Ak Yatırım Menkul Değerler A.Ş.

Financial statements together with independent auditor's report for the year ended December 31, 2013

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

Ak Yatırım Menkul Değerler A.Ş.

Contents

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Independent auditor's report on the financial statements for the year ended December 31, 2013

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

Introduction

We have audited the accompanying statement of financial position of Ak Yatırım Menkul Değerler A.Ş. ("the Company") as at 31 December 2013 and the related 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 explanatory notes.

Management's responsibility for the financial statements

The Company's management is responsible for the preparation and fair presentation of financial statements in accordance with the Turkish Accounting Standards ("TAS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Independent auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with the Turkish Auditing Standards ("TAS") published by POA. 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 independent audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. 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.

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Opinion

In our opinion, the accompanying financial statements present fairly the financial position of Ak Yatırım Menkul Değerler A.Ş. as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards (Note 2).

Reports on independent auditor responsibilities arising from other regulatory requirements

In accordance with Article 402 of the Turkish Commercial Code no. 6102, 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 Company's bookkeeping activities for the period 1 January – 31 December 2013 are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

Pursuant to Article 378 of Turkish Commercial Code, in non-listed companies, an Early Risk Identification Committee is formed when the auditor considers as necessary and gives a written notification to the Board of Directors. According to subparagraph 4, Article 398 of the code, the independent 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 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 auditor's report. As of the date of our auditors' report POA has not announced a secondary regulation regarding the criteria of the works to be performed by the auditor for the early identification of the risks and the principles of the report. Accordingly, no work has been performed to form an auditor's opinion on whether the establishment of an early risk identification committee within the body of the Company is necessary and no report has been prepared for this purpose.

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

As at December 31, 2013, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish 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, certain reclassifications and also for certain disclosures requirement of the POA/CMB. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

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

Damla Harman, SMMM
Partner in charge

5 February 2014
Istanbul, Turkey

Ak Yatırım Menkul Değerler A.Ş.

Statement of the financial position
as of December 31, 2013 and 2012
(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited December 31, 2013	Audited December 31, 2012
Assets			
Current assets		**677.635.671**	**727.768.255**
Cash and cash equivalents	3	399.569.936	520.450.728
Financial investments	4	63.585.872	14.967.319
Trade receivables	6	211.830.678	191.251.458
- Due from related parties		-	-
- Trade receivables from third parties		211.830.678	191.251.458
Other receivables		1.189.071	200.234
- Due from related parties		-	-
- Other receivables from third parties	7	1.189.071	200.234
Prepaid expenses	12	158.615	40.808
Current tax related assets	12	1.301.499	857.708
Non-current assets		**3.939.705**	**3.419.751**
Financial investments	4	163.280	1.002.804
Other long term receivables		1.434.307	129.250
- Due from related parties		-	-
- Other receivables from third parties	7	1.434.307	129.250
Property and equipment	8	1.332.959	1.620.975
Intangible assets	9	307.882	171.546
Deferred tax assets	19	701.277	495.176
Total assets		**681.575.376**	**731.188.006**
Liabilities			
Current liabilities		**547.853.618**	**599.464.990**
Financial liabilities	5	331.333.968	407.662.608
Trade payables	6	212.756.855	188.313.101
- Due to related parties		42.895	19.938
- Trade payables to third parties	6	212.713.960	188.293.163
Provisions		2.837.185	2.850.200
- Short term provisions for employee benefits	11	2.593.685	2.650.000
- Other short term provisions	10	243.500	200.200
Other current liabilities	12	925.610	639.081
Non-current liabilities		**1.342.479**	**1.026.904**
Provisions			
- Long term provisions for employee benefits	11	1.342.479	1.026.904
Shareholders' equity		**132.379.279**	**130.696.112**
Paid-in share capital	13	30.000.000	30.000.000
Adjustment to share capital	13	16.802.123	16.802.123
Restricted reserves	13	57.835.358	56.552.702
Retained earnings	13	11.732.061	10.798.499
Net income for the year	13	16.009.737	16.542.788
Total liabilities and shareholders' equity		**681.575.376**	**731.188.006**

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, 2013 and 2012
(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	Audited January 1 - December 31, 2013	Audited January 1 - December 31, 2012
Operating revenue		**2.797.951.933**	**653.813.603**
Sales	14	2.762.585.803	627.534.040
Services income	14	35.765.039	26.909.880
Deductions from services income (-)	14	(398.909)	(630.317)
Cost of sales (-)	14	(2.762.277.206)	(626.048.158)
Gross profit from commercial activities		**35.674.727**	**27.765.445**
Interest income from operating activities	14	2.595.726	804.213
Cost of financial sector operations (-)		-	-
Gross profit from financial sector operations	14	2.595.726	804.213
Gross operating profit		**38.270.453**	**28.569.658**
General administrative expenses (-)	16	(21.946.879)	(18.660.280)
Marketing, sales and distribution expenses (-)	16	(5.854.443)	(1.644.381)
Research and development expenses (-)		-	-
Other operating income	15	691.778	398.829
Other operating expenses (-)		-	-
Operating profit		**11.160.909**	**8.663.826**
Financial income	17	33.735.473	28.355.287
Financial expenses (-)	18	(24.910.571)	(16.407.057)
Profit before tax from continuing operations	**19**	**19.985.811**	**20.612.056**
Continuing operations tax expense / (income)	19	**(3.976.074)**	**(4.069.268)**
Taxes on income (expense)	19	(4.182.175)	(4.138.519)
Deferred tax income (expense)	19	206.101	69.251
Profit from continuing operations for the period		**16.009.737**	**16.542.788**
Discontinued activities period profit / loss		-	-
Profit for the period		**16.009.737**	**16.542.788**
Other comprehensive income		-	-
Other comprehensive income (after tax)		-	-
Total comprehensive income		**16.009.737**	**16.542.788**
Earnings per share from continuing operations (Kr)		**0,53**	0,55

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

Ak Yatırım Menkul Değerler A.Ş.

Statement of the changes in equity
for the year ended December 31, 2013 and 2012
(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

	Equity	Total equity adjustment	Total paid in capital	Restricted reserves	Retained earnings	Net income for the year	Total equity
January 1, 2012	30.000.000	16.802.123	46.802.123	12.088.784	7.180.634	67.920.616	133.992.157
Transfers	-	-	-	44.463.918	23.456.698	(67.920.616)	-
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	56.552.702	10.798.499	16.542.788	130.696.112
January 1, 2013	30.000.000	16.802.123	46.802.123	56.552.702	10.798.499	16.542.788	130.696.112
Transfers	-	-	-	1.282.656	15.260.132	(16.542.788)	-
Dividend paid	-	-	-	-	(14.326.570)	-	(14.326.570)
Net income for the year	-	-	-	-	-	16.009.737	16.009.737
December 31, 2013	30.000.000	16.802.123	46.802.123	57.835.358	11.732.061	16.009.737	132.379.279

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 cash flows
for the years ended December 31, 2013 and 2012
(Amounts are expressed in Turkish Lira (TRY) unless otherwise stated.)

	Notes	December 31, 2013	December 31, 2012
Net income for the year		**16.009.737**	**16.542.788**
Adjustments to reconcile net income to net cash provided by operating activities		**(3.239.213)**	**(3.406.833)**
Depreciation and amortization	8, 9	524.772	437.609
Adjustments regarding to provisions		3.088.903	4.222.839
Interest income, net		(10.840.359)	(12.136.549)
Provision for income taxes	9	3.976.074	4.069.268
Sales expense / (income) of property and equipment	7	11.397	-
Changes in working capital		**(123.377.754)**	**299.966.404**
Net (increase) / decrease in receivables from commercial and credited customers		(20.579.220)	(164.437.309)
Net decrease / (increase) in other receivables		(1.389.640)	1.353.963
Net decrease / (increase) in securities)		(49.742.308)	(11.106.100)
Net decrease / (increase) in trade payables		24.443.754	157.717.393
Net increase in other liabilities		(76.110.340)	316.438.457
Net cash provided by operating activities		**3.346.503**	**3.658.527**
Dividends received		(164.353)	(290.455)
Interest paid		(22.528.172)	(14.819.065)
Interest received		34.309.045	26.439.473
Income taxes paid	9	(5.483.674)	(4.996.226)
Other cash flows		(2.786.343)	(2.675.200)
Net cash provided by operating activities		**(107.260.727)**	**316.760.886**
Cash flows from investing activities:			
Capital returns of financial assets ready for sale		1.000.000	533
Capital outflows of financial assets ready for sale		(160.476)	-
Sale of property and equipment	7	2.373	-
Purchase of property, equipment and intangible assets, net	7	(386.862)	(721.909)
Net cash provided from / (used in) investing activities		**455.035**	**(721.376)**
Cash flows from in financing activities:			
Increase in financial debts		179.882	111.653
Debt payments		(111.653)	(3.469)
Dividend paid	10	(14.326.570)	(19.838.833)
Net cash used in financing activities		**(14.258.341)**	**(19.730.649)**
Net increase in cash and cash equivalents		**(121.064.033)**	**296.308.861**
Cash and cash equivalents at the beginning of the year		**519.379.535**	**223.070.674**
Cash and cash equivalents at the end of year	3	**398.315.502**	**519.379.535**

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 licenses 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, 2013, the number of employees was 70 (December 31, 2012: 61). The address of the headquarters and registered office of the Company is Sabancı Center 4.Levent, 34330 Istanbul, Turkey. The company's main shareholder Akbank T.A.Ş. and the ultimate controlling party of Hacı Ömer Sabancı Holding A.Ş.

Approval of the financial statements:

The Company's financial statements for the period ended December 31, 2013 have been approved by the Company's Board of Directors on February 5, 2014. 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 accompanying financial statements of Capital Markets Board ("CMB") June 13, 2013 and 28676 numbered Official Gazette Series II 14.1 No. "Capital Markets Financial Reporting in the Communiqué on Principles Regarding" ("the Communiqué") pursuant to the provisions of Public Oversight Accounting and Auditing Standards Board ("POA"), which was enacted by Turkey Accounting Standards (IAS) have been prepared in accordance.

The Company's functional currency is the Turkish lira (TL) and prepares their statutory financial legislation in TL according to the requirements of the accounting records and the Uniform Chart of Accounts issued by the Ministry of Finance in Turkey.

The accompanying financial statements are based on the Company's statutory records and denominated in TL to express the Company's status according to Turkish Accounting Standards published by the POA, certain adjustments and reclassifications has been made.

2. Basis of presentation of financial statements (continued)

(b) Adoption of new and revised standards

The accounting policies adopted in preparation of the financial statements as at 31 December 2013 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2013. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at 1 January 2013 are as follows:

TFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment)

The amendment requires the disclosure of the rights of the entity relating to the offsetting of the financial instruments and some information about the related regulations (eg, collateral agreements). New disclosures would provide users of financial statements with information that is useful in;

i) evaluating the effect or potential effect of netting arrangements on an entity's financial position and,
ii) analyzing and comparing financial statements prepared in accordance with TFRSs and other generally accepted accounting standards.

New disclosures have to be provided for all the financial instruments in the balance sheet that have been offset according to TAS 32. Such disclosures are applicable to financial instruments in the balance sheet that have not been offset according to TAS 32 but are available for offsetting according to main applicable offsetting regulations or other financial instruments that are subject to a similar agreement. The amendment affects disclosures only and did not have any impact on the financial statements of the Company.

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

The amendments to TAS 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 did not have an impact on the financial position or performance of the Company.

TAS 19 Employee Benefits (Amended)

Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism, for determined benefit plans recognizing actuarial gain/(loss) under other comprehensive income and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement.

Since the Company recognizes the actuarial gain and loss in income statement. The Company predicts that unused vacations of the employees will be used in one year period beginning from reporting year.

2. Basis of presentation of financial statements (continued)

TAS 27 Separate Financial Statements (Amended)

As a consequential amendment to TFRS 10 and TFRS 12, the TASB also amended TAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. This amendment did not have an impact on the financial position or performance of the Company.

TAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to TFRS 11 and TFRS 12, the TASB also amended TAS 28, which has been renamed TAS 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 TFRS 11. This amendment did not have an impact on the financial position or performance of the Company.

TFRS 10 Consolidated Financial Statements

TFRS10, TAS 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 did not have an impact on the financial position or performance of the Company.

TFRS 11 Joint Arrangements

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 standard did not have an impact on the financial position or performance of the Company.

TFRS 12 Disclosure of Interests in Other Entities

TFRS 12 includes all of the requirements that are related to disclosures of an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The standard affects presentation only and did not have an impact on the disclosures given by the Company.

TFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under TFRS but does not change when an entity is required to use fair value. It is a single source of guidance under TFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. The new disclosures are only required for periods beginning after TFRS 13 is adopted. This standard did not have an impact on the financial statements of the Company. (Note 22)

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

Entities are 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 did not have any impact on the financial position or performance of the Company.

2. Basis of presentation of financial statements (continued)

Transition Guidance (Amendments to TFRS 10, TFRS 11 and TFRS 12)

The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as 'the beginning of the annual reporting period in which TFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between TFRS 10 and TAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons TFRS 11 and TFRS 12 has also been amended to provide transition relief. These amendments did not have an impact on the financial statements of the Company.

Improvements to TFRSs

Annual Improvements to TFRSs – 2009 – 2011 Cycle, which contains amendments to its standards, is effective for annual periods beginning on or after 1 January 2013. This project did not have an impact on the financial position or performance of the Company.

TAS 1 Financial Statement Presentation:

Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

TAS 16 Property, Plant and Equipment:

Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory

TAS 32 Financial Instruments: Presentation:

Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with TAS 12 Income Taxes. The amendment removes existing income tax requirements from TAS 32 and requires entities to apply the requirements in TAS 12 to any income tax arising from distributions to equity holders.

TAS 34 Financial Reporting:

Clarifies the requirements in TAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

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)

TAS 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 TAS 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 1 January 2014. The Company does not expect that these amendments will have significant impact on the financial position or performance of the Company.

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2011, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 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. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

TFRIC Interpretation 21 Levies

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is effective for annual periods beginning on or after 1 January 2014, with early application permitted. Retrospective application of this interpretation is required. The Company does not expect that this amendment will have any impact on the financial position or performance of the Company.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Company will make the necessary changes to its financial statements after the new standards and interpretations are issued and become effective under TFRS.

IFRS 10 Consolidated Financial Statements (Amendment)

IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS. This amendment will not have any impact on the financial position or performance of the Company.

2. Basis of presentation of financial statements (continued)

Amendments to IAS 36 - (Recoverable Amount Disclosures for Non-Financial assets)

The IASB, as a consequential amendment to IFRS 13 Fair Value Measurement, modified some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets. The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13. The Company does not expect that this amendment will have any impact on the financial position or performance of the Company.

Amendments to TAS 39 - Novation of Derivatives and Continuation of Hedge Accounting

Amendments to TAS 39 Financial Instruments: Recognition and Measurement, provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be notated to a central counterparty as a result of laws or regulations. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. The Company does not expect that this amendment will have any impact on the financial position or performance of the Company.

IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 -IFRS 9 (2013)

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging relationships. The standard does not have a mandatory effective date, but it is available for application now; a new mandatory effective date will be set when the IASB completes the impairment phase of its project on the accounting for financial instruments. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

Improvements to IFRSs

In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs – 2010–2012 Cycle and IFRSs – 2011–2013 Cycle. Other than the amendments that only affect the standards' Basis for Conclusions, the changes are effective 1 July 2014. Earlier application is permitted.

Annual Improvements to IFRSs – 2010–2012 Cycle

IFRS 2 Share-based Payment:

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

IFRS 3 Business Combinations

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

2. Basis of presentation of financial statements (continued)

IFRS 8 Operating Segments

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

IFRS 13 Fair Value Measurement

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows:
i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

IAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Annual Improvements to IFRSs – 2011–2013 Cycle

IFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of IFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

IFRS 13 Fair Value Measurement

The portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

IAS 40 Investment Property

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

These amendments did not have an impact on the financial position or performance of the Company.

2. Basis of presentation of financial statements (continued)

Resolutions promulgated by the Public Oversight Authority

In addition to those mentioned above, the POA has promulgated the following resolutions regarding the implementation of Turkish Accounting Standards. "The financial statement examples and user guide" became immediately effective at its date of issuance; however, the other resolutions shall become effective for the annual reporting periods beginning after December 31, 2012.

2013-1 Financial Statement Examples and User Guide

The POA promulgated "financial statement examples and user guide" on May 20, 2012 in order to ensure the uniformity of financial statements and facilitate their audit. The financial statement examples within this framework were published to serve as an example to financial statements to be prepared by companies obliged to apply Turkish Accounting Standards, excluding financial institutions established to engage in banking, insurance, private pensions or capital market.
This amendment did not have any impact on the financial position or performance of the Company.

2013-2 Accounting of Combinations under Common Control

In accordance with the resolution it has been decided that i) combination of entities under common control should be recognized using the pooling of interest method, ii) and thus, goodwill should not be included in the financial statements and iii) while using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred. This resolution did not have any impact on the financial statements of the Company.

2013-3 Accounting of Redeemed Share Certificates

Clarification has been provided on the conditions and circumstances where the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments. This resolution did not have any impact on the financial statements of the Company.

2013-4 Accounting of Cross Shareholding Investments

If a subsidiary of an entity holds shares of the entity then this is defined as cross shareholding investment. Accounting of this cross investment is assessed based on the type of the investment and different recognition principles adopted accordingly. With this resolution, this topic has been assessed under three main headings below and the recognition principles for each one of them has been determined.

- i) the subsidiary holding the equity based financial instruments of the parent,
- ii) the associates or joint ventures holding the equity based financial instruments of the parent,
- iii) the parent's equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 39 and TFRS 9 by the parent.

This resolution did not have any impact on the financial statements of the Company

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

2. Basis of presentation of financial statements (continued)

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

The Company maintains its books of account and prepares its statutory financial statements ("Statutory Financial Statements") in accordance with the principles and terms issued by the CMB, the commercial regulation in force and communiqués of the CMB.

In order to allow for the identification of financial position and performance trends, the financial statements of the Company include comparative information. The Company has prepared its balance sheet as of December 31, 2013 comparatively with the balance sheet prepared as of December 31, 2012 and its income statement, statement of cash flows, and statement of changes in equity for the financial year from January 1, 2013 to December 31, 2013 comparatively with the financial year from January 1, 2012 to December 31, 2012. Comparative information are readjusted when considered necessary in order to comply with the presentation of the financial statements of the current year. Based on the decree of the CMB taken in its meeting dated June 7, 2013 numbered 20/670, a new illustrative financial statement and guidance to it have been issued effective as of the interim periods ended after March 31, 2013, which is applicable for capital market institutions which are included in the scope of the Communiqué on the Principles of Financial Reporting in Capital Markets. Based on these new illustrative financial statements, a number of reclassifications were made in the Company's statement of financial position. The reclassifications made in the Company's statement of financial position as of December 31, 2012 are as follows:

		Readjusted	Classification
Statement of financial position	**December 31, 2012**	**December 31, 2012**	
Other current assets	898.516	-	(898.516)
Prepaid expenses	-	40.808	40.808
Assets related to current tax	-	857.708	857.708

As of December 31, 2012, unused vacation provision amounting to TL 880.000 classified in provisions for short-term employment benefits were classified in long-term employment benefits.

Necessary readjustments were made in the statement of cash flows as of December 31, 2012 to ensure consistency with the statement of cash flows as of December 21, 2013.

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, 2013 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:

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, cannot 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 amortized on a straight-line basis over their estimated economic lives for a period not exceeding five years from the date of acquisition.

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

(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.

2. Basis of presentation of financial statements (continued)

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 recognized 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 recognized 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. Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognized 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 amortized 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 recognized at the settlement date, which is the date.

2. Basis of presentation of financial statements (continued)

Available for sale financial instruments whose fair values cannot 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 categorized as loans originated by the Company and are carried at amortized cost. All originated loans are recognized 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 declared 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 capitalized 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

a) A person or that person's immediate family are considered as related party to the Company if the following conditions have been met:

   Certain party,
   (i) If it has control or joint control over the company,
   (ii) If it has significant influence over the Company
   (iii) In the case of a member of the Company or the parent Company's key management personnel

b) If any of the following conditions are present, the company is considered as related party:
   (i) In the case of the Company and the entity are members of a same group,
   (ii) In the case of the Entity, (or other entity that is a member of a member of a group) is a subsidiary or joint venture of the other entity,
   (iii) In the event of the Company and the Entity are both joint venture of a third party,
   (iv) In the event of the Company is a joint venture of a third entity of one and the other entity is a subsidiary of such third the company,
   (v) In the event of the Company, has post-employment benefit plans related to the entity or the associated entity's employees (in the event of the company itself has such plan, the sponsoring employers are also recognized related to the Company)
   (vi) If the Company is controlled or jointly controlled by a person defined at (a)
   (vii) In the event of a person defined at article (a) subparagraph (i) have a significant influence over the Company or the respective entity (or of a parent of the entity) is member of the entity's key management

(k) Corporate and deferred taxes

Corporate tax

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

2. Basis of presentation of financial statements (continued)

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

(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" ("TAS 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 recognized 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.

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

2. Basis of presentation of financial statements (continued)

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 2013, 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.

3. Cash and cash equivalents

	December 31, 2013	December 31, 2012
Demand deposits	**2.905.755**	609.359
Time deposits	**396.664.181**	519.841.369
	399.569.936	520.450.728

Cash and cash equivalents included in the statements of cash flows for the year ended December 31, 2013 is as follows:

	December 31, 2013	December 31, 2012
Demand deposits	**2.905.755**	609.359
Time deposits	**395.409.747**	518.770.176
	398.315.502	519.379.535

The maturity of time deposits is less than 3 months and the average interest rate is 9,42% (December 31, 2012: 8,18%) As of December 31, 2013, USD 600.000 was deposited to Morgan Stanley as guarantee for the derivative transaction.

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

4. Financial investments

a) Current assets

	December 31, 2013	December 31, 2012
Trading securities		
Government bonds and treasury bills	**5.145.830**	1.156.976
Rental certificates	**105.538**	-
Investment funds	**55.860.134**	5.157.272
Equity securities (listed)	**2.474.370**	8.653.071
	63.585.872	14.967.319

Securities in the amount of TL 5.119.091 (December 31, 2012: TL 1.156.976) with a nominal value of TL 5.361.000 (December 31, 2012: TL 1.185.000) have been pledged at Takasbank A.Ş. as collateral at December 31, 2013.

b) Non-current assets

	December 31, 2013	December 31, 2012
Available-for-sale financial assets		
Common stocks	**163.280**	1.002.804
	163.280	1.002.804

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, 2013 and 2012 are as follows:

	Share %	December 31, 2013	December 31, 2012
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş.	**0,48**	-	1.000.000
Borsa Istanbul (BIST)	**0,04**	**159.711**	-
Ak Finansal Kiralama A.Ş.	-	**3.569**	2.804
		163.280	1.002.804

As of January 21, 2013, Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. was sold to its ultimate parent Hacı Ömer Sabancı Holding A.Ş. for TL 1.002.493.

As of December 31, 2013, the participation of the Company in Borsa Istanbul is 3,77%. The Company has 159.711 shares with a nominal value of TL 15.971.094. This investment has been masured in the related balance sheet at the unit price of TL 1,54 which is the last price announced by BIST.

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

5. Financial liabilities

	December 31, 2013	December 31, 2012
Money market payables	**331.154.086**	407.550.955
Bank borrowings	**179.882**	111.653
	331.333.968	407.662.608

The average maturity of the payables to the Money Market is 29 days and the average interest rate is 8,82% (December 31, 2012: 39 days – 6,67%). Bank loans are interest-free loans used in tax repayments.

6. Trade receivables and payables

Short-term trade receivables:

	December 31, 2013	December 31, 2012
Receivables from customers	**208.894.775**	186.589.222
Receivables from exchange and keeping	**1.226.941**	1.854.644
Receivables from Turkish Derivatives Exchange	**1.691.545**	2.447.194
Receivables from consultancy	**17.417**	360.398
Doubtful trade receivables	**9.500**	9.500
Provision for doubtful trade receivables	**(9.500)**	(9.500)
	211.830.678	191.251.458

As of December 31, 2013, the Company has not allocated loans to its customers to be used in stock transactions. The Company has no stocks traded in the foreign exchange for loans it has provided (December 31, 2012: None)

As of December 31, 2013, the Company has short sale transactions amounting to TL 1.485.500.

Short-term trade payables:

	December 31, 2013	December 31, 2012
Payables to customers	**86.558.039**	47.377.249
Payables to suppliers	**873.059**	220.793
Payables to exchange and keeping	**123.809.063**	140.619.646
Other trade payables	**1.516.694**	95.413
	212.756.855	188.313.101

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

7. Other receivables and payables

Other short-term receivables

	December 31, 2013	December 31, 2012
Deposits and guarantees given (*)	1.058.379	-
Derivative deposits	-	108.000
Other receivables	130.692	92.234
	1.189.071	200.234

(*) The given securities and guarantees were given as a loaned guarantee for the security transactions.

	December 31, 2013	December 31, 2012
Deposits and guarantees given (**)	1.434.307	129.250
	1.434.307	129.250

(**) Include guarantee of TURKDEX amounted toTL 1.377.831 TL

8. Property and equipment

	Furniture and fixtures	Construction in progress	Leasehold improvement	Total
Net book value, January 1, 2013	952.543		668.432	1.620.975
Addition	148.012	-	-	148.012
Transfers	-	-	-	-
Disposals	(59.296)	-	-	(59.296)
Disposals depreciation	45.526	-	-	45.526
Depreciation expense	(253.273)	-	(168.985)	(422.258)
Net book value, December 31, 2013	833.512	-	499.447	1.332.959
December 31, 2013				
Cost, net of impairment	2.264.448	-	844.924	3.109.372
Accumulated depreciation	(1.430.936)	-	(345.477)	(1.776.413)
Net book value	833.512	-	499.447	1.332.959

	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

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

9. Intangible assets

December 31, 2013

	Computer software
Net book value, January 1, 2013	171.546
Additions	238.850
Amortization charge	(102.514)
Net book value	**307.882**

December 31, 2013

Cost	1.830.208
Accumulated amortization	(1.522.326)
Net book value	**307.882**

December 31, 2012

	Computer software
Net book value, January 1, 2012	124.380
Additions	44.240
Transfers	80.000
Amortization 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

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

10. Provisions, commitments and contingent

	December 31, 2013	December 31, 2012
(a) Short-term provisions		
Provision for personnel cases	**243.500**	200.200
	243.500	200.200

	December 31, 2013	December 31, 2012
January 1	**200.200**	339.630
Payments during the period	**(10.000)**	(164.630)
Charge for the period	**53.300**	25.200
December 31,	**243.500**	200.200

(b) Letters of guarantees given:

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

	December 31, 2013	December 31, 2012
İstanbul Takas ve Saklama Bankası A.Ş.	**317.340.000**	431.340.000
Borsa İstanbul A.Ş.	**45.250.000**	12.250.000
Privatization administration	**5.700**	5.700
Central Bank of Turkish Republic	**1.800**	1.800
Enforcement Proceedings	**151.000**	-
	362.748.500	443.597.500

The sum of foreign currency guarantees given to third parties is USD 55.505.000 and they were given to İstanbul Takas ve Saklama Bankası A.Ş. (December 31, 2012 : USD 55.605.000).

(c) TURKDEX transactions

As of December 31, 2013, the Company has not taken position regarding TURKDEX transactions (December 31, 2012: 120 short positions in the contract 111F_IX0300213).

As of December 31, 2013, there is no guarantee given regarding TURKDEX classified in other receivables (December 31, 2012: TL 108.000)

As of December 31, 2013, the cash guarantees given regarding TURKDEX transactions amounts to TL 377.831 TL (December 31, 2012: TL 47.332).

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

10. Provisions, commitments and contingent (continued)

(d) Custodian services/Other

As of December 31, 2013, the nominal value of treasury bills, government bonds and stocks kept as trust in custody in the name of the customers is TL 6.309.841.830, TL 1.406.156.569 and TL 60.140 respectively (December 31, 2012: TL 18.478.305, TL 1.356.924.112, TL 61.203).

As of December 31, 2013, the return value of repo / reverse repo transactions on behalf of customers at maturity date is TL 1.185.143.006 (December 31, 2012: TL 17.505.336).

(e) Legal disputes

As of December 31, 2013, the legal disputes against the Company amount to TL 375.432 (December 31, 2012: TL 375.026). In the light of the assessments made regarding the lawsuits filed against the Company, provision amounting to TL 339.630 has been booked. (December 31, 2012: TL 200.200).

As of December 31, 2013 and December 31, 2012, the guarantee, pledge and mortgage position of the Company is as follows:

Given Collaterals, pledges and mortgages	**December 31, 2013**	December 31, 2012
A.Total amount of CPM's given on behalf of its own legal entity	**483.705.508**	542.669.963
B.Total amount of CPM's given on behalf of its subsidiaries included in consolidation	-	-
C.The total amount of CPM's given in order to guarantee the debts of thrd parties to run the ordinary commercial activities	-	-
D. The total amount of other CPM	-	-
i. Total amount of CPM's given on behalf of the main partner	-	-
ii. Total amount of CPM's given on behalf of other group companies which are not in the scope of B ve C	-	-
iii. Total amount of CPM's given on behalf of third parties which are not covered in C.	-	-
Total	**483.705.508**	542.669.963

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

11. Employee benefits

	December 31, 2013	December 31, 2012
Provision for short-term employment benefits		
Provision for personnel bonus	**2.593.685**	2.650.000
	2.593.685	2.650.000

	December 31, 2013	December 31, 2012
Provision for long-term employment benefits		
Provision for employment termination benefits	**189.657**	146.904
Provision for unused vacation	**1.152.822**	880.000
	1.342.479	1.026.904

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 3.254,44 (December 31, 2012: TL 3.033,98) for each period of service at December 31, 2013.

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, 2013	December 31, 2012
Discount rate (%)	**4,43**	3,57
Turnover rate to estimate the probability of retirement (%)	**16,50**	17,49

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 3.438,22 at January 1, 2014 will be taken into consideration in calculating the reserve for employment termination benefit (January 1 2013: TL 3.129,25).

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

	December 31, 2013	December 31, 2012
January 1	**146.904**	105.723
Payments during the year	**(43.253)**	(71.503)
Provision during the year	**86.006**	112.684
December 31	**189.657**	146.904

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

	December 31, 2013	December 31, 2012
January 1	**880.000**	700.000
Payments during the year	**(83.090)**	(44.385)
Provision (decrease) / reserved during the year	**355.912**	224.385
December 31	**1.152.822**	880.000

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

12. Other current assets and liabilities

a) Other current assets

	December 31, 2013	December 31, 2012
Prepaid income tax (Note 19)	1.301.499	857.708
Prepaid expenses	158.615	40.808
	1.460.114	898.516

b) Other short-term liabilities

	December 31, 2013	December 31, 2012
Taxes and funds payable	917.195	631.402
Expense accruals	8.415	7.679
	925.610	639.081

13. Shareholders' equity

The share capital of the Company is TL 30.000.000 (December 31, 2012: TL 30.000.000) and consists of 30.000.000 (December 31, 2012: 30.000.000) authorized shares with a nominal value of TL 1 each. As of December 31, 2013 and 2012, 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 338 of the TCC, the Company was registered and announced as a "single shareholder incorporated company" on January 8, 2013.

At December 31, 2013 and December 31, 2012 the issued and fully paid-in share capital held is as follows:

	Share (%)	December 31, 2013	Share (%)	December 31, 2012
Akbank T.A.Ş.	100	30.000.000	100	30.000.000
Paid-in share capital (Historical cost)	100	30.000.000	100	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, 2013	December 31, 2012
Legal reserves	**16.216.775**	14.934.119
Retained earnings	**11.732.061**	10.798.499
Special reserves	**41.618.583**	41.618.583
	69.567.419	67.351.201
Historical amounts of distributed dividends during the year	**14.326.570**	19.898.833

(*) 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, 2012, and transferred this amount to its special fund account.

Profit distribution

As at December 31, 2013, according to CMB's framework of profit distribution; after the subtraction of prior year losses from profit for the period, and to be met by prior year extraordinary reserves, after deducting the amount required by law and articles of association are separated, remaining amount of TL 14.326.570 is paid as dividend as at March 29, 2013.

Publicly traded companies shall perform dividend distribution in accordance with the Communiqué on Dividends II-19.1 of the Capital Market Board effective as of February 1, 2014.

Companies shall distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the related regulation. Within the scope of this communiqué, no minimum distribution rate has been determined. Companies shall pay dividends as set out in their profit distribution policies.

Companies are required to include in minimum the following matters in their profit distribution policies:

a) Whether dividend distribution will be made; and the distribution rate for shareholders and those participating in the distribution in the event of distribution.
b) Mode of payment of the dividend.
c) Time of dividend payment, on condition that dividend payment procedures start at the latest as of the end of the period in which the general assembly meeting was held.
d) Whether dividend advances will be distributed and the related principles in the event of distribution.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the main agreement or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

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

13. Shareholders' equity (continued)

The part of the accumulated loss of the companies that exceeds the total of retained earnings, general legal reserves including premiums related to shares, the amounts arising from the adjustment of equity items except capital stock in accordance with inflation accounting are taken into account as discount items.

14. Sales and cost of sales

	January 1 - December 31, 2013	January 1 - December 31, 2012
Treasury bills	85.898.981	205.302.892
Stocks	466.844.218	271.538.573
Treasury bonds	2.209.842.604	150.692.575
Sales	**2.762.585.803**	627.534.040
Treasury bills	87.536.038	205.402.864
Stocks	466.327.489	270.056.810
Corporate bonds	2.208.413.679	150.588.484
Cost of sales	**2.762.277.206**	626.048.158

Other Operating Income / Expenses

Income from services	January 1 - December 31, 2013	January 1 - December 31, 2012
Preemptive right and dividend collection commissions	2.873	35.905
Stock purchase-sale underwriting commission	14.596.924	13.852.581
Exchange keeping commission	306.110	299.222
Government securities brokerage commissions	287.012	20.171
Repo / reverse repo brokerage commissions.	1.321.185	37.617
Mutual funds sales commission	162.171	131.864
Corporate finance consultancy commission	67.797	1.028.532
Introduction fee for capital increase	334.383	556.114
Public offer sales commission	16.061.916	10.231.408
Other commissions	2.624.668	328.841
Stock Public offer management commission	-	383.625
Marketing commissions	-	4.000
	35.765.039	26.909.880

Deductions from services income	January 1 - December 31, 2013	January 1 - December 31, 2012
Commissions paid to the agencies	(88.849)	(333.478)
Other paid commissions	(310.060)	(296.839)
	(398.909)	(630.317)

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

14. Sales and cost of sales (continued)

Interest income from operating activities	January 1 - December 31, 2013	January 1 - December 31, 2012
Income/loss from operations in TURKDEX, net	669.873	(1.176.531)
Income from derivative transactions	1.925.853	1.980.744
	2.595.726	804.213
Gross profit	**38.270.453**	28.569.658

15. Other operating income

Other operating income	January 1 - December 31, 2013	January 1 - December 31, 2012
Annual keeping fee from issuer	389.388	337.636
Other operating income	302.390	61.193
	691.778	398.829

16. Expenses by nature

Marketing, sales and distribution expenses

	January 1- December 31, 2013	January 1- December 31, 2012
Stock exchange shares	738.683	418.302
Securities L/B Market commission expense	152.180	219.368
Money market exchange transaction commission expense	824.661	207.924
Exchange and keeping expenses	689.457	257.491
Entertainment expenses	81.780	99.986
TURKDEX share	493.384	46.052
Fixed yield securities transaction share	1.489.129	37.122
Other marketing selling expenses	1.385.169	358.136
	5.854.443	1.644.381

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

16. Expenses by nature (continued)

General administrative expenses

	January 1- December 31, 2013	January 1- December 31, 2012
Personnel expense	**14.606.679**	12.405.537
Sundry taxes and duties	**842.683**	742.194
Communication expenses	**1.593.936**	1.345.971
Depreciation and amortization (Notes 8, 9)	**524.772**	437.609
Information technology	**1.022.073**	692.242
Rent expenses	**1.342.309**	1.247.420
Legal expenses	**81.628**	79.195
Travel expenses	**365.466**	292.294
Repair and maintenance expenses	**35.608**	67.168
Transportation expenses	**159.253**	141.347
CMB protection fund of investors	**63.334**	100.430
Unused vacation provision (Note 11)	**272.822**	180.000
Research and consultancy fees	**121.032**	140.450
Stationery expenses	**82.714**	116.447
Membership expenses	**56.130**	52.602
Insurance expenses	**14.887**	19.396
Provision for employment termination benefits (Note 11)	**86.006**	112.684
Education expenses	**134.777**	13.759
Other expenses	**540.770**	473.535
	21.946.879	18.660.280

17. Financial income

	January 1 - December 31, 2013	January 1 - December 31, 2012
Interest income from time deposits	**30.571.973**	26.410.769
Repo interest income, net	**375**	930
Interest income from government bonds and Treasury bills	**1.592.106**	173.845
Other interests, net	**213.397**	291.021
Portfolio dividend income	**164.353**	290.455
Interest income from corporate bonds	**1.193.269**	294.965
Gain on marketable securities	**-**	893.302
	33.735.473	28.355.287

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

18. Financial expenses

	January 1 - December 31, 2013	January 1 - December 31, 2012
Exchange money market interest expense, net	**22.493.134**	14.740.850
Common stock value decrease expense	**795.163**	-
Other expenses	**1.622.274**	1.666.207
	24.910.571	16.407.057

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 2013 is 20% (2012: 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 14th 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.

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.

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

19. Taxes on income (continued)

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, 2013	January 1 - December 31, 2012
Prepaid taxes	**4.182.175**	4.138.519
Deferred tax expense / (income)	**(206.101)**	(69.251)
Tax expense	**3.976.074**	4.069.268

Tax liability

	December 31, 2013	December 31, 2012
Corporate tax payable	**4.182.175**	4.138.519
Prepaid taxes	**(5.483.674)**	(4.996.227)
(Deductible) / Income tax payable (Note 12)	**(1.301.499)**	(857.708)

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, 2013	December 31, 2012
Profit before tax	**19.985.811**	20.612.056
Theoretical income tax at the applicable tax rate of 20%	**3.997.162**	4.122.411
Additions	**11.782**	4.948
Deductions (-)	**(32.871)**	(58.091)
Current year tax	**3.976.074**	4.069.268

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

19. Taxes on income (continued)

Deferred tax assets

	December 31, 2013		December 31, 2012	
	Cumulative temporary difference	Deferred tax assets/ liabilities	Cumulative temporary difference	Deferred tax assets/ Liabilities
Bonus payable to personnel	2.593.685	518.737	2.650.000	530.000
Expense provisions	243.500	48.700	200.200	40.040
Unused vacation provision	1.152.822	230.564	880.000	176.000
Employment termination benefits	189.657	37.931	146.904	29.381
Deferred tax assets		**835.932**		775.423
Difference between carrying value and tax base of property and equipment	772.006	(154.401)	707.541	(141.508)
Valuation difference on securities	(101.490)	20.298	693.673	(138.735)
Valuation difference on Treasury Bills / Bonds	(21)	(4)	-	-
Other	(2.739)	(548)	(11)	(2)
Deferred tax liabilities		**(134.655)**		(280.247)
Deferred tax assets, net		**701.277**		495.176

	December 31, 2013	December 31, 2012
Beginning deferred tax assets, net	495.176	425.925
Deferred tax income	206.101	69.251
Ending deferred tax assets, net	**701.277**	495.176

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

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:

As at December 31, 2013, the marketable securities portfolio of the Company includes corporate bonds of related parties in the amount of TL 1.968.953 (December 31, 2012 - TL 1.468.395).

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

	December 31, 2013	December 31, 2012
Akbank T.A.Ş.	**9.100**	1.503.400
Ak Finansal Kiralama A.Ş.	**456.600**	6.600
Başkent Elektrik Dağıtım A.Ş.	**1.471.000**	-
	1.936.700	1.510.000

At December 31, 2013 the Company has listed equity shares of related parties amounting to TL 1.840.370 (December 31, 2012 : TL 1.760.713).

Nominal values of these trading securities are as follows:

	December 31, 2013	December 31, 2012
Hacı Ömer Sabancı Holding A.Ş.	**213.500**	19.000
Teknosa İç ve Dış Ticaret A.Ş.	-	209.023
	213.500	228.023

Deposits due from related parties:

Time deposit (Akbank T.A.Ş.)	**211.761.756**	136.047.268
Demand deposit (Akbank T.A.Ş.)	**1.583.413**	608.811
Foreign currency demand deposit (Akbank T.A.Ş.)	**35.627**	-
	213.380.796	136.656.079

Letters of credit received:

Akbank T.A.Ş.	**1.492.800**	1.341.800
Akbank T.A.Ş. (TL translated amount of USD)	**10.652**	8.888
	1.503.452	1.350.688

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

20. Balances and transactions with related parties (continued)

Payables to related parties	December 31, 2013	December 31, 2012
Akbank T.A.Ş.	179.882	111.653
Hacı Ömer Sabancı Holding A.Ş.	42.895	19.938
	222.777	131.591

(b) Transactions with related parties

Commission income and service income:	January 1 - December 31, 2013	January 1 - December 31, 2012
Akbank T.A.Ş	2.806.276	3.023.638
Hacı Ömer Sabancı Holding A.Ş.	152.398	1.442.203
Ak B Tipi Yatırım Ortaklığı A.Ş.	-	25.636
Çimsa Çimento Sanayi ve Ticaret A.Ş.	46.691	52.691
Akçansa Çimento Sanayi Ticaret A.Ş.	9.561	49.349
Aksigorta A.Ş.	32.825	34.832
Sasa Dupont Sabancı Polyester Sanayi A.Ş.	11.951	11.686
Kordsa Endüstriyel İplik ve Kord Bezi San. ve Tic. A.Ş.	31.061	47.104
Ak Finansal Kiralama A.Ş.	11.561	1.507.243
Brisa Bridges Sab. Lastik San Ve Tic AŞ.	78.488	197.338
Yünsa Yünlü San. Ve Tic. A.Ş.	22.561	21.349
Teknosa A.Ş.	11.764	-
Başkent Elektrik Dağıtım A.Ş.	2.000.000	-
Other	57.540	35.978
	5.272.677	6.449.047

Commission expenses and the discounts from sale of services	January 1 - December 31, 2013	January 1 - December 31, 2012
Akbank T.A.Ş	387.091	608.018
	387.091	608.018

Other operating and financial income:	January 1 - December 31, 2013	January 1 - December 31, 2012
Akbank T.A.Ş. (interest income)	8.244.863	12.002.674
	8.244.863	12.002.674

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

20. Balances and transactions with related parties (continued)

Operating expenses:	January 1 - December 31, 2013	January 1 - December 31, 2012
Aksigorta A.Ş. (insurance and other expenses)	**261.573**	212.770
AvivaSa Emeklilik ve Hayat A.Ş. (Ak Emeklilik A.Ş.) (insurance expenses)	**247.944**	195.900
Akbank T.A.Ş. (guarantee letter commission expense)	**9.433**	8.227
Akbank T.A.Ş. (rent expenses)	**20.204**	17.518
Sabancı Holding A.Ş. (rent expense)	**1.322.105**	1.229.902
	1.861.259	1.664.317

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

The total amount of wages, premiums, bonuses and similar financial benefits provided to the senior executives of the company in 2013 is TL 1.865.511 (December 31, 2012 – TL 1.705.103).

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. As of December 31, 2013 and 2012, the Company has no financial assets which are overdue but not impaired and the condition of which has been re-discussed, and which would otherwise be considered as overdue and impaired.

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

21. Financial instruments and financial risk management (continued)

	Receivables						
	Trade receivables		Other receivables				
December 31, 2013	Related parties	Other parties	Related parties	Other parties	Bank deposits	Derivative Instruments – TURKDEX guarantees	Other
Maximum credit risk exposure at the report date	-	211.830.678	-	1.189.071	399.569.936	-	65.183.459
Secured part of maximum risk with guarantee	-	-	-	-	-	-	-
Net book value of unexpired or unimpaired financial assets	-	211.830.678	-	1.189.071	399.569.936	-	65.183.459
Off-balance sheet items with credit risks	-	-	-	-	-	-	-

	Receivables						
	Trade receivables		Other receivables				
December 31, 2012	Related parties	Other parties	Related parties	Other parties	Bank deposits	Derivative Instruments – TURKDEX guarantees	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	-	-	-	-	-	-	-

ii. Price risk

The trading securities of the Company are traded on Borsa Istanbul ("BIST"). 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 BIST index had been 5% higher or lower on 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 51.119 (December 31, 2012: increase/decrease of TL 432.654).

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

21. Financial instruments and financial risk management (continued)

iii. Information on market risk

Foreign currency risk

The Company does not have foreign currency assets and liabilities as at December 31, 2012. The breakdown of the Company's foreign currency assets and liabilities as of December 31, 2013 is as follows:

	December 31, 2013					
	TL	USD	EUR	Japanese Yen	British Pound	Other
1. Trade receivables	-	-	-	-	-	-
2a. Monetary financial assets (cash and bank accounts included)	1.538.691	722.254	4	-	-	-
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current Assets (1+2+3)	1.538.691	722.254	4	-	-	-
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	**1.538.691**	**722.254**	**4**	-	-	-
10. Trade payables	-	-	-	-	-	-
11. Financial liabilities	-	-	-	-	-	-
12a. Other monetary financial liabilities	-	-	-	-	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-	-
13. Short term liabilities (10+11+12)	-	-	-	-	-	-
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-
16 a. Other monetary financial liabilities	-	-	-	-	-	-
16 b. Other non-monetary financial liabilities	-	-	-	-	-	-
17. Long term liabilities (14+15+16)	-	-	-	-	-	-
18. Total liabilities (13+17)	-	-	-	-	-	-
19. Off balance sheet derivative financial instruments denominated in foreign currency net asset /(liability) position(19a-19b)	-	-	-	-	-	-
19a. Off-balance sheet derivative assets denominated in foreign currencies	-	-	-	-	-	-
19b. Off-balance sheet derivative liabilities denominated in foreign currencies	-	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	**1.538.691**	**722.254**	**4**	-	-	-
21. Monetary items net foreign currency asset / (liability) position (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**1.538.691**	**722.254**	**4**	-	-	-
22. Fair value of derivative instruments used for currency hedge	-	-	-	-	-	-
23. Total amount of foreign currency assets used for hedge	-	-	-	-	-	-
24. Total amount of foreign currency liabilities used for hedge	-	-	-	-	-	-

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

21. Financial instruments and financial risk management (continued)

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 61.111.501, if prevailing TL interest rates had been 1% higher or lower at December 31, 2013, and all other factors had remained the same, the net income for the period of the Company would have decreased by TL 711.498 or increased by TL 694.621 (December 31, 2012: Government bonds with the carrying value of TL 6.314.248, the net income for the period of the Company would have decrease by TL 62.539 or increase by TL 61.208).

	December 31, 2013	December 31, 2012
Financial instruments with fixed interest rates:		
Financial assets	**395.409.747**	518.770.176
Marketable securities held for trading	**771.934**	2.452.867
Financial liabilities	**331.154.086**	407.550.955
Financial instruments with variable interest rates:		
Marketable securities held for trading	**60.339.567**	3.861.381

Annual average interest rates for financial instruments o at December 31, 2013 and December 31, 2012:

	December 31, 2013	December 31, 2012
	TL	TL
Assets		
Cash and due from banks:		
- Deposits with banks	**8,11**	10,27
- Reverse repo transactions	**5,01**	5,45
- Marketable securities held for trading	**9,83**	12,66
Liabilities		
Other liabilities		
- Due to exchange money markets	**5,85**	9,86

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

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

21. Financial instruments and financial risk management (continued)

						December 31, 2013
	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	396.664.181	-	-	-	2.905.755	399.569.936
Financial investments	-	492.362	15.449.599	45.169.541	2.474.370	63.585.872
Trade receivables	-	-	-	-	211.830.678	211.830.678
Other receivables	-	-	-	-	1.189.071	1.189.071
Other current assets	-	-	-	-	1.460.114	1.460.114
Financial investments	-	-	-	-	163.280	163.280
Other long-term receivables	-	-	-	-	1.434.307	1.434.307
Total assets	396.664.181	492.362	15.449.599	45.169.541	221.457.575	679.233.258
Financial liabilities	331.154.086	-	-	-	179.882	331.333.968
Trade payables	-	-	-	-	212.756.855	212.756.855
Provisions for employee termination benefits	-	-	-	-	-	-
Other liabilities	917.195	-	-	-	8.415	925.610
Total Liabilities	332.071.281	-	-	-	212.945.152	545.016.433
Interest risk	**64.592.900**	**492.362**	**15.449.599**	**45.169.541**	**8.512.423**	**134.216.825**

						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 current assets	108.000	-	-	-	92.234	200.234
Financial investments	-	-	-	-	1.002.804	1.002.804
Other long-term receivables	-	-	-	-	129.250	129.250
Total assets	**519.949.369**	**921.101**	**1.855.125**	**3.538.022**	**201.738.176**	**728.001.793**
Financial liabilities	407.550.955	-	-	-	111.653	407.662.608
Trade payables	-	-	-	-	188.313.101	188.313.101
Provisions for employee termination benefits	-	-	-	-	3.676.904	3.676.904
Other liabilities	631.402	-	-	-	7.679	639.081
Total Liabilities	**408.182.357**	-	-	-	**192.109.337**	**600.291.694**
Interest risk	**111.767.012**	**921.101**	**1.855.125**	**3.538.022**	**9.628.839**	**127.710.099**

(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, 2013 and 2012:

December 31, 2013

	Carrying value	Up to 1 month	1 month - to 3 months	3 months- to 1 Years	Total of contractual cash outflows
Financial liabilities	331.333.968	329.595.317	3.025.923	-	332.621.240
Trade payables	212.756.855	212.756.855	-	-	212.756.855
Other short-term payables	925.610	925.610	-	-	925.610
Total liabilities	**545.016.433**	**543.277.782**	**3.025.923**	**-**	**546.303.705**

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**

(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, 2013
	Up to 1 Month	Up to 3 Months	3 months - to 1 year	1 year - to 5 years	Demand	Total
Cash and cash equivalents	396.664.181	-	-	-	2.905.755	399.569.936
Financial investments	-	492.362	15.449.599	45.169.541	2.474.370	63.585.872
Trade receivables	211.830.678	-	-	-	-	211.830.678
Other receivables	1.189.071	-	-	-	-	1.189.071
Other current assets	1.301.499	-	158.615	-	-	1.460.114
Financial investments	-	-	-	-	163.280	163.280
Other long-term receivables	-	-	-	-	1.434.307	1.434.307
Total assets	**610.985.429**	**492.362**	**15.608.214**	**45.169.541**	**6.977.712**	**679.233.278**
Financial liabilities	331.154.086	-	-	-	179.882	331.333.968
Trade payables (net)	212.756.855	-	-	-	-	212.756.855
Other liabilities	917.195	-	-	-	8.415	925.610
Total liabilities	**544.828.136**	**-**	**-**	**-**	**188.297**	**545.016.433**
Liquidity risk	**66.157.293**	**492.362**	**15.608.214**	**45.169.541**	**6.789.415**	**134.216.825**

						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
Financial investments	-	-	-	-	1.002.804	1.002.804
Other long-term receivables	-	-	-	-	129.250	129.250
Total assets	**711.185.061**	**921.101**	**1.855.125**	**3.538.022**	**10.502.484**	**728.001.793**
Financial liabilities	407.550.955	-	-	-	111.653	407.662.608
Trade payables (net)	188.313.101	-	-	-	-	188.313.101
Provisions for employee termination benefits	-	-	-	-	-	-
Other liabilities	631.402	-	-	-	7.679	639.081
Total liabilities	**596.495.458**	**-**	**-**	**-**	**119.332**	**596.614.790**
Liquidity risk	**114.689.603**	**921.101**	**1.855.125**	**3.538.022**	**10.383.152**	**131.387.003**

(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, 2013		December 31, 2012	
	Fair value	Carrying value	Fair value	Carrying value
Cash and cash equivalents	399.569.936	399.569.936	520.450.728	520.450.728
Trade receivables	211.830.678	211.830.678	191.251.458	191.251.458
Financial liabilities	332.621.240	331.333.968	409.719.050	407.662.608
Trade payables	212.756.855	212.756.855	188.313.101	188.313.101

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 845.000 for the year ending December 31, 2013 (January 1- December 31, 2012 - TL 832.000). 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 10.570.000 (December 31, 2012 - TL 2.087.000).

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, 2013 and 2012 the Company is in compliance with the relevant requirements of capital adequacy.