011 are as follows:

	Share %	December 31, 2012	December 31, 2011
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş.	0,48	1.000.000	1.000.000
Gelişen Bilgi Teknolojileri A.Ş.	1,00	-	505
Ak Finansal Kiralama A.Ş.	0,002	2.804	2.804
Ak Portföy Yönetimi A.Ş.	0,001	-	28
		1.002.804	**1.003.337**

5. Financial liabilities

	December 31, 2012	December 31, 2011
Money market payables	407.550.955	91.165.543
Bank borrowings	111.653	3.469
	407.662.608	**91.169.012**

The payables to exchange money market has an average maturity of 39 days and the average interest rate is 6,67% (December 31, 2011: 10 days – 11,94%). Bank loans and tax payables are interest free liabilities.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

6. Trade receivables and payables

Short-term trade receivables:

	December 31, 2012	December 31, 2011
Receivables from customers	186.589.222	20.336.035
Receivables from exchange and keeping	1.854.644	5.256.435
Receivables from Turkish Derivatives Exchange	2.447.194	1.145.239
Deposits and Guarantees given	-	690.866
Receivables from consultancy	360.398	61.499
Advances given	-	14.941
Doubtful trade receivables	9.500	9.500
Provision for doubtful trade receivables	(9.500)	(9.500)
	191.251.458	**27.505.015**

The Company has terminated giving guarantees against receivables margin trading customers as of December 31, 2012. As of December 31, 2012, the Company does not hold stocks traded on the stock exchange, which have been given as guarantees against receivables from customers (December 31, 2011 - None).

Short-term trade payables:

	December 31, 2012	December 31, 2011
Payables to customers	47.377.249	24.269.318
Payables to suppliers	220.793	129.583
Payables to exchange and keeping	140.619.646	5.618.180
Other trade payables	95.413	578.627
	188.313.101	**30.595.708**

7. Other receivables and payables

Other short-term receivables

	December 31, 2012	December 31, 2011
Deposits and guarantees given	-	598.000
Other receivables	92.234	58.843
Derivative deposits	108.000	-
	200.234	**656.843**

	December 31, 2012	December 31, 2011
Other receivables	92.234	58.843
	92.234	**58.843**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

8. Property and equipment

	Buildings	Motor vehicles	Furniture and fixtures	Construction in progress	Leasehold improvement	Total
Net book value, January 1, 2012	**-**	**-**	**604.286**	**-**	**779.555**	**1.383.841**
Addition	-	-	545.513	107.962	24.194	677.669
Transfers	-	-	-	-	27.962	27.962
Disposals	-	-	-	(107.962)	-	(107.962)
Accumulated depreciation	-	-	(197.256)	-	(163.279)	(360.535)
Net book value, December 31, 2012	**-**	**-**	**952.543**	**-**	**668.432**	**1.620.975**
December 31, 2012						
Cost, net of impairment	-	-	2.175.732	-	844.924	3.020.656
Accumulated depreciation	-	-	(1.223.189)	-	(176.492)	(1.399.681)
Net book value	**-**	**-**	**952.543**	**-**	**668.432**	**1.620.975**
Net book value, January 1, 2011	**25.421.959**	**-**	**179.385**	**-**	**-**	**25.601.344**
Addition	-	-	529.506	783.551	9.217	1.322.274
Transfers	-	-	-	(783.551)	783.551	-
Transfer to assets held for sale (*)	(31.016.893)	-	-	-	-	(31.016.893)
Transfer to assets held for sale, accumulated depreciation (*)	6.076.904	-	-	-	-	6.076.904
Disposals	-	-	(2.889.737)	-	-	(2.889.737)
Disposals (depreciation)	-	-	2.880.143	-	-	2.880.143
Accumulated depreciation	(481.970)	-	(95.011)	-	(13.213)	(590.194)
Net book value, December 31, 2011	**-**	**-**	**604.286**	**-**	**779.555**	**1.383.841**
December 31, 2011						
Cost, net of impairment	-	-	1.630.219	-	792.768	2.422.987
Accumulated depreciation	-	-	(1.025.933)	-	(13.213)	(1.039.146)
Net book value	**-**	**-**	**604.286**	**-**	**779.555**	**1.383.841**

(*) Company has decided to sell service building located at İnönü Caddesi No:42 Beyoğlu/İstanbul in accordance with the boarder of directors decision ; No: 37 dated 12 May 2011. Building sale has been carried out by the sale price amounting to TL 85.500.000 on 26 July 2011 and sale price has been collected in the same day. In accordance with respective sale, service building has been transferred to assets held for sale and issued from this account after sale; impairment amounting to TL 11.316.179 in prior periods has been also reversed.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

9. Intangible assets

December 31, 2012

	Computer software
Net book value, January 1, 2012	124.380
Additions	44.240
Transfers	80.000
Disposals, net	-
Amortisation charge	(77.074)
Net book value	**171.546**

December 31, 2012

Cost	1.591.358
Accumulated amortization	(1.419.812)
Net book value	**171.546**

December 31, 2011

	Computer software
Net book value, January 1, 2011	239.852
Additions	-
Transfers	-
Disposals, net	-
Amortisation charge	(115.472)
Net book value	**124.380**

December 31, 2012

Cost	1.467.118
Accumulated amortization	(1.342.738)
Net book value	**124.380**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

10. Provisions, commitments and contingent

	December 31, 2012	December 31, 2011
(a) Short-term provisions		
Provision for personnel cases	200.200	339.630
	200.200	**339.630**

	December 31, 2012	December 31, 2011
January 1	**339.630**	**414.710**
Payments during the period	(164.630)	(209.080)
Charge for the period	25.200	134.000
December 31,	**200.200**	**339.630**

(b) Letters of guarantees given:

The letters of guarantees given to third parties are as follows:

	December 31, 2012	December 31, 2011
ISE exchange and keeping bank	431.340.000	134.840.000
Istanbul stock exchange	12.250.000	12.250.000
Privatization administration	5.700	5.700
Central Bank of Turkish Republic	1.800	1.800
	443.597.500	**147.097.500**

The sum of foreign currency guarantees given to third parties is USD 55.505.000 and they were given to Takas ve Saklama Bankası A.Ş. (December 31, 2011 : USD 55.605.000).

(c) TURKDEX transactions

As of December 31, 2012, the Company has 120 short positions from the contract 111F-IX0300213 in TURKDEX transactions (December 31, 2011: None).

As of December 31, 2012, there is a guarantee given regarding to TURKDEX transactions amounting to TL 108,000 classified under other receivables (December 31, 2011: None).

As of December 31, 2012, cash guarantees given regarding to TURKDEX transactions amounts to TL 47.332 (December 31, 2011 - TL 44.179).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

10. Provisions, commitments and contingent (continued)

(d) Custodian services/Other

As at December 31, 2012, the nominal value of Treasury bills, government bonds and stocks kept as trust in custody in the name of the customers is TL 18.478.305, TL 1.356.924.112, TL 61.203 respectively(December 31, 2011: TL 3.139.940, TL 944.402.110, TL 63.849).

As of December 31, 2012, the return value of repo / reverse repo transactions on behalf of customers at maturity date is TL 17.505.336 (December 31, 2011: TL 3.107.793).

(e) Legal disputes

As at December 31, 2012, legal disputes against the Company amount to TL 375.026 (December 31, 2011: TL 541.834). Provision amounting to TL 200.200 has been booked regarding the cases (December 31, 2011: TL 339.630).

11. Employee benefits

	December 31, 2012	December 31, 2011
Provision for short-term employment benefits		
Provision for personnel bonus	2.650.000	1.300.000
Provision for unused vacation	880.000	700.000
	3.530.000	**2.000.000**

	December 31, 2012	December 31, 2011
Provision for long-term employment benefits		
Provision for employment termination benefits	146.904	105.723
	146.904	**105.723**

The provision for employment termination benefits is reserved in line with the explanations below:

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable consists of one month's salary limited to a maximum of TL 3.033,98 (December 31, 2011: TL 2.731,85) for each period of service at December 31, 2012.

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of employees.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

11. Employee benefits (continued)

TFRS requires actuarial valuation methods to be developed to estimate the provision for employment termination benefits. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

	December 31, 2012	December 31, 2011
Discount rate (%)	3,57	4,70
Turnover rate to estimate the probability of retirement (%)	17,49	18,44

Additionally, the principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the liability is revised two times in a year, the amount of TL 3.125,01 at January 1, 2013 will be taken into consideration in calculating the reserve for employment termination benefit (January 1 2011: TL 2.917,27).

Movements in the reserve for employment termination benefits during the current year are as follows:

	December 31, 2012	December 31, 2011
January 1	**105.723**	**77.078**
Payments during the year	(71.503)	(18.170)
Provision during the year	112.684	46.815
December 31	**146.904**	**105.723**

Movements in the provision for unused vacation during the current year are as follows:

	December 31, 2012	December 31, 2011
January 1	**700.000**	**550.000**
Payments during the year	(44.385)	(17.823)
Provision (decrease) / reserved during the year	224.385	167.823
December 31	**880.000**	**700.000**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

12. Other current assets and liabilities

a) Other current assets

	December 31, 2012	December 31, 2011
Prepaid income tax (Note 19)	857.708	790.450
Prepaid expenses	40.808	9.530
	898.516	**799.980**

b) Other short-term liabilities

	December 31, 2012	December 31, 2011
Taxes and funds payable	631.402	583.522
Expense accruals	7.679	2.514
	639.081	**586.036**

13. Shareholders' equity

The share capital of the Company is TL 30.000.000 (December 31, 2011: TL 30.000.000) and consists of 3.000.000.000 (December 31, 2011: 3.000.000.000) authorized shares with a nominal value of Kr 1 each. As of December 31, 2012 and 2011, the company didn't have any preferred stock.

In accordance with the Turkish Commercial Code numbered 6012, Akbank T.A.Ş. had 100% of the Company's shares after the share transfers made among the current partners on December 19, 2012. As per Article 228 of the TCC, the Company was registered and announced as a "single shareholder incorporated company" on January 8, 2013.

At December 31, 2012 and December 31, 2011 the issued and fully paid-in share capital held is as follows:

	Share (%)	December 31, 2012	Share (%)	December 31, 2011
Akbank T.A.Ş.	100,00	30.000.000	99,80	29.940.000
Hacı Ömer Sabancı Holding A.Ş.	-	-	0,16	47.400
Exsa Export San. Mam. Sat. ve Araş. A.Ş.	-	-	0,02	6.000
AvivaSa Emeklilik ve Hayat A.Ş.	-	-		
(Ak Emeklilik A.Ş.)	-	-	0,02	6.000
Tursa Sabancı Turizm ve Yatırım Hizm. A.Ş.	-	-	0,00	600
Paid-in share capital (Historical cost)	**100,00**	**30.000.000**	**100,00**	**30.000.000**
Adjustment to share capital		16.802.123		16.802.123
Total paid-in share capital		**46.802.123**		**46.802.123**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

13. Shareholders' equity (continued)

Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital in terms of equivalent purchasing power at December 31, 2004.

Retained earnings:

	December 31, 2012	December 31, 2011
Legal reserves	14.934.118	12.088.784
Retained earnings	10.798.500	7.180.634
Special reserves	41.618.583	-
	67.351.201	**19.269.418**
Historical amounts of distributed dividends during the year	19.838.833	15.128.388

(*) In accordance with article 5, clause 1, subparagraph e of the Corporate Tax Law, the Company did not distribute TL 41,618,583 which makes up 75 % of the profit amounting to TL 55,491,444 acquired from the sale of the Gümüşsuyu service building on July 26, 2011, and transferred this amount to its special fund account.

Companies whose shares are quoted in the ISE are subject to profit distribution rules of the CMB as follows:

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (the "TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves may only be used to absorb losses provided that they do not exceed 50% of the share capital.

The Company has decided to arrange its financial statements according to the announced communiqué XI-29 by CMB and TFRS that addresses the communiqué of CMB XI-25 starting from the ending period of December 31, 2004. Retained earnings per these financial statements are available for distribution.

In accordance with the Communiqué Serial XI, No. 29 which became effective as of January 1 2008 and according to the CMB announcements clarifying the said Communiqué, "Share Capital", "Restricted Reserves Allocated from Profit" and "Share Premiums" need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- if the difference is arising from the valuation of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital";

- if the difference is arising from valuation of "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase, it shall be classified under "Retained Earnings".

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

13. Shareholders' equity (continued)

Profit distribution

Listed companies perform dividend distributions as envisaged by Turkish Capital Market Board as explained below:

In accordance with the CMB Communiqué IV No:27 Clause:5 and other several decisions of CMB, in case of dividend distribution the rate of first dividend could not be less than of remaining distributable profit after deducting the prior year losses if any. Depending on the decisions taken by General Assemblies, publicly traded joint stock companies are free to distribute dividends in cash, in share certificates, in partial distribution within cash or share certificates while retaining a portion within the company or retain as a whole with distributing neither cash nor stocks.

As required by CMB decision numbered 7/242 dated February 25, 2005; amount of distributable profit, calculated from net distributable profit in accordance with CMB regulations related to minimum dividend distribution requirements shall be fully distributed, wherein the amount could be compensated by net distributable profit per statutory books, otherwise full amount of net distributable profit per statutory books will be distributed. No profit distribution shall be made in the case of net loss in either statutory books or the financial statements prepared in accordance with CMB regulations.

In accordance with the Capital Market Board decision dated January 28, 2010, concerning with distribution of dividends for publicly traded joint stock companies, it was decided that no minimum dividend distribution requirement will be applied for publicly traded joint stock companies.

Inflation adjustments to issued capital and historical amount of extraordinary reserves can be used as an internal source of capital increase, dividend distribution in cash or the net off from prior period losses. In case of usage of inflation adjustment to issued capital in dividend distribution in cash, it is subject to corporation tax.

14. Sales and cost of sales

	January 1 - December 31, 2012	January 1 - December 31, 2011
Treasury bills	205.302.892	326.081.601
Stocks	271.538.573	278.902.675
Treasury bonds	150.692.575	-
Sales	**627.534.040**	**604.984.276**
Treasury bills	205.402.864	326.096.486
Stocks	270.056.810	279.909.034
Treasury bonds	150.588.484	-
Cost of sales	**626.048.158**	**606.005.520**
Gross sales margin / (loss)	**1.485.882**	**(1.021.244)**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

15. Expenses by nature

Marketing, sales and distribution expenses

	January 1- December 31, 2012	January 1- December 31, 2011
Stock exchange shares	418.302	485.636
Securities L/B Market commission expense	219.368	310.536
Money market exchange transaction commission expense	207.924	309.026
Exchange and keeping expenses	257.491	159.613
TURKDEX share	99.986	55.399
Fixed yield securities transaction share	46.052	35.414
Entertainment expenses	37.122	14.014
Other marketing selling expenses	358.136	241.957
	1.644.381	**1.611.595**

General administrative expenses

	January 1- December 31, 2012	January 1- December 31, 2011
Personnel expense	12.405.537	8.451.948
Sundry taxes and duties	1.345.971	1.226.971
Communication expenses	1.247.420	918.412
Depreciation and amortisation (Notes 8, 9)	742.194	705.666
Information technology	692.242	613.435
Rent expenses	473.535	446.273
Legal expenses	437.609	318.403
Travel expenses	292.294	290.025
Repair and maintenance expenses	180.000	224.071
Transportation expenses	141.347	216.724
Electricity, water and heating	140.450	180.828
CMB protection fund of investors	116.447	169.620
Unused vacation provision (Note 11)	112.684	150.000
Security expenses	100.430	149.869
Research and consultancy fees	79.195	93.890
Stationery expenses	67.168	83.282
Membership expenses	52.602	58.901
Insurance expenses	19.396	50.703
Provision for employment termination benefits (Note 11)	13.759	46.815
Education expenses	-	10.310
Other expenses	-	1.586.564
	18.660.280	**15.992.710**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

16. Other income and expenses

Income from services	January 1 - December 31, 2012	January 1 - December 31, 2011
Stock purchase-sale underwriting commission	13.852.581	15.911.616
Public offer sales commission	10.231.408	3.827.039
Exchange keeping commission	299.222	448.575
Introduction fee for capital increase	556.114	422.535
Mutual funds sales commission	131.864	202.119
Corporate finance consultancy commission	1.028.532	5.580
Stock Public offer management commission	383.625	-
Other commissions	426.534	90.910
	26.909.880	**20.908.374**

Deductions from services income	January 1 - December 31, 2012	January 1 - December 31, 2011
Commissions paid to the agencies	333.478	222.865
Other paid commissions	296.839	230.096
	630.317	**452.961**

Interest income from operating activities	January 1 - December 31, 2012	January 1 - December 31, 2011
Income/loss from operations in TURKDEX, net	(1.176.531)	577.043
Income from derivative transactions	1.980.744	-
	804.213	**577.043**

Other operating income	January 1 - December 31, 2012	January 1 - December 31, 2011
Income from building sale	-	60.610.010
Rent income	-	360.157
Annual keeping fee from issuer	337.636	249.382
Other operating income	61.193	96.576
	398.829	**61.316.125**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

17. Financial income

	January 1 - December 31, 2012	January 1 - December 31, 2011
Interest income from time deposits	26.410.769	38.080.288
Repo interest income, net	930	56.586
Interest income from government bonds and Treasury bills	173.845	62.800
Other interests, net	291.021	262.410
Portfolio dividend income	290.455	132.230
Gain on marketable securities	893.302	51.612
	28.355.287	**38.645.926**

18. Financial expenses

	January 1 - December 31, 2012	January 1 - December 31, 2011
Exchange money market interest expense, net	14.740.850	26.281.416
Common stock value decrease expense	-	199.629
Other expenses	1.666.207	1.474.863
	16.407.057	**27.955.908**

19. Taxes on income

The Corporate Tax Law numbered 5520 became effective after being published in the Official Gazette dated June 21, 2006 and numbered 26205, with most provisions effective as of January 1, 2006. According to this Law, the corporate tax rate of the fiscal year 2012 is 20% (2011: 20%). Corporate tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment allowance, etc) and corporate income tax deductions (e.g. research and development expenditures deductions). No further tax is payable unless the profit is distributed.

In Turkey, withholding tax is not imposed on dividend payments to corporations resident in Turkey or to foreign-based taxpayers who draw an income through their permanent representatives or businesses in the country. Excluding these, withholding tax with a rate of 15% is imposed on dividend payments made to individuals and corporations. Additions of net income to capital are not deemed dividend payments.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

19. Taxes on income (continued)

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies fill their corporate tax declarations on the 25th of the fourth month following the close of the financial year to which they relate. Additionally, tax authorities can audit the accounting records for five years and if they found inaccurate records, the amount of taxes to be paid could change.

Tax expense

	January 1 - December 31, 2012	January 1 - December 31, 2011
Prepaid taxes	4.138.519	5.594.118
Deferred tax expense / (income)	(69.251)	898.316
Tax expense	**4.069.268**	**6.492.434**

Tax liability

	December 31, 2012	December 31, 2011
Corporate tax payable	4.138.519	5.594.118
Prepaid taxes	(4.996.227)	(6.384.568)
(Deductible) / Income tax payable (Note 12)	**(857.708)**	**(790.450)**

Reconciliation between the theoretical tax amount that would arise using the basic tax rate of the Company and the actual taxation charge for the period is stated below:

	December 31, 2012	December 31, 2011
Profit before tax	20.612.056	74.413.050
Theoretical income tax at the applicable tax rate of 20%	4.122.411	14.882.610
Additions	4.948	(8.363.730)
Deductions (-)	(58.091)	(26.446)
Current year tax	**4.069.268**	**6.492.434**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

19. Taxes on income (continued)

Deferred tax assets

	December 31, 2012		December 31, 2011	
	Cumulative temporary difference	Deferred tax assets/ liabilities	Cumulative temporary difference	Deferred tax assets/ Liabilities
Bonus payable to personnel	2.650.000	530.000	1.300.000	260.000
Expense provisions	200.200	40.040	339.630	67.926
Unused vacation provision	880.000	176.000	700.000	140.000
Employment termination benefits	146.904	29.381	105.723	21.145
Other	-	-	311	62
Deferred tax assets		**775.421**		**489.133**
Difference between carrying value and tax base of property and equipment	707.541	(141.508)	515.672	(103.134)
Valuation difference on securities	693.673	(138.735)	(199.629)	39.926
Other	11	(2)	-	-
Deferred tax liabilities		**(280.245)**		**(63.208)**
Deferred tax assets, net		**495.176**		**425.925**

	December 31, 2012	December 31, 2011
Beginning deferred tax assets, net	425.925	1.324.241
Deferred tax income	69.251	(898.316)
Ending deferred tax assets, net	**495.176**	**425.925**

20. Balances and transactions with related parties

(a) Balances with related parties

The balances with related parties have not been classified as due from/due to related parties due to integrity of balance sheet.

Marketable securities:

At December 31, 2012, the marketable securities portfolio of the Company includes the listed equity shares of related parties in the amount of TL 1.468.395 (December 31, 2011 - TL 113.133).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

20. Balances and transactions with related parties (continued)

The list of nominal values of these private sector bond and bills are as follows:

	December 31, 2012	December 31, 2011
Akbank T.A.Ş.	1.503.400	112.300
Ak Finansal Kiralama A.Ş.	6.600	-
	1.510.000	**112.300**

At December 31, 2012 the Company has listed equity shares of related parties amounting to TL 1,760,713 (December 31, 2011 : TL 298,686).

Nominal values of these trading securities are as follows:

	December 31, 2012	December 31, 2011
Ak B Tipi Yatırım Ortaklığı A.Ş.	-	104.000
Hacı Ömer Sabancı Holding A.Ş.	19.000	17.370
Çimsa Çimento San. Ve Tic. A.Ş.	-	10.650
Teknosa İç ve Dış Ticaret A.Ş	209.023	-
	228.023	**132.020**

Deposits due from related parties:

Time deposit (Akbank T.A.Ş.)	136.047.268	102.382.777
Demand deposit (Akbank T.A.Ş.)	608.811	5.049.460
	136.656.079	**107.432.237**

Letters of credit received:

Akbank T.A.Ş.	1.341.800	841.800
Akbank T.A.Ş. (TL translated amount of USD)	8.888	9.445
	1.350.688	**851.245**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

20. Balances and transactions with related parties (continued)

(b) Transactions with related parties

Commission income and service income:	January 1 - December 31, 2012	January 1 - December 31, 2011
Akbank T.A.Ş	3.023.638	3.189.982
Hacı Ömer Sabancı Holding A.Ş.	1.442.203	227.052
Ak B Tipi Yatırım Ortaklığı A.Ş.	25.636	136.061
Çimsa Çimento Sanayi ve Ticaret A.Ş.	52.691	45.043
Akçansa Çimento Sanayi Ticaret A.Ş.	49.349	29.779
Aksigorta A.Ş.	34.832	10.978
Sasa Dupont Sabancı Polyester Sanayi A.Ş.	11.686	10.974
Kordsa Endüstriyel İplik ve Kord Bezi San. ve Tic. A.Ş.	47.104	30.279
Ak Finansal Kiralama A.Ş.	1.507.243	-
Brisa Bridges Sab. Lastik San ve Tic AŞ.	197.338	-
Yünsa Yünlü San. ve Tic. A.Ş.	21.349	-
Other	35.978	95.532
	6.449.047	**3.775.680**

Commission expenses and the discounts from sale of services	January 1 - December 31, 2012	January 1 - December 31, 2011
Akbank T.A.Ş	608.018	447.160
	608.018	**447.160**

Other operating and financial income:	January 1 - December 31, 2012	January 1 - December 31, 2011
Akbank T.A.Ş. (interest income)	12.002.674	4.437.016
Akbank T.A.Ş. (rent income)	-	118.622
Ak Finansal Kiralama A.Ş. (interest income)	-	232.589
Ak B tipi Yatırım Ortaklığı A.Ş. (rent income)	-	8.946
	12.002.674	**4.797.173**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

20. Balances and transactions with related parties (continued)

Operating expenses:	January 1 - December 31, 2012	January 1 - December 31, 2011
Aksigorta A.Ş. (insurance and other expenses)	212.770	197.551
AvivaSa Emeklilik ve Hayat A.Ş. (Ak Emeklilik A.Ş.) (insurance expenses)	195.900	173.975
Akbank T.A.Ş. (guarantee letter commission expense)	8.227	6.622
Akbank T.A.Ş. (rent expenses)	17.518	2.700
Sabancı Holding A.Ş. (rent expense)	1.229.902	104.264
	1.664.317	**485.112**

Salaries and other benefits paid to the Board of Directors and top management:

In accordance with the decision made at the General Assembly on March 2, 2012, no wages or benefits are paid to the members and auditors of the board of directors. The total amount of wages, premiums, bonuses and similar financial benefits provided to the senior executives of the company in 2012 is TL 1,705,103 (December 31, 2011 – TL 1,628,517).

21. Financial instruments and financial risk management

The Company's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

i. Credit risk disclosures

Financial instruments contain an element of risk that the counterparties may be unable to meet the terms of the agreements. This risk is monitored in reference to credit ratings and managed by limiting the aggregate risk to any individual counterparty. Exposure to credit risk is also managed by obtaining collaterals in the form of listed equity securities.

	Receivables						
	Trade receivables		Other receivables				
December 31, 2012	Related parties	Other parties	Related parties	Other parties	Bank deposits	Financial investments	Other
Maximum credit risk exposure at the report date	-	191.251.458	-	92.234	520.450.728	108.000	16.099.373
Secured part of maximum risk with guarantee	-	-	-	-	-	-	-
Net book value of unexpired or unimpaired financial assets		191.251.458		92.234	520.450.728	108.000	16.099.373
Off-balance sheet items with credit risks	-	-	-	-	-	-	-

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

21. Financial instruments and financial risk management (continued)

	Receivables						
	Trade receivables		Other receivables				
December 31, 2011	Related parties	Other parties	Related parties	Other parties	Bank deposits	Financial Investments	Other
Maximum credit risk exposure at the report date	-	26.814.149	-	656.843	224.023.971	-	4.559.177
Secured part of maximum risk with guarantee	-	-	-	-	-	-	-
Net book value of unexpired or unimpaired financial assets	-	26.814.149	-	656.843	224.023.971	-	4.559.177
Off-balance sheet items with credit risks	-	-	-	-	-	-	-

ii. Price risk

The trading securities of the Company are traded on Istanbul Stock Exchange ("ISE"). Analyses were performed to assess the impact of market interest rate movements on the fair value of these trading securities. Based upon these analyses, if prevailing ISE index had been 5% higher or lower at December 31, 2012, and all other factors had remained the same, the net income for the period of the Company would have increased or decreased by TL 432.654 (December 31, 2011: increase/decrease TL 120.967).

iii. Information on market risk

Foreign currency risk

The Company does not have foreign currency assets and liabilities as at December 31, 2012 and 2011.

Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Based upon the analyses performed by the Company for the government bonds with the carrying value of TL 6.314.248, if prevailing TL interest rates had been 1% higher or lower at December 31, 2012, and all other factors had remained the same, the net income for the period of the Company would have decreased by TL 62.539 or increased by TL 61.208 (December 31, 2011: Decrease by TL 4.036 or increase by TL 3.956 on government bonds at value of TL 1.049.043).

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

21. Financial instruments and financial risk management (continued)

	December 31, 2012	December 31, 2011
Financial instruments with fixed interest rates:		
Financial assets	518.770.176	218.020.142
Marketable securities held for trading	2.452.867	951.300
Financial liabilities	407.550.955	91.165.543
Financial instruments with variable interest rates:		
Financial assets	-	-
Marketable securities held for trading	3.861.381	97.743

Annual average interest rates for financial instruments o at December 31, 2012 and December 31, 2011:

	December 31, 2012 TL	December 31, 2011 TL
Assets		
Cash and due from banks:		
- Deposits with banks	10,27	9,47
- Reverse repo transactions	5,45	6,86
- Marketable securities held for trading	12,66	5,34
Liabilities		
Other liabilities		
- Due to exchange money markets	9,86	8,02

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

21. Financial instruments and financial risk management (continued)

The Company's assets and liabilities in carrying amounts classified in terms of periods remaining to contractual re-pricing dates are as follows:

						December 31, 2012
	Up to 1 month	Up to 3 months	3 months - to 1 year	1 year - 5 years	Non-Interest bearing	Total
Cash and cash equivalents	519.841.369	-	-	-	609.359	520.450.728
Financial investments	-	921.101	1.855.125	3.538.022	8.653.071	14.967.319
Trade receivables	-	-	-	-	191.251.458	191.251.458
Other receivables	108.000	-	-	-	92.234	200.234
Other current assets	-	-	-	-	898.516	898.516
Financial investments	-	-	-	-	1.002.804	1.002.804
Tangible assets	-	-	-	-	1.620.975	1.620.975
Intangible assets	-	-	-	-	171.546	171.546
Deferred tax assets	-	-	-	-	495.176	495.176
Total assets	**519.949.369**	**921.101**	**1.855.125**	**3.538.022**	**204.924.389**	**731.188.006**
Financial liabilities	407.550.955	-	-	-	111.653	407.662.608
Trade payables	-	-	-	-	188.313.101	188.313.101
Provisions	-	-	-	-	200.200	200.200
Employee termination benefits	-	-	-	-	3.676.904	3.676.904
Other liabilities	631.402	-	-	-	7.679	639.081
Total Liabilities	**408.182.357**	-	-	-	**192.309.537**	**600.491.894**
Interest risk	**111.767.012**	**921.101**	**1.855.125**	**3.538.022**	**12.614.852**	**130.696.112**

						December 31, 2011
	Up to 1 month	Up to 3 months	3 months - to 1 year	1 year - to 5 years	Non-interest bearing	Total
Cash and cash equivalents	218.973.439	-	-	-	5.050.532	224.023.971
Financial investments	275.968	29.779	645.553	97.743	2.413.931	3.462.974
Trade receivables	-	-	-	-	27.505.015	27.505.015
Other receivables	-	-	-	-	58.843	58.843
Other current assets	-	-	-	-	799.980	799.980
Financial investments	-	-	-	-	1.003.337	1.003.337
Tangible assets	-	-	-	-	1.383.841	1.383.841
Intangible assets	-	-	-	-	124.380	124.380
Deferred tax assets	-	-	-	-	425.925	425.925
Total assets	**219.249.407**	**29.779**	**645.553**	**97.743**	**38.765.784**	**258.788.266**
Financial liabilities	91.165.543	-	-	-	3.469	91.169.012
Trade payables	-	-	-	-	30.595.708	30.595.708
Provisions	-	-	-	-	339.630	339.630
Employee termination benefits	-	-	-	-	2.105.723	2.105.723
Other liabilities	583.522	-	-	-	2.514	586.036
Total Liabilities	**91.749.065**	-	-	-	**33.047.044**	**124.796.109**
Interest risk	**127.500.342**	**29.779**	**645.553**	**97.743**	**5.718.740**	**133.992.157**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

21. Financial instruments and financial risk management (continued)

iv. Liquidity risk

Liquidity risk is the inability of the Company to match the net funding requirements with sufficient liquidity. A decrease in funding sources mainly due to market instability or a decrease in credit risk results in liquidity risk. The Company manages the liquidity risk by maintaining sufficient cash and other liquid assets in order to fund the current and prospective debt requirements.

The following table presents the cash flows payable by the Company under non-derivative financial liabilities remaining contractual maturities as of December 31, 2012 and 2011:

December 31, 2012

	Carrying value	Up to 1 month	1 month - to 3 months	3 months- to 1 Years	Total of contractual cash outflows
Financial liabilities	407.662.608	275.705.128	134.013.922	-	409.719.050
Trade payables	188.313.101	188.313.101	-	-	188.313.101
Other short-term payables	639.081	639.081	-	-	639.081
Total liabilities	**596.614.790**	**464.657.310**	**134.013.922**	**-**	**598.671.232**

December 31, 2011

	Carrying value	Up to 1 Month	1 month - to 3 months	3 months- to 1 Years	Total of contractual cash outflows
Financial liabilities	91.169.012	12.730.704	79.420.039	-	92.150.743
Trade payables	30.595.708	30.595.708	-	-	30.595.708
Other short-term payables	586.036	586.036	-	-	586.036
Total liabilities	**122.350.756**	**43.912.448**	**79.420.039**	**-**	**123.332.487**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

21. Financial instruments and financial risk management (continued)

The following table presents asset and liability items according to their days to maturities:

						December 31, 2012
	Up to 1 Month	Up to 3 Months	3 months - to 1 year	1 year - to 5 years	Demand	Total
Cash and cash equivalents	519.841.369	-	-	-	609.359	520.450.728
Financial investments	-	921.101	1.855.125	3.538.022	8.653.071	14.967.319
Trade receivables	191.251.458	-	-	-	-	191.251.458
Other receivables	92.234	-	-	-	108.000	200.234
Other current assets	857.707		40.809		-	898.516
Financial investments	-	-	-	-	1.002.804	1.002.804
Tangible assets	-	-	-	-	1.620.975	1.620.975
Intangible assets	-	-	-	-	171.546	171.546
Deferred tax assets	-	-	-	-	495.176	495.176
Total assets	**712.042.768**	**921.101**	**1.895.934**	**3.538.022**	**12.790.181**	**731.188.006**
Financial liabilities	407.550.955	-	-	-	111.653	407.662.608
Trade payables (net)	188.313.101	-	-	-	-	188.313.101
Provisions	-	-	200.200	-	-	200.200
Employee termination benefits	-		3.530.000	-	146.904	3.676.904
Other liabilities	631.402	-	-	-	7.679	639.081
Total liabilities	**596.495.458**	**-**	**3.730.200**	**-**	**266.236**	**600.491.894**
Liquidity risk	**115.547.310**	**921.101**	**(1.834.266)**	**3.538.022**	**12.523.945**	**130.696.112**

						December 31, 2011
	Up to 1 Month	Up to 3 Months	3 months - to 1 year	1 year - to 5 years	Demand	Total
Cash and cash equivalents	218.973.439	-	-	-	5.050.532	224.023.971
Financial investments	275.968	29.779	645.553	97.743	2.413.931	3.462.974
Trade receivables	26.799.208	-	-	-	705.807	27.505.015
Other receivables	58.843	-	-	-	-	58.843
Other current assets	790.450	-	9.530	-	-	799.980
Financial investments	-	-	-	-	1.003.337	1.003.337
Tangible assets	-	-	-	-	1.383.841	1.383.841
Intangible assets	-	-	-	-	124.380	124.380
Deferred tax assets	-	-	-	-	425.925	425.925
Total assets	**246.897.908**	**29.779**	**655.083**	**97.743**	**11.107.753**	**258.788.266**
Financial liabilities	91.165.543	-		-	3.469	91.169.012
Trade payables (net)	30.595.708	-		-	-	30.595.708
Provisions		-	339.630	-	-	339.630
Employee termination benefits		-	2.000.000	-	105.723	2.105.723
Other liabilities	583.522	-	-	-	2.514	586.036
Total liabilities	**122.344.773**	**-**	**2.339.630**	**-**	**111.706**	**124.796.109**
Liquidity risk	**124.553.135**	**29.779**	**(1.684.547)**	**97.743**	**10.996.047**	**133.992.157**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

22. Financial instruments

Fair value of the financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

Market prices was based on determining the fair value of the securities.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

i. Financial assets:

The fair values of financial assets carried at cost, including cash and cash equivalents and other financial assets are booked with their discounted values and are considered to approximate their respective carrying values due to their short-term nature and their insignificant potential damages.

ii. Financial liabilities:

The fair value of monetary liabilities is considered to approximate their respective carrying values. The fair values and carrying values of financial asset and liabilities of the Company are as follows:

	December 31, 2012		December 31, 2011	
	Fair value	Carrying value	Fair value	Carrying value
Cash and cash equivalents	520.450.728	520.450.728	224.023.971	224.023.971
Financial liabilities	14.967.319	14.967.319	3.462.974	3.462.974
Trade receivables	191.251.458	191.251.458	27.505.015	27.505.015
Financial liabilities	409.719.050	407.662.608	92.150.743	91.169.012
Trade payables	188.313.101	188.313.101	30.595.708	30.595.708

The value of the financial assets that measured at fair value at the balance sheet, is determined with the quoted market prices that the first level of the fair value hierarchy.

23. Subsequent events

None.

24. Disclosure of other matters that may affect financial statements significantly or is necessary for financial statements to be clear, interpretable and comprehensive

Capital management and capital adequacy requirements

The Company describes and manages its capital in accordance with CMB Communiqué Serial V No. 34 of regarding Capital and Capital Adequacy of the Brokerage Houses ("Communiqué Serial V No. 34). In accordance with the said Communiqué, capital of the brokerage houses are the group including the amounts followed on the financial statements prepared as of the valuation day and representing the part of the net assets which is covered by the partnership. According to the principles of the Communiqué Serial V No. 34, the initial capital amount that is required for intermediary activity of the Brokerage Houses determined as TL 832.000 for the year ending December 31, 2012 (January 1- December 31, 2011 - TL 815.000). Furthermore, brokerage houses are required to increase their capital at the rates stated below for each type of capital market activity they conduct. Total capital requirement of the Company in this context is TL 2.087.000 (December 31, 2011 - TL 2.045.000).

a) 50% of the initial capital required for Brokerage activities is required for public offering intermediary activities.
b) 50% of the initial capital required for Brokerage activities is required for marketable security repurchase and resale activities.
c) 40% of the initial capital required for Brokerage activities is required for portfolio management activities.
d) 10% of the initial capital required for Brokerage activities is required for investment consultancy activities.

In accordance with the Article 4 of Communiqué Serial V No. 34, the capital adequacy bases of the brokerage houses represent the amounts calculated by deducting the net amounts of the tangible and intangible assets, financial assets and other assets net of the impairment provisions and capital commitments, excluding those listed in stock exchanges and other organized markets, unsecured receivables from the staff, shareholders, associates, subsidiaries and people or entities directly or indirectly related to the firm in respect of capital, management and audit, even if they bear client status, and amounts of capital market instruments issued by these people and entities which are not listed in stock exchanges and other organized markets from the shareholders' equity.

In accordance with Article 8 of Communiqué Serial V No. 34 the Capital adequacy bases of brokerage houses cannot be lower than any of the following; minimum capital requirement according to the market activity they conduct, risk amount calculated in accordance with the stated Communiqué and operating expenses of the three months prior to the valuation date.

As of December 31, 2012 and 2011 the Company is in compliance with the relevant requirements of capital adequacy.