



Our ability to transform investments into happiness lies with our values.

# YATIRIM FİNANSMAN SECURITIES

*investment in happiness*

## 2013 ANNUAL REPORT







**YATIRIM**  
**FINANSMAN**  
SECURITIES

*investment in happiness*

We leverage our expertise to bring  
all advantages closer to investors



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# DECISION OF THE BOARD OF DIRECTORS

## DECISION OF THE BOARD OF DIRECTORS OF YATIRIM FİNANSMAN SECURITIES MOVABLES JOINT STOCK COMPANY

**Date** : 13 February 2014  
**Number** : 1867  
**Place** : Company Headquarters  
**Time** : 10:00

### DELIBERATIONS AND DECISIONS

The Board of Directors meeting took place under the chairmanship of Mr. Özcan TÜRKAKIN with the participation of the Board members whose names are given below.

It was unanimously decided that the General Meeting for the period 01.01.2013-31.12.2013 shall take place on 25 March 2014 Tuesday at 14.00 at the Company Headquarters "Nispetiye Caddesi Akmerkez E-3 Blok Kat:4 Etiler / İstanbul with the following agenda:

1. Opening and Executive Board Election.
2. Authorisation of the Executive Board to sign the Minutes of the General Meeting.
3. Reading and discussion of the 2013 Annual Report prepared by the Board of Directors.
4. Reading and discussion of the 2013 report of the Independent Audit Agency.
5. Reading, discussion and approval of the 2013 Financial Statements.
6. Release of each member of the Board of Directors of their liabilities with regard to the Company's activities in 2013.
7. Making decision on how to direct the 2013 Trading profit, the amount of distributable profit and the earnings ratio.
8. Discussion and decision on an amendment to the Article 7 of the Articles of Association on the "Transfer of Capital and Shares" provided that the necessary permissions are granted by the relevant legal authorities as per the Turkish Code of Commerce no. 6102.
9. Election of Board Members and determination of the length of mandates.
10. Setting the fees to be paid to the Members of the Board of Directors,
11. Decision on the Independent Audit Agency.
12. Information on the amounts of donations and aid provided during the operating year,
13. Determination of the maximum donation limit for 2014.

The meeting was concluded since there was not any remaining item on the agenda.



ACTING CHAIR  
ÇİĞDEM İÇEL



MEMBER  
AYŞE NAZLICA



CHAIR  
ÖZCAN TÜRKAKIN



MEMBER  
ECE BÖRÜ



MEMBER  
HAKAN AYGEN



MEMBER  
ASLI ZERRİN HANCI



MEMBER  
VOLKAN KUBLAY

# AGENDA AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

## FROM THE CHAIRMANSHIP OF THE BOARD OF DIRECTORS OF YATIRIM FİNANSMAN SECURITIES

The 2013 General Shareholders Meeting will be held on 25 March 2014 at 14.00 at the Company headquarters at Nispetiye Caddesi Akmerkez E-3 Blok Kat: 4 Etiler / İstanbul with the following agenda:

The 2013 Annual Report, Balance Sheet and Income Statement will be announced to investors 15 days in advance of the meeting in the company headquarters and on our website [YF.COM.TR](http://YF.COM.TR)

All shareholders are kindly requested to participate in the meeting.

## *Agenda*

1. Opening and Executive Board Election.
2. Authorisation of the Executive Board to sign the Minutes of the General Meeting.
3. Reading and discussion of the 2013 Annual Report prepared by the Board of Directors.
4. Reading and discussion of the 2013 report of the Independent Audit Agency.
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10. Setting the fees to be paid to the Members of the Board of Directors,
11. Decision on the Independent Audit Agency.
12. Information on the amounts of donations and aid provided during the operating year,
13. Determination of the maximum donation limit for 2014.

# AGENDA AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

## DRAFT PROPOSAL FOR AN AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE YATIRIM FİNANSMAN SECURITIES

### **Former Version**

#### **TRANSFER OF CAPITAL AND SHARES**

Article 7- The principal capital of the company has been divided into 6,100,000,000 shares, each having a nominal value of 1 cent. The capital of the company, which amounts to TL 61,000,000, has been fully paid-up.

#### **The distribution per group shall be as follows:**

- 1.741.595.716 registered Group A shares, each having a value of 1 Kuruş
- 957.869.705 registered Group B shares, each having a value of 1 Kuruş
- 870.771.733 registered Group C shares, each having a value of 1 Kuruş,
- 801.124.626 registered Group D shares, each with a value of 1 Kuruş,
- 853.477.623 E group registered shares, each having a value of 1 Kuruş,
- 875.160.597 registered Group F shares, each having a value of 1 Kuruş,

The dividend of the company stocks of the company stocks can be transferred; the coupons for the shares of profits are bearer coupons and payable to persons presenting the coupon. The Company may issue the stocks in the form of denominations consisting of multiple shares. The shares form an indivisible entity vis-à-vis the Company.

The transfer of stocks or interim certificates representing stocks whose total cost has not been paid or converted into a stock, shall be subject to the provisions of the Turkish Code of Commerce or the regulations of the Capital Markets Board.

The provisions of article 379 et seq. of the Turkish Commercial Code governing acquisition of own shares are hereby reserved. Registered shares and the rights thereto pertaining cannot be transferred without the approval of the Board of Directors.

The transfer of the registered shares whose total cost has been paid in full may not be subject to the approval of the Board of Directors provided that the transfer is realised via succession, partition of the estate, property regime provisions between spouses or compulsory execution. However, in such a case, the Company may reject the transaction by proposing to pay the real value to the person to whom the shares are transferred.

### **New Version**

#### **TRANSFER OF CAPITAL AND SHARES**

Article 7- The principal capital of the company was divided into 6.350.000.000 shares, each with a value of 1 Kuruş. The capital of the company amounts to TL 63.500.000, which is fully paid-up.

#### **The distribution per group shall be as follows:**

- 1.812.972.590 registered Group A shares, each having a value of 1 Kuruş,
- 997.126.660 registered Group B shares, each having a value of 1 Kuruş,
- 906.459.099 registered Group C shares, each having a value of 1 Kuruş,
- 833.957.602 registered Group D shares, each having a value of 1 Kuruş,
- 888.456.214 registered Group E shares, each having a value of 1 Kuruş,
- 911.027.835 registered Group F shares, each having a value of 1 Kuruş,

The dividend of the company stocks of the company stocks are transferable shares; the coupons for the shares of profits are bearer coupons and payable to persons presenting the coupon. The Company may issue the stocks in the form of denominations consisting of multiple shares. The shares form an indivisible entity vis-à-vis the Company.

The transfer of stocks or interim certificates representing stocks whose total cost has not been paid or that have not been converted into a stock, shall be subject to the provisions of the Turkish Code of Commerce or the regulations of the Capital Markets Board.

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### **Former Version**

Should that be the case, as per the provisions of the Turkish Code of Commerce, the Company, shareholders or a third party determined by the Company may buy the shares.

The Company holds the right to reject the registration of the transfer in the Company's stock register unless the transferee openly declares having bought the shares in his/her name and accounts.

If the solvency of the transferee is deemed to be suspicious, the Board of Directors shall condition its approval of the transfer on the submission of a guarantee. Even if the costs of registered shares have been paid in full, the Board of Directors shall have the authority to ask for a guarantee in case when it deems that the solvency of the transferee is suspicious.

The Board of Directors cannot approve the transfer of shares in case of the existence of reasons of major importance.

- (a) With regard to the realization of the Company's field of activity; the transfers to persons who are competitors of the Company, Türkiye İş Bankası and Türkiye Sınai Kalkınma Bankası and can harm their interests shall be reasons of major importance.
- (b) With regard to the preservation of the circle of shareholders, transfers that can harm the economic independence of the Company's operation and hinder initial public offering, shall be reasons of major importance.

The abovementioned limitations shall also apply in the establishment of a usufruct.

Consent shall not be sought in case the transfer of shares to shareholders.

The terms regarding amendments to the shareholding structure of the Company, as well as the provisions of the Capital Markets Board concerning conditions, permits, notifications and advertisement shall be reserved in case of the transfer of shares and the rights thereto pertaining.

### **New Version**

Should that be the case, as per the provisions of the Turkish Code of Commerce, the Company, shareholders or a third party determined by the Company may buy the shares.

The Company holds the right to reject the registration of the transfer in the Company's stock register unless the transferee openly declares having bought the shares in his/her name and accounts.

If the solvency of the transferee is deemed to be suspicious, the Board of Directors shall condition its approval for the transfer on the submission of a guarantee. Even if the costs of registered shares have been paid in full, the Board of Directors shall have the authority to ask for a guarantee in case when it deems that the solvency of the transferee is suspicious.

The Board of Directors cannot approve the transfer of shares in case of the existence of reasons of major importance.

The following shall be considered as reasons of major importance:

- (a) With regard to the realization of the Company's field of activity; the transfers to persons who are competitors of the Company, Türkiye İş Bankası and Türkiye Sınai Kalkınma Bankası and can harm their interests shall be reasons of material importance.
- (b) With regard to the preservation of the circle of shareholders, transfers that can harm the economic independence of the Company's operation and hinder initial public offering, shall be reasons of major importance.

The abovementioned limitations shall also apply in the establishment of a usufruct.

Consent shall not be sought in case the transfer of shares to shareholders.

The terms regarding amendments to the shareholding structure of the Company, as well as the provisions of the Capital Markets Board concerning conditions, permits, notifications and advertisement shall be reserved in case of the transfer of shares and the rights thereto pertaining.

Yatirim  
Finansman  
Securities:  
Investment  
in growth,  
expertise,  
confidence...



Yatırım Finansman Securities is the first capital market institution of the country that the oldest and strongest capital structure of Turkey.

Yatırım Finansman Securities was established in 1976 with the participation of 13 major banks led by Türkiye İş Bankası, the first national bank of the history of the Republic, the Türkiye Sınai Kalkınma Bankası (TSKB).

Prior to the regulation of Turkey's capital markets, and the establishment of market regulators such as Borsa İstanbul (ISE), the Company used to perform its operations in line with the existing legislation. Yatırım Finansman Securities' operations have played a pioneering and exemplary role in the sector. With the privilege of being the first, Yatırım Finansman Securities has significantly contributed to the formation of modern capital markets. Sharing its entire experience on the sector with its clients, Yatırım Finansman Securities played an active role in significant steps such as acting as an intermediary for the first private sector bond issuance; rolling out stocks and public debt instruments as an investment instrument; and providing consultancy services to the Istanbul Stock Exchange (ISE). These initiatives symbolise Yatırım Finansman Securities' "pioneering mission". Since its foundation, Yatırım Finansman Securities has marked many firsts. The iPad application was developed by Yatırım Finansman Securities, being the first capital market institution to achieve the zero carbon emission target, are among the activities carried out with a view to reinforcing the Company's mission to be a pioneer in the sector.

In addition to a strong shareholding and capital structure; being a member of the Türkiye İş Bankası Group, Turkey's largest private capital financed bank, is one of the most significant factors strengthening the reliability, expertise and the position held by the Company in the market, given the reputation of Türkiye İş Bankası at the national and international level. Yatırım Finansman Securities continues to reinforce its business model building on its deep-rooted corporate tradition and experience through vision and know-how. Yatırım Finansman Securities maintains a distinguished service-provider identity through high quality standards, service platforms integrated with cutting-edge technology and a wide-ranging client base.

Building on the strength, experience and know-how, which we derive from our own capital, we offer all capital market products to our clients on the basis of proactive, transparent, sustained and quality communication with our clients.

Holding all capital markets authorisation certificates, Yatırım Finansman Securities offers reliable and fast services at global standards to a wide mass of Turkish and international individual and corporate customers.

Yatırım Finansman Securities has continued to make a difference in 2013 by integrating the use of high-technology products to its efficient working model and innovative services. As a continuation of the major transformation project launched in 2012, the Company has invested significantly in domestic and international sales teams and technology infrastructure in 2013.

In addition to redesigning its website and social media channels in line with the renewed corporate identity, Yatırım Finansman Securities also renewed reliable and fast transaction platforms YFTRADE, YFTRADEFX and YFTRADEINT.

Yatırım Finansman Securities continues to share its analyses and comments with its followers on social media via Facebook and Twitter. Yatırım Finansman Securities continued to increase the number of branches in 2013 and redesigned all branches in line with the renewed corporate identity.

With its constant focus on generating an added value not only for its clients but also for the society in which we live and for the nature, Yatırım Finansman Securities has shared its sensitivity towards investment in the environment and the society at large, particularly through the "Zero Carbon Project".

2013 has been  
a year marked  
with changes



**YATIRIM  
FINANSMAN  
SECURITIES**  
*investment in happiness*

## Corporate identity renewed

Yatirim Finansman Securities continued on the same transformation path reflected in all the business processes by renewing its corporate identity on the basis of the new vision and strategy introduced in 2012. With its slogan **“Investment in Happiness”**, the Company once again emphasized that the happiness of the clients remains the unique valuable aim for Yatirim Finansman Securities.



# Heading towards new achievements with renewed branches!

The innovations, which were accomplished in 2013, were reflected in many operations. The highlights included the opening of new branches and renovation of the existing ones. A new branch was launched on 9 December 2013 in Fındıklı. The existing branches were redesigned so as to ensure efficient and effective use of the branches in line with the renewed corporate identity. In addition to İstanbul Central and Ataşehir branch, Kızılay branch in Ankara renovation work was carried out in the Antalya and Adana branches as well.



# Major Investment in Technology

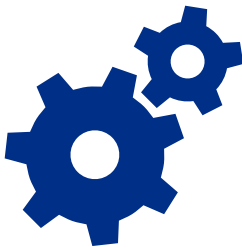
As a continuation of our transformation project, Yatırım Finansman Securities developed user friendly applications and contributed to client satisfaction by offering higher efficiency in service provision by utilising all the innovations offered by today's technologies.

In line with its approach to keep the most advanced technological infrastructure at all times, the Company adopted many changes in all its hardware and software applications.



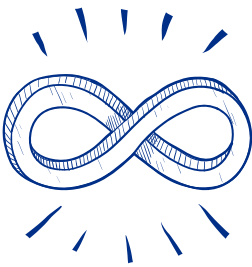
## Faster services with fiber line

In order to transfer electronically all transaction orders submitted by clients as fast as possible, Yatırım Finansman Securities transferred its ISE connection onto a fiber line. Thus, faster order submission was possible via fiber line on all service channels and the ISE connection. **As a leading capital institution in this area,** Yatırım Finansman Securities has achieved high performance in the number of orders submitted and pace of order submission by leveraging the advantage of fiber line and unlimited exapi.



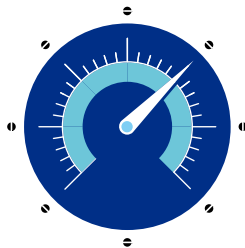
## System improvements in work processes

Yatırım Finansman Securities improved its electronic work flow system and given a systematic structure to multiple work processes. Through enhancements in work processes, fast response to client demands and minimized paper consumption were ensured.



## Unlimited exapi use

As one of the leading organisations in launching unlimited exapi use, Yatirim Finansman Securities has been one of the first organisations to be granted the FIX API certificate in the stock market.



## Faster internet connection, new investments in hardware

By ensuring faster internet output, access without congestion even during peak hours was made possible. Yatirim Finansman Securities also invested in new hardware.

# Significant changes in the organisational structure

## The Domestic Sales Department was established

The Domestic Sales Department was established to serve investors possessing high amounts of assets who would like to make use of their investments by reaching all capital market instruments. The experts at the Department, which was established on 8 July 2013, follow many different instruments on the market and help the clients generate value out of their investments with advantageous capital markets.

## The Marketing Department was restructured

The Department that previously served as the Sales and Marketing Department was restructured as the Marketing Department. The Marketing Department carried out efforts designed to reach new clients in line with the general strategies of our company.

## The Portfolio Management Department was formed

The Portfolio Management Department, which used to operate as a unit, became a Department in the first half of 2013. The Department manages accounts belonging to personal portfolio management clients, offer funds and portfolio groups that are in line with the risk and income expectations of the clients and generate value out of client portfolios via the agreed instruments.



# A year full of activities

A great number of internal and external activities were organised in 2013. The activities, which took place under the title of "Investor Meetings" attracted much attention. Through the Investor Meetings, we were able to analyse capital market products and strategies, the existing and prospective situation of the market. These activities helped Yatırım Finansman Securities come together with existing and potential clients. Prominent speakers such as Mr. Güngör Uras and Mr. Tefik Altınok shared their know-how and experience with the participants.



Bursa 1st National Female Entrepreneurship Summit - 27-28 April 2013 Bursa, TÜYAP

Adana Investor Information Meeting - 4 May 2013

İstanbul Investor Meeting - 16 May 2013 Speaker: Tefik Altınok (Ritz Carlton)

Bursa Nilüfer Lions Meeting Sponsor - 29 May 2013

Ankara Investor Meeting - 2 October 2013 Speaker: Tefik Altınok (Hilton)

Financial Literacy Panel organised in cooperation with Adana Çukurova University - 1 November 2013

Izmir Investor Meeting - 14 November 2013 Speaker: Güngör Uras (Izmir Chamber of Commerce)

Participation in TAYSAD - MA Meeting - 28 November 2013

Türkiye İş Bankası Meetings with İş, Participation in the meeting held in Samsun - 3 December 2013

Launch of the branch in Fındıklı - 9 December 2013

Presentations at Türkiye İş Bankası Regional Departments and Branch Meetings

Presentation at Kocaeli Chamber of Certified Public Accountants Meeting

Presentation at SSI Brain Surgeons Meeting

Türkiye İş Bankası Meetings with İş, Participation in the meeting held in İzmit

Ankara Bayındır Hospital Stand Activity

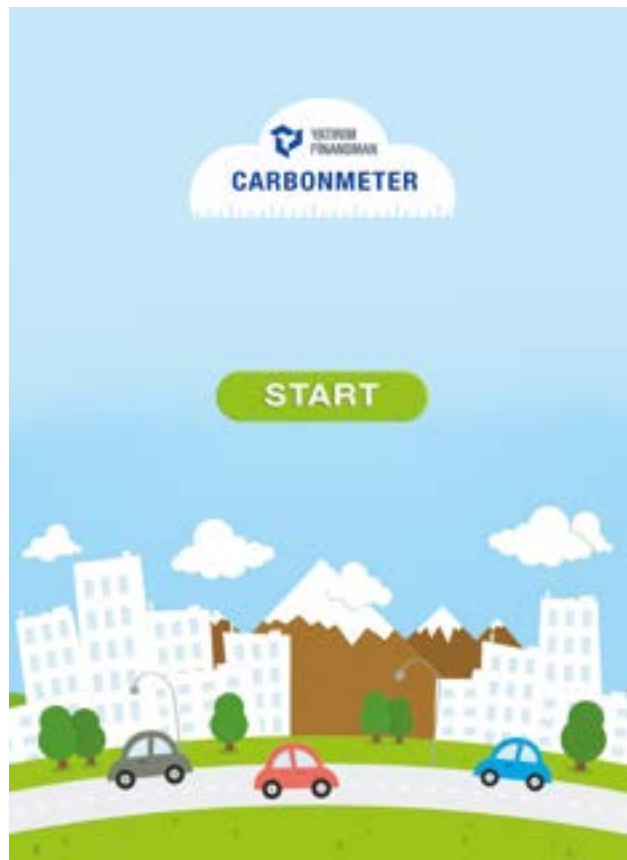


## We have reached the “Zero Carbon” target!

Yatirim Finansman Securities has reached the “Zero Carbon” target set in 2012 through continuous investment in nature. Having become the “First Capital Institution to reach the Zero Carbon Target”, the Company has reflected its leading identity in this area as well. It has taken energy saving measures that benefit the clients at the Branch and Headquarters offices. While preventing fuel consumption through videoconferences, Yatirim Finansman Securities has encouraged its clients to use e-bank statements. Paper consumption was reduced through the “Electronic Work Flow” method, and all documents to be preserved were archived. Furthermore, carbon measurement was enabled via the carbon meter, which was developed by the Company and shared on social media channels and aimed at raising awareness about the possible measures.

Electronic Work Flow

Awareness raising through the Facebook application



Video conference

E-bank statement

Measures for savings



**Türkiye’de  
“Sıfır Karbon”  
hedefine ulaşan  
ilk ve tek aracı kurumumuz.**

**Şahsi aracınızla katettiğiniz  
kilometre başına yaydığınız karbon  
salınımını, toplu taşıma  
kullanarak %90'a varan oranda  
azaltabileceğinizi biliyor musunuz?**

Yatırım Finansman olarak, doğaya yatırım yapıyoruz ve sürdürülebilir bir gelecek için dünyaya bıraktığımız karbon ayak izini siliyoruz.

**YATIRIM  
FİNANSMAN**  
sürdürülebilir yatırım

Türkiye İş Bankası Kurum Grubu

**Türkiye’de  
“Sıfır Karbon”  
hedefine ulaşan  
ilk ve tek aracı kurumumuz.**

Yatırım Finansman olarak, “Sıfır Karbon” hedefimize ulaşarak doğayı koruma projemizi hayata geçiriyor. Gün de sürdürülebilir olarak enerji tüketimini düşürmeye, dünyaya bıraktığımız karbon ayak izimizi silerek doğaya yatırım yapmaya davet ediyoruz.

**YATIRIM  
FİNANSMAN**  
sürdürülebilir yatırım

Türkiye İş Bankası Kurum Grubu

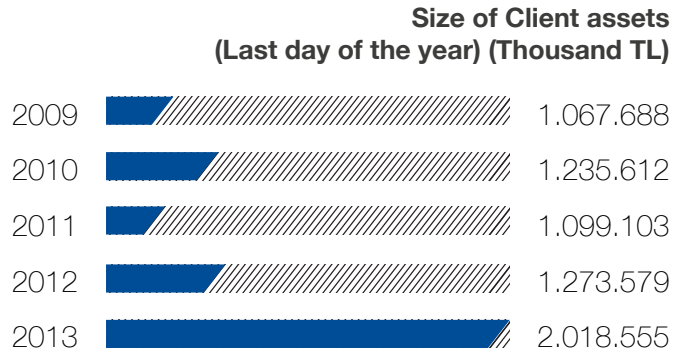
YATIRIM FİNANSMAN

YI.COM.TR

## COMPOSITION OF CLIENT ASSETS

# Growth in client assets continued

With its renewed service concept, Yatirim Finansman Securities continued to increase the amount of assets belonging to our clients in 2013. With increased competitiveness through growth in client assets, the Company once again demonstrated its role as one of the leaders of the Turkish capital markets.



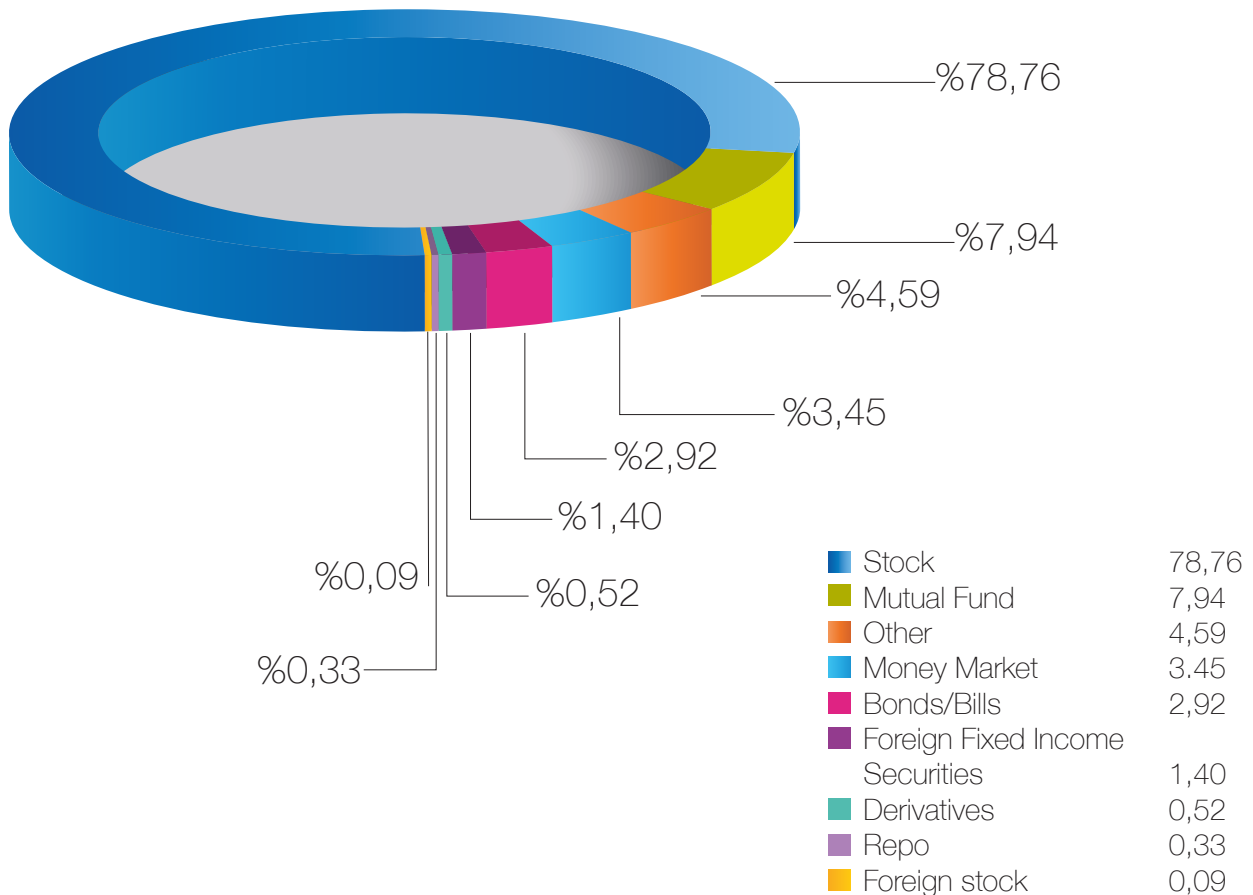
The number of Yatirim  
Finansman Securities  
Clients as of end of 2013  
**17.574**

# Stocks constituted a major portion of client assets

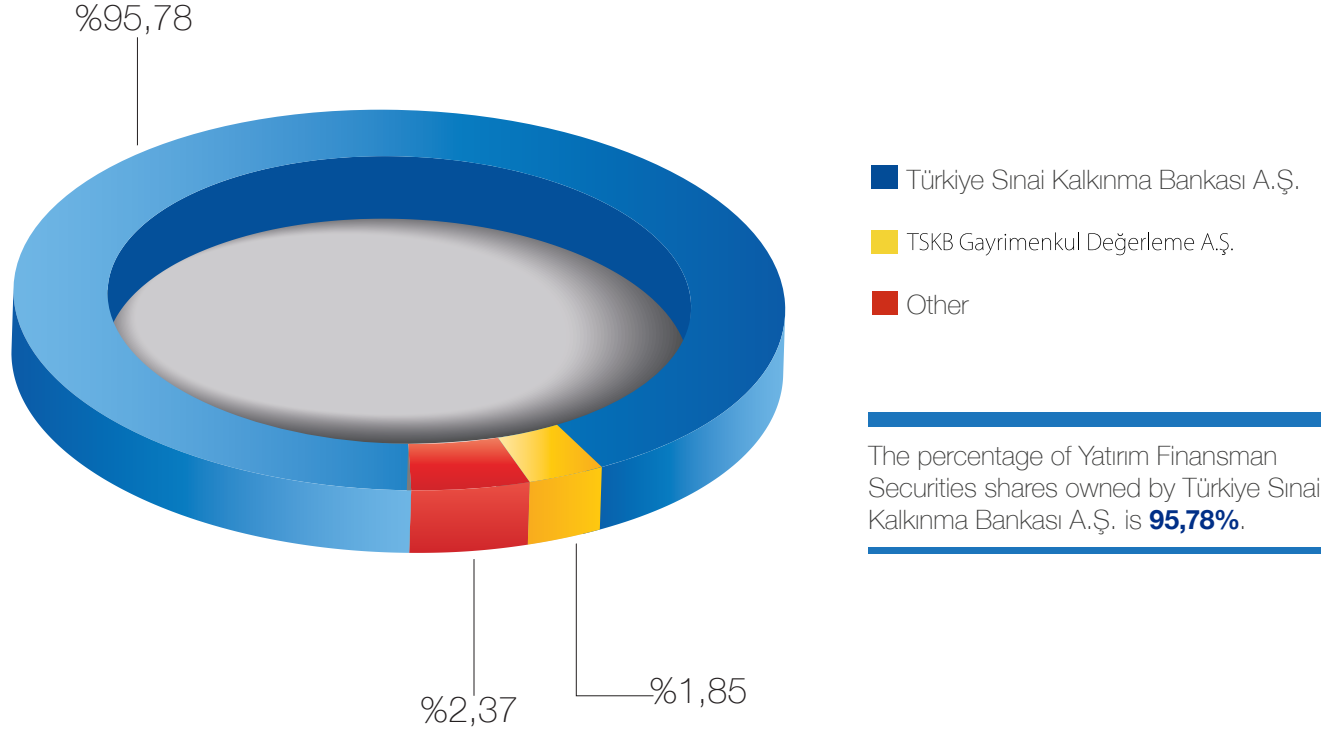
Yatırım Finansman Securities has continuously shared its views along with their justifications during the information meetings held with the press and the clients, as well as the bulletins and reports published throughout 2013. Both the press and the clients were fully satisfied with the targeted strategies offered through such forecasts.

The entire range of information-sharing and feedback services significantly contributed to the increase in client assets achieved within one year.

Through research services offered to both domestic and international investors, Yatırım Finansman Securities has achieved an outstanding performance in 2013 by analysing the market dynamics correctly within the scope of our proactive investment strategy.



## CAPITAL, SHAREHOLDING STRUCTURE AND SUBSIDIARIES



### Yatırım Finansman Securities Shareholding Structure

Name of the Shareholder	Amount of shares (TL)	Ratio (%)
Türkiye Sınai Kalkınma Bankası A.Ş.	58.426.489	95,78
TSKB Gayrimenkul Değerleme A.Ş.	1.130.739	1,85
Other	1.442.772	2,37
Total	61.000.000	100,00

Yatırım Finansman Securities is an subsidiary of Türkiye İş Bankası to which its parent TSKB is also a member.

## Yatırım Finansman Securities Subsidiaries

Name of the Company	Capital (Thousand TL)	Ratio (%)
İş B Tipi Yatırım Ortaklığı A.Ş.	160.599	1,13
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	150.000	1,33
İstanbul Takas ve Saklama Bankası A.Ş.	420.000	1,80
İş Portföy Yönetimi A.Ş.	45.000	4,90
TSKB Gayrimenkul Değerleme A.Ş.	300	0,00
Sürdürülebilir Danışmanlık A.Ş.	240	96,00
Tasfiye Halinde TSKB Gayrimenkul Danışmanlık A.Ş.	461	1,00
Borsa İstanbul A.Ş.	423.234	0,04

### **The first step of Yatırım Finansman Securities' sustainability vision: Sustainable Consultancy "Escarus"**

Sustainable consultancy "Escarus" was established on 24 March 2011 with Yatırım Finansman Securities holding 96% of its shares.

Established on the basis of TSKB and Yatırım Finansman Securities' know-how, market experience and strong human capital, Escarus provides specialised consultancy services that enhance its clients' productivity, competitiveness and profits.

Escarus aims at integrating globally accepted environmental and sustainable approaches into the Turkish business world.

Escarus provides the following services:

- Consultancy-Engineering
- Education
- Certification
- Monitoring/Reporting



Taking into account international procedures and approaches, Escarus focuses on delivering the results that suit best to the needs of its clients at every stage in the projects.

In addition to sustainability-focused consultancy services, Escarus also offers solutions to its stakeholders in areas such as the establishment of an environmental and social management system for financial organisations, evaluation of investment projects from a technical and environmental point of view, technical and environmental assessment and reporting during the financing stage of such projects, and provision of technical and environmental consultancy services to the buyer and seller in acquisitions/takeovers.

In light of the Zero Carbon methodology developed by Escarus, Escarus carried out carbon measurements for Yatırım Finansman Securities, reduced the emission levels to zero in 2013 and helped Yatırım Finansman Securities become the first carbon-neutral capital institution in its sector.

# OUR VALUES

**AMBITION**

**OPENNESS &  
TRANSPARENCY**

**RESPECT FOR PEOPLE  
AND THE ENVIRONMENT**

**CUSTOMER  
ORIENTED**





**SOLUTION  
ORIENTED**

**TRUST**

**FLEXIBILITY**



## VISION, MISSION AND STRATEGY

### Our Vision

To be one of Turkey's top 10 capital market institutions

### Our Mission

To increase the value that we generate for our clients and shareholders through trust and experience, as well as client-focused service provision

### Our Strategy

As one of the organisations that determine the market trends instead of following them, providing more efficient and fast services to our clients through a strong team and technical infrastructure.

# VALUES

## Trust

Responding in time to demands from clients by acting in line with the principles of honest work, business ethics; developing confidence-based relations and delivering on our commitments.

## Respect for People and the Environment

Being respectful towards human beings, knowledge, labour and the environment by using our solutions and resources efficiently within an understanding of social responsibility at the personal and corporate level.

## Customer Oriented

Ensuring continuous client satisfaction by offering effective, realistic and feasible solutions and going beyond carrying out the responsibilities arising from business partnership and adopting a positive attitude.

## Openness and Transparency

Being open, transparent, fair and honest in our communication and practices.

## Solution Oriented

Offering efficient and fast services within an understanding of professionalism and teamwork, approaching proposed or existing decisions with common sense.

## Flexibility

With the significance attached by our management to an unbiased approach, giving opportunity to our employees to formulate and implement solution-oriented recommendations and take initiative without compromising professional and corporate values.

## Ambition

Building on the synergy created by all our employees who act responsibly towards our resources, solutions and stakeholders, being determined to reach our objectives, making a difference, translating employee.

INDISPENSABLE VALUES

As the first brokerage  
house of Turkey,  
we implement

# **SUCCESSFUL PRACTICES**

and define

**LONG-TERM MANAGEMENT STRATEGIES.**

With

**15 BRANCHES SITUATED IN SIGNIFICANT  
CENTERS AND HIGH-TECHNOLOGY DISTRIBUTION  
CHANNELS ACROSS TURKEY, WE HAVE  
A CLIENT-FOCUSED SERVICE CONCEPT.**

**WE ARE A LEADING ORGANIZATION THAT MANY  
FIRSTS IN THE SECTOR**

with a highly skilled human resource base, we aim at  
sharing with our clients the know-how and experience  
that we have accumulated and providing

# **QUALITY WORKS.**

**WITH ITS STRONG EQUITY STRUCTURE,  
CAPACITY TO CARRY OUT ALL TYPES OF  
CAPITAL MARKET TRANSACTIONS, AND  
WIDE-RANGING CLIENT BASE**

**Yatırım Finansman Securities makes a difference  
in its sector.**

**Acting with the principle of prioritizing its  
"CLIENTS FIRST"**

**Yatırım Finansman Securities believes in**

**OPEN DIALOGUE  
and VALUES HUMAN LIFE.**

**These values are indispensable for  
Yatırım Finansman Securities employees  
who consider these as a**

**LIFESTYLE**

**beyond a mere job requirement.**

# COMPETITIVE ADVANTAGES OF YATIRIM FINANSMAN SECURITIES

## Strong Brand Identity and Respectability

We are preparing to carry out capital market transactions with the title “Fully Authorised Intermediary” with the entry into force of the new Communiqué on 1 July 2014. The new communiqué grants authorisation to brokerage firms in line with the size of equity so that they can carry out capital market transactions.

Thus, Yatırım Finansman Securities’ strong equity structure enables it to carry out all types of capital market transactions.

## Know-how and experience

We continue on our path with a team making full use of the know-how accumulated as a result long-lasting operations in the finance sector. Since its establishment, Yatırım Finansman Securities has preserved the principle of working in full harmony in order to attain its vision.

## Most advanced technology

As a result of big amounts of investment in technology, faster and easier order submission was ensured via fiber line and unlimited exapi. We have partly replaced our technological infrastructure in 2013. On the basis of the new technological infrastructure and the new software infrastructure, which is set to be commissioned in 2014, Yatırım Finansman Securities aims at increasing the quality of service provision and offering user-friendly services to its clients.

## Increased number of branches and renovation work

The inauguration of the Findikli branch and renovation work at multiple branches features among the developments that enhance service quality. With 14 branches situated in significant places in Turkey, the principle of offering customised services to clients is constantly being applied.



## Strength from capital structure

With its size of equity, its parent company, which remains a leading organisation in its area in the finance sector and its umbrella group, Yatirim Finansman Securities is a strong intermediary firm. Yatirim Finansman Securities has the privilege of offering capital market products to our clients by taking strength from our equity, experience and know-how.

## Growth in the size of client assets

The significant increase in the size of client assets compared with 2012, boosts Yatirim Finansman Securities' competitiveness. The total size of client assets reached TL 2.018 million.

## Customer oriented and innovative service provision

Following the restructuring of our Portfolio Management services, we are offering a greater number of alternative products to our clients through the portfolio management instruments created in line with the demands, needs, as well as risk and profit preferences of our clients. We have also set up the "Wealth Management" service as an alternative service through the Domestic Sales Department.

## Changes in Technology

Following changes in our technological infrastructure, we began using fiber line and increase the speed of connection. We achieved high performance in terms of order submission speed after the commissioning of unlimited exapi. We offer to our clients the advantages of easy and fast order submission through user-friendly buy-sell platforms (YFTRADE).

## MAIN INDICATORS

<b>Summary Balance Sheet (Consolidated) (TL)</b>	<b>31 December 2013</b>	<b>31 December 2012</b>
Current assets	709.840.083	545.223.511
Cash and cash equivalents	386.116.967	380.931.703
Financial assets	19.499.337	17.055.000
Trade receivables	303.658.217	143.947.154
Other receivables	245.918	169.648
Current tax asset	--	2.997.498
Other current assets	319.644	122.508
Non-current assets	24.127.528	13.089.801
Financial investments	16.026.801	10.243.810
Tangible non-current assets	3.633.847	1.502.360
Intangible non-current assets	608.552	412.225
Deferred tax assets	3.858.328	931.406
<b>Total assets</b>	<b>733.967.611</b>	<b>558.313.312</b>
Short-term debt and liabilities	659.464.836	488.706.502
Long-term debt and liabilities	1.307.537	1.436.180
<b>Total debt and liabilities</b>	<b>660.772.373</b>	<b>490.142.682</b>
Equity attributable to parent	73.181.915	68.158.547
Minority interest	13.323	12.083
<b>Total equity and liability</b>	<b>733.967.611</b>	<b>558.313.312</b>

<b>Summary Income Statement (TL)</b>		
Operational income	26.255.612	19.561.035
Operational expense	-32.721.250	-27.610.412
Other operational income and expense (Net)	1.984.276	1.250.701
Financial revenues and expenditures (Net)	7.614.570	10.057.805
Profit/(loss) before tax from continuing operations	3.133.208	3.259.129
Tax income/(expense) related to continuing operations	-209.435	-408.186
After tax from discontinued operations	-	-
<b>Current profit/(loss)</b>	<b>2.923.773</b>	<b>2.850.943</b>
Current profit/(loss) distribution		
Share without control power	1.240	1.063
Shares attributable to parent	2.922.533	2.849.880
Comprehensive income distribution		
Shares without control power	1.240	1.063
<b>Profits attributable to parent</b>	<b>5.023.368</b>	<b>3.107.805</b>



<b>Equity Market Transactions</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Equity Market Volume of Transactions (Million TL)	1.633.634	1.246.570	1.390.654	1.271.329
Equity Market Volume of Transactions* (Million USD)	765.419	699.298	736.224	822.334
YF Equity Market Volume of Transactions (Million TL)	35.242	23.939	27.521	5.620
YF Equity Market Volume of Transactions* (Million USD)	16.512	13.429	14.569	16.571
Ranking among all intermediaries	14	18	19	17
Market share (%)	2,16	1,92	1,97	2,02
Ranking among non-bank intermediaries**	5	6	10	8
Market share (%)**	3,79	4,75	4,34	4,9

<b>Debt Securities Market Transactions</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Bond-Bill Market Volume of Transactions (Million TL)	1.313.081	1.377.151	1.166.215	1.123.261
Bond –Bill Market Volume of Transactions* (Million USD)	615.228	772.551	617.404	726.559
YF Bond-Bill Transactions Volume (Million TL)	20.115	20.958	18.892	19.867
YF Bond-Bill Transactions Volume* (Million USD)	9.424	11.756	10.001	12.850
Ranking among all intermediaries	11	9	11	12
Market share (%)	1,53	1,52	1,62	1,77
Ranking among non-bank intermediaries**	1	1	2	3
Market share (%)**	20,92	20,7	17,30	15,34

<b>Futures Market Data</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Futures Market Volume of Transaction (Million TL)***	833.074	807.865	879.599	863.364
Futures Market Volume of Transaction* (Million USD)	390.326	453.195	465.667	558.450
YF Futures Market Volume of Transaction (Million TL)***	30.644	26.490	30.526	32.405
YF Futures Market Volume of Transaction* (Million USD)	14.358	14.860	16.160	20.960
Ranking among all intermediaries	7	10	9	10
Market Share (%)	3,68	3,27	3,47	3,75
Ranking among non-bank intermediaries **	2	3	5	5

<b>Size of Client Assets</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Size of Client Assets (Year's end) (Million TL)	2.019	1.274	1.099	1.236
Size of Client Assets* (Million USD)	946	714	582	799
Investment Fund Portfolio Size (Year's end) (Million TL)	160	182	150	175

\*USD Exchange rate as of the end of 2013: 2.1343 TL

\*\*Commercial bank intermediaries are excluded.

\*\*\*The figure includes the total volume of transaction on the Options Market (VOB) and Futures and Options Market.

## MILESTONES OF YATIRIM FINANSMAN SECURITIES

1976  
2011

- 1976** Turkey's first intermediary firm, Yatırım Finansman Securities was established **by 13 major banks** led by Türkiye İş Bankası and Türkiye Sınai Kalkınma Bankası (TSKB)
- 1981** Acting as an intermediary for a private sector bond issuance, Yatırım Finansman Securities marked a first in Turkey. The Capital Markets Law was introduced in the same year.
- 1984** The Capital Markets Board (CMB) was established. CMB granted Yatırım Finansman Securities the authority to act as an intermediary during the stock purchases and sales, as well as initial public offerings.
- 1985** Transactions were launched at İstanbul Stock Exchange (İMKB). Yatırım Finansman Securities, attained a leadership position at İMKB with a 42% market share
- 1987** Diversifying its product range, Yatırım Finansman Securities went on to carry out commercial bill, bank bill and bank-guaranteed bill buy and sell transactions.
- 1991** Coming in the third in İMKB stock transactions, **Yatırım Finansman Securities was awarded by the İMKB.**
- 1992** The Capital Markets Board granted Yatırım Finansman Securities the authority to provide Investment Consultancy, Portfolio Management and Repo services
- 1993** Yatırım Finansman Securities demonstrated the quality and reliability of its service provision by ranking the first among intermediates in private sector bond issue.
- 1994** Yatırım Finansman Securities launched public initial offering transactions and added another financial service into its portfolio. A type investment fund took its place within the Company's product range.
- 1995** Yatırım Finansman Securities added B type Investment Fund into its product range. CMB granted Yatırım Finansman Securities lending and short-selling certificates.
- 1997** Yatırım Finansman Securities launched the first customised private fund establishment and management service designed in line with the demands of clients and launched the first private fund.
- 1998** Yatırım Finansman Securities Yatırım Ortaklığı was launched under the leadership of Yatırım Finansman Securities.
- 1999** Yatırım Finansman Securities launched internet and telephone banking applications and demonstrated its leadership role in alternative distribution channels. Yatırım Finansman Securities added B type Bond Fund into its product range.

- 2002** Expanding its investor base each passing year, Yatırım Finansman Securities opened its 10th branch.
- 2003** The shares of TSKB, the first private investment and development bank of Turkey, in Yatırım Finansman Securities reached 90.4%.
- 2005** CMB granted Yatırım Finansman Securities Derivatives Transaction Authority. Research services and buy-sell transactions provided to foreign companies were launched.
- Following the launch of VOB, Yatırım Finansman Securities started to offer services to its clients in the area of derivatives.
- Yatırım Finansman Securities website was awarded the third best finance website prize in the Golden Spider Awards.
- Yatırım Finansman Securities renewed its corporate identity and logo.
- 2006** Yatırım Finansman Securities celebrated its 30th anniversary. Yatırım Finansman Securities came together with investors in Ankara, İzmir and Antalya within the scope of "30th anniversary Investor Meetings"
- Yatırım Finansman Securities added B Type Variable Investment Fund in its product range.
- Yatırım Finansman Securities took over, TSKB Menkul Kıymetler A.Ş. on 29 December 2006.
- 2007** Yatırım Finansman Securities opened another service channel named Private Transactions Centre under the Head Office. An SMS service for FOM clients was launched.
- 2008** VOBaktif, a service enabling fast and easy transactions over live data, was offered to the clients' use.
- 2009** Yatırım Finansman Securities brokered TSKB B-Type Clean Energy Fund issuance with a 10% return and B-type agricultural products fund with 100% guarantee on the principal, marking a first in Turkey.

- 2010** Yatırım Finansman Securities Domestic Derivatives Department was established.
- The liaison Bureaus in Adana and Antalya were converted into branches and another branch was launched in İzmit.
- Thematic funds, issued by TSKB in 2010, were offered to clients.
- Yatırım Finansman Securities participated in **12 initial public offerings out of 16 in 2010** and participated in 4 IPO consortiums as a co-leader.
- 2011** Yatırım Finansman Securities took its place in mobile platforms by opening a new service channel, **YFTRADEMOBILE**. The platform features a dynamic design and offers ease of use.
- YFTRADEINT allows clients to carry out transactions in the foreign derivatives markets.**
- As a result of cooperation between Türkiye İş Bankası and Yatırım Finansman Securities, clients started to access their accounts, deposit and withdraw money by using Türkiye İş Bankası ATMs.
- Activities to **reduce Yatırım Finansman Securities' carbon footprint to zero** began at year's end.

Yatırım Finansman Securities celebrated its 35th anniversary.

2012

## Major Changes in Yatirim Finansman Securities!

The year 2012 was as significant a turning point for Yatirim Finansman Securities as the year of its foundation.

2012 was a year when Yatirim Finansman Securities started to carry on its long tradition and strong vision into the future.

Management functions and work processes were thoroughly examined in 2012, a year of restructuring and transformation that went in the history of Yatirim Finansman Securities as a year that shaped its future.

In this scope, changes were introduced in the organisation of the company so as to ensure better and more efficient service provision. Departments in charge of Internal control, Legal Affairs, Process and Business Development and Sales and Marketing Departments were established; The Strategy Unit was restructured as a Department.

Çankaya-Ankara and Konya branches started to operate in 2012 when Foreign Derivatives and Forex products were also offered to clients.

The logo and corporate identity of Yatirim Finansman Securities were renewed so as to reflect the new managerial and service-related approach; branches were renovated so as to reflect the new corporate identity.

Another exciting project carried out in 2012 consisted of a carbon footprint measurement exercise.

Yatirim Finansman Securities Sales Teams received trainings that were planned in 2012 and continued into 2013.

Another significant development in 2012 was that Yatirim Finansman Securities started to use social media and met its followers.

Yatirim Finansman Securities' steps of transformation, which carried forward its objective to guide its clients in the right direction, was translated into a growth momentum building on its commitment in knowledge, which made the greatest difference in competition, as well as its indispensable principle of retaining its passion at all times.



# 2013

## Restructuring Year of Yatırım Finansman Securities

Following the approval of the Capital Market Board of the Prime Ministry of Turkey, Directorate General for Internal Trade of the Ministry of Customs and Trade, the approved version of the Articles of Association was submitted to the General Meeting for approval at the Shareholders Extraordinary General Meeting on 30.04.2013 and was unanimously approved.

2012 was the restructuring year of Yatırım Finansman Securities. Carrying on establish a more efficient and functional organisational structure as a continuation of restructuring within the scope of client-oriented service provision, the Company obtained many achievements in 2013.

Always aiming at ensuring an outstanding level of client satisfaction, Yatırım Finansman Securities renewed its branches in line with the renewed client oriented service concept and the new corporate identity that substantiate the objectives.

2013 was a year when Yatırım Finansman Securities achieved many significant breakthroughs for its clients who lie at the heart of all of its activities. By establishing the Domestic Sales Department in charge of "Wealth Management", the Company set up another Department with specific responsibilities with regard to the high-segment client group.

The function of the Sales and Marketing Department was restructured as Marketing Department. The Marketing Department started to help all branched to gain new clients.

The Financial Control and Operation Department was restructured as two separate departments and efforts began to centralise the operations.

Yatırım Finansman Securities continued to grow in line with its objectives and opened its Findıklı branch.

Attaching great significance to the activities of sales teams abroad, Yatırım Finansman Securities organised various trainings both for the employees and the clients. In parallel to growth, significant investment was made in technology.

Yatırım Finansman Securities continued the carbon project launched in 2011 through Escarus, its subsidiary specialised in sustainability to become the first carbon neutral intermediary in Turkey in 2013; and continued its activities with the same level of sensitivity.

"Courier services during the account opening process in branches" were launched facilitating the opening of accounts in provinces without a Yatırım Finansman Securities branch.

Treasury Management and Fund Management Department was restructured as Treasury Department and the Portfolio Management Unit as the Portfolio Management Department.

Yatırım Finansman Securities increased the speed of order submissions through fiber line and unlimited exapi.

Continuing on its path of restructuring while remaining committed to the corporate management values, Yatırım Finansman Securities continued to grow on the basis of continued, efficient teamwork carried out in mutual trust and respect.

## ORGANIZATIONAL RESTRUCTURING

- Restructuring of the Marketing Department
- Establishment of the Portfolio Management Department
- Transformation of Financial Control and Operations Department into two separate Departments
- Establishment of domestic and international sales teams
- Adjustment to the transformation of IMKB to ISE and VOB to VIOP
- Launch of Wealth Management services
- Training and one-on-one coaching to branch managers
- Training to sales teams.

## SUSTAINABILITY AND SOCIAL RESPONSIBILITY

- Realization of the Carbon Project through the achievement of the "Zero Carbon" objective.
- Exchange of information with people who measure their annual carbon footprint on how to reduce carbon emissions, through the new Facebook application Carbonmeter.
- Teleconferences held under the "Zero Carbon Project".
- Ensuring paper savings in work processes
- Digitization of work processes

## TECHNOLOGICAL TRANSFORMATION

- Change of technological infrastructure
- Investing in technology at the branch level
- Faster order submission via fiber line and unlimited exapi
- Active use of the social media

## INVESTMENT IN EDUCATION

- Seminars for clients and investor meetings
- Trainings to university students within the scope of financial literacy
- Online trainings for existing and potential clients.
- Theoretical and applied field trainings on sales for clients within the scope of a client oriented service concept.
- Technical trainings for experts

## CORPORATE IDENTITY

- Formulation of a corporate identity and rolling-out the corporate identity across the company
- Adaptation of the website and social media to the new corporate identity
- Renovation of branches reflecting the new corporate identity
- Renewal of mobile applications (YFTADEMOBILE, YFTRADEFX MOBILE)

# PRESS COVERAGES OF YATIRIM FINANSMAN SECURITIES

03.10.2013

14.09.2013

## '1.92'lik kur hedefi sıcak paraya davet'



2013 Enflasyon beklentisi % 7.3	
	YATIRIM FINANSMAN
GSİE (milyar TL)	424.2
GSİE net boyutu	% 8.7
TOFE (yükl. ort.)	% 7.2
Borçlar (milyar TL)	217.2
İhtifal (milyar TL)	288.7
Caridenge (milyar TL)	-44.4

### EKONOMİ SERVİSİ

**Yatırım Finansman** Genel Müdürü **Jene Yarcan**, günümüzdeki ekonomik koşullarda sıcak paraya davet ederken, ABD Merkez Bankası'nın (FED) 17-18 Eylül toplantısından ardından BIST endeksinin 57 bin-75 bin aralığında dalgalanmasını beklediğini belirtti.

Suriye'de politik çözümlerin sunulmasını arttıranın risklerini nakillerin taşınmasını ortadan kaldırdığını ifade eden Yarcan, "Bütçe açıklanmış, 18 Eylül toplantısı sonrası bekliyoruz. Global portföy dağılımlarında görülen eğilimler olan illiklerden gelen etkilerle ilgili yolumuz ve riskler kaçınılmazdır. Türkiye'de data yitmiş bir kur ve faiz ortamı, seçimi maratonu ve bölgesel beklentilerimiz hâlâ mevcut olduğuna inanıyoruz."

### 'Taslar FED'de oturacak'

Merkez Bankası Başkanı Erdem Başçı'nın yarıncı 1.92 kur hedefini de açıkladığını Yarcan, bu hedefin takip tutulacağını Merkez Bankası'nın ilgisiz olacağını ifade ederken, "1.92 hedefi çok katıdır. Yabancıya güvence gibidir. Faizler cazip, ödemeli için ayda yabancı yatırımcıya bir seviyede TL'ye dönme fırsatı yaratır. Sıcak paraya"

### ABD'Lİ BANKA 'YEŞİL BONO' ÇIKARTACAK

Yarcan'ın verdiği bilgiye göre, ABD'de bir yatırım bankası Türkiye'de 'yeşil bono' çıkartmak için inşaatıyor. Yarcan, 'yeşil bono'nun getirilen yarı ara devreye kalması anlamında da sosyal sorumluluk projeleri gibi düşünülmesi gerektiğini kaydetti.

# YAKIN DÖNEMDE KURDA DÜŞÜŞ YOK

FED'in tahvil alımını azaltmaya ne zaman başlayacağı konusunda piyasaların yönünü belirleyeceğine belirten Yatırım Finansman Genel Müdürü Yarcan, Türkiye için en önemli riskin cari açık ve özel sektör borçları olduğunu kaydetti.



**ABD Merkez Bankası'nın (FED) aylık 85 milyar dolarlık tahvil alımını azaltacağı beklentisiyle yatırımcılar, günümüzdeki ekonomik koşullarda sıcak paraya davet ederken, ABD Merkez Bankası'nın (FED) 17-18 Eylül toplantısından ardından BIST endeksinin 57 bin-75 bin aralığında dalgalanmasını beklediğini belirtti.**



Özellikle bu dönemde, özellikle olan illiklere olan korku, son 3 yılın altında kalması bekleniyor. Bu durum yatırımcıların beklentilerini etkileyecek. Yatırımcılar için yeni bir dönem başlatılacağına inanılıyor. Türkiye için yeni bir dönem başlatılacağına inanılıyor. Türkiye için yeni bir dönem başlatılacağına inanılıyor. Türkiye için yeni bir dönem başlatılacağına inanılıyor.



### Mayıs öncesine döner mi?

Yabancı kurum raporlarında da Türkiye için görüşlerin kötü olmadığı ancak, mayıs öncesi piyasaya olumsuz tabloya işaretler var. Yarcan, "Faizler yüzde 4'er, bono 90 binler, tahvil ise diğer seviyeleri yukarı yönlü olarak görüyoruz" dedi. Yarcan, FED'in yarı ara sevisi görüşlerinin de piyasaları etkileyeceğini düşünüyor. "Bu dönemde yabancı ne yapmalı?" sorusuna Yarcan şöyle yanıt verdi: "Yabancı yatırımcıların Türkiye'ye yatırım yapmalarını teşvik etmeliyiz."

## Portföyler hisse senedine kayıyor

Doların yönünü açık kılanın için portföy yatırımcılarının nakle karavancılığına geçtiklerine ilişkin Yatırım Finansman Genel Müdürü **Jene Yarcan**, "FED'in tahvil alımını azaltacağı konusunda piyasaların yönünü belirleyeceğine belirten Yatırım Finansman Genel Müdürü Yarcan, Türkiye için en önemli riskin cari açık ve özel sektör borçları olduğunu kaydetti."

### '70 bin alım fırsatı olabilir'

Yatırım Finansman Strateji Müdürü **Uğur Yılmaz** da, FED'in Eylül'deki sevisi karar sonrasında görülen eğilimlere göre portföyler hisse senedine kayıyor, özellikle 70 binlere çıkılmasının alın fırsatı yarattığını söyledi. Yatırım Finansman Araştırma Müdürü **Zeynep Din Açıkkaya** ise bankaların 8 milyarlık öz sermaye artırımını beklediğini ifade ederken, "Borsa için kur ve faiz ortamı iyidir. Kur hem sermaye için pozitif etkilerle birlikte dolar terörüne de TL'ye dönme fırsatı yaratır. Sıcak paraya"

# Moody's'ten not artırımını ilk yarıda gelmezse ikinci yarıda hiç gelmez

Moody's'ten bu yıl ilk yarı için not artırım beklentisi. Yatırım Finansman Genel Müdürü Yarcan, Moody's'in yılın ikinci yarısında not artırımını yapacağını söyledi.

### Borsa'da hisse yukarı gidecek yer var

Yatırım Finansman Genel Müdürü **Jene Yarcan**, Borsa'da hisse yukarı gidecek yer var dedi. Yarcan, "Borsa'da hisse yukarı gidecek yer var" dedi. Yarcan, "Borsa'da hisse yukarı gidecek yer var" dedi. Yarcan, "Borsa'da hisse yukarı gidecek yer var" dedi.

### Yatırım Finansman Genel Müdürü Jene Yarcan



### Yatırım Finansman Genel Müdürü Jene Yarcan



Yatırım Finansman Genel Müdürü Jene Yarcan ile birlikte portföy yöneticileri.

02.02.2013





27.05.2013

# Türkiye'ye oluk oluk para akıyor, sadece borsaya 5 ayda 1 milyar dolar geldi

Türkiye İş Bankası Grubu kuruluğu olan Yatırım Finansman Menkul Değerler Genel Müdürü **Şeniz Yarcan**, "Moody's'den beklenen not artışı yılın ilk yarısında gelmeli. Yarı yılda not arttırımı olmazsa, ikinci yarı yılda not arttırımı bekleniyoruz" dedi.



**Borsada çok büyük düşüş olmaz, dolar tahminimiz 1.87**

**Emtialara talep yok altın prim yapmaz**



## Döviz alma, portföyün %40'ı hisse senedi olsun

**Borsa İstanbul'da ne oldu?**  
Borsa İstanbul'da geçen hafta yatırımcıların borsaya ilgisi azaldı. Borsada işlem gören hisselerin toplam hacmi 1.87 milyar dolar oldu. Dolar ise 1.87 seviyesinde kaldı. Emtialara talep yok altın prim yapmaz.

**BIST'TE HEDEF 99.600**  
Yatırım Finansman Menkul Değerler Genel Müdürü Şeniz Yarcan, BIST'in hedefini 99.600 olarak belirledi. Yarcan, "BIST'in hedefini 99.600 olarak belirledik. Bu hedefi 2013 yılının ortalarına kadar gerçekleştireceğiz" dedi.

**KAMU ARKA ÇIKAR**  
Ekonomik büyüme hızını düşürdü. Türkiye ne zaman toparlanacak?  
Ekonomik büyüme hızını düşürdü. Türkiye ne zaman toparlanacak?

# 'Not artışı ya ilk yarı olur ya da olmaz'

Fitch'in Kasım'daki not artışı tahmin eden Yatırım Finansman Genel Müdürü Şeniz Yarcan, "Moody's'den beklenen not artışı yılın ilk yarısında gelmeli. Yarı yılda not arttırımı olmazsa, ikinci yarı yılda not arttırımı bekleniyoruz" dedi.

**Yatırım Finansman Genel Müdürü Şeniz Yarcan**, Moody's'in not arttırım arttıracağını ileri sürerek, "İkinci yarı yılda not arttırımı bekleniyoruz" dedi.



## İMKB bu yıl 90 bine çıkar

**Şeniz Yarcan**, İMKB'de bu yıl 90 bin şirketin listelenmesini hedeflediğini söyledi. Yarcan, "İMKB'de bu yıl 90 bin şirketin listelenmesini hedefliyoruz. Bu sayede İMKB'nin dünya çapındaki en büyük borsalarından biri haline geleceğini düşünüyoruz" dedi.

## Yabancılar çok büyük para kazandı

**Şeniz Yarcan**, yabancı yatırımcıların Türkiye'de çok büyük para kazandığını söyledi. Yarcan, "Yabancı yatırımcıların Türkiye'de çok büyük para kazandığını düşünüyoruz" dedi.

# "Yabancılar yerliyi peşinden sürüklüyor"

**Şeniz Yarcan**, yabancı yatırımcıların Türkiye'de çok büyük para kazandığını söyledi. Yarcan, "Yabancı yatırımcıların Türkiye'de çok büyük para kazandığını düşünüyoruz" dedi.



05.02.2013

# YATIRIM FİNANSMAN SECURITIES INVESTOR MEETINGS



Ankara Investor Meeting  
2 October, 2013 (Hilton)



Istanbul Investor Meeting, 16 May, 2013  
Speaker: Tevfik Altınok



İzmir Investor Meetings  
14 November, 2013  
(İzmir Chamber of Commerce)

Experts of capital markets shared their view on the markets within the framework of **“Investor Meetings”** were organised by Yatırım Finansman Securities.

The meetings were held in İstanbul, Ankara, İzmir, Bursa, Adana, Samsun and İzmit. The research and sales teams also participated in these meetings, answered the questions put forward by our clients and listened to their recommendations. The meetings hosted speakers such as Güngör Uras and Tevfik Altınok.

# SPONSORSHIPS

## Yatırım Finansman Securities sponsored Paramveben.tv!

Blogs and social media websites aiming at raising awareness about saving, guiding the public towards investing and increasing the level of knowledge around financial markets were established through TSPAKB. The initiative aims at posting various videos through these channels with a view to informing the public about saving regularly.

Within the scope of "Investor Mobilisation", Yatırım Finansman Securities supported the trainings by sponsoring them in line with its pioneering role in the sector.

## Financial Literacy Panel

In 2013, we supported the Financial Literacy movement aiming at contributing to informed assessments and effective decisions on the use of money. To this end, Ms. Şeniz Yarcın, the General Director of Yatırım Finansman Securities, informed investors on "Financial Literacy", "Capital Market Products", and "Yatırım Finansman Securities' expectations regarding the markets in 2014".

## Yatırım Finansman Securities Investor Meetings

The "Investor Meetings" organised by Yatırım Finansman Securities were received with great interest. In each event, a different eminent personality shared their views on the market with the investors. Reputable economists such as Gngr Uras and Tevfik Altınok answered the questions put forward by the investors and shared significant aspects with the audience.

## Online Client Training

Using our rich multimedia capabilities, we continued supporting the investors on a different platform by organising comprehensive online trainings on topics such as Forex and Foreign derivatives market.



Adana ukurova Univesity  
Financial Literacy Panel  
1 November 2013



Istanbul Investor Meeting  
16 May 2013

## ECONOMIC ENVIRONMENT IN 2013

Expectations regarding the future of Federal Reserve's Quantitative Easing program were decisive in almost all developments following a fluctuating trend. In this context, the Turkish economy could not achieve a significant increase in its growth rate, which saw a slowdown of up to 2.2% in the previous year despite significant monetary policy support. Furthermore, as of the second half of 2013, the economy was subject to the restricting effects of monetary and financial conditions that resulted in a significant amount of monetary tightening.

The GDP growth has been higher than the previous year in the first nine months of the year with a 4% growth rate; the annual GDP growth is expected to be around 3.8%. This figure shows that the 4% official target will not be reached for a second successive year. On the other hand, one can state that the balance of domestic-external demand observed in the previous year is reversed to a certain extent. The contribution of net exports to growth turned negative and increasing gold imports appear to have a significant role in this development.

It must also be noted that weakness in private investment expenditures reached striking levels, whereas the public sector made the biggest contribution to growth made in the recent years in an effort to fill the investment gap.

On the inflation front, the CPI figures point to the fact that the official 5% target was surpassed once again with 7.4%. The exchange rate pass-through, which became effective in the second half of the year, high food prices and the ever more obvious rigidity in the service inflation, resulted in the fact that not only the target but also the upper threshold of the 2-point uncertainty interval has been surpassed.

The Central Bank of the Republic of Turkey (TCMB) followed policies designed to avert disruption of financial stability as a result of high levels of capital inflow in parallel to the expectations that the country would be granted a second investment-grade credit rating in early 2013.

However, as of the end of the second quarter, with the transformation of the perception around FED policies and global liquidity conditions, risk premiums soared, which pushed the Central Bank to apply monetary tightening through liquidity management and interest corridor instruments.

It is observed that the fiscal policy performed well beyond the target at year's end. The 1.2% budget deficit to GDP ratio, almost half of the target, points to a strong fiscal standing.

However, one must note that a major portion of this performance lies with the transfer of income from privatisations to the budget, i.e. one-time income items, rather than savings primary expenditures.

Loss of momentum in the rebalancing process, as well as the impact of gold imports, which have reached significant levels, resulted in an external deficit which followed once again an expansion trend in 2013. While growth in export figures remained negative, albeit with a limited figure, 5% growth in imports raised external deficit to USD 99.8 billion and current deficit to USD 65 billion.

Strong portfolio flows in the beginning of the year, and the position adopted by the TCMB vis-à-vis these flows, brought down interest rates to an all-time low below 5%; however, the abovementioned developments related with global liquidity and the increasing risk premium brought secondary market interest rates up to two digit figures. Following its low volatility trend in the previous year, the Turkish Lira closed 2013 at 2.13 with a 19.8% loss against the dollar.

**Through a fiber line,  
we ensure faster order  
submission for  
investors on our  
service channels.**



**YATIRIM  
FINANSMAN  
SECURITIES**

*Investment in happiness*

# ISE 1<sup>st</sup> Quarter

**ISE100 Index completed 2012 with a 53% increase in value at 78.208 points as the 2nd most profitable Stock exchange of the world.**

**The deficit-to-GDP ratio went from 10% to 6.1%, while the growth rate went from 8.5% to 2.2% and the CPI fell from 10.45% to 6.16% in 2012.**

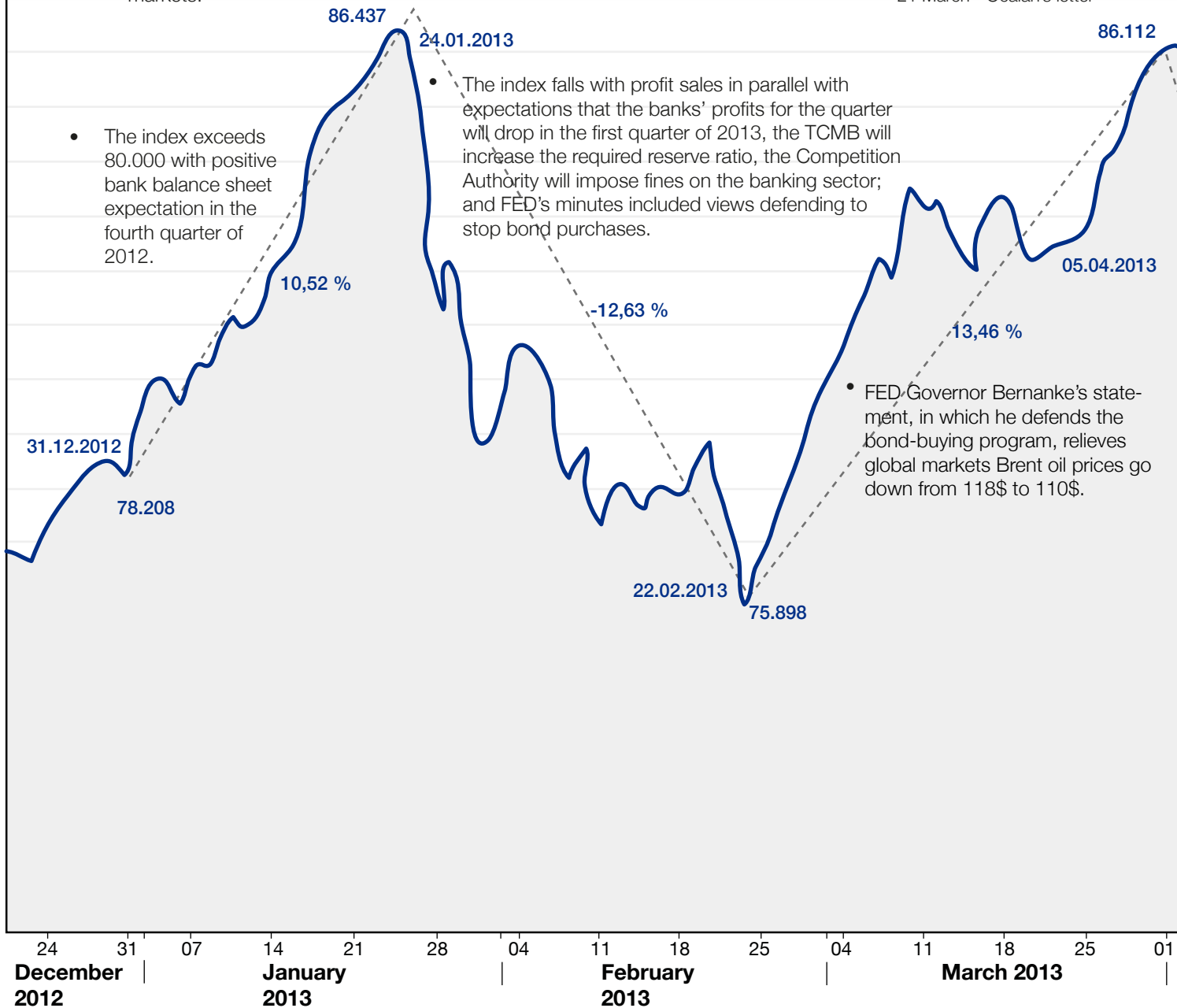
- The index grew by 11% since the beginning of the month before the Moody's Conference on 28 January with a Eurobond borrowing at an all-time low Interest-rate, while the rate remains at %1,0 in the emerging markets, which puts pressure on the markets.

- 27 March - S&P rating upgrade
- 22 March - Apology from Israel
- 21 March - Öcalan's letter

- The index exceeds 80.000 with positive bank balance sheet expectation in the fourth quarter of 2012.

- The index falls with profit sales in parallel with expectations that the banks' profits for the quarter will drop in the first quarter of 2013, the TCMB will increase the required reserve ratio, the Competition Authority will impose fines on the banking sector; and FED's minutes included views defending to stop bond purchases.

- FED Governor Bernanke's statement, in which he defends the bond-buying program, relieves global markets Brent oil prices go down from 118\$ to 110\$.



# ISE 2<sup>nd</sup> Quarter

Index TRY

97.000  
96.000  
95.000  
94.000  
93.000  
92.000  
91.000  
90.000  
89.000  
88.000  
87.000  
86.000  
85.000  
84.000  
83.000  
82.000  
81.000  
80.000  
79.000  
78.000  
77.000  
76.000  
75.000  
74.000  
73.000  
72.000  
71.000  
0

- 16 May Thursday at 10 p.m. Moody's upgrades Turkey's rating from Ba1 to Baa3: INVESTMENT GRADE
- 22 May Wednesday at 6 p.m. FED Governor Bernanke pronounces for the first time a possible QE taper in next two meetings.

- 16 May Thursday at 2 p.m. TCMB policy rate goes from 5.0% to 4.5%: overnight borrowing rate from 4.0% to 3.5% and overnight lending rate from 7.0% to 6.5%.

93.179

22.05.2013

- Death toll in Reyhanlı bombings: 46  
11 May Saturday

13,53 %

- Expectations of an increase in rating become effective

- The index starts to fall in parallel to the emerging markets, following profits sales after Moody's decision to upgrade the credit rating and FED's announcement on 22 May.

01.04.2013

-4,69 %

82.071

- 3 June Monday  
The index drops by 10.5% from 86,000 to 70,000 in one day as a result of Gezi protests.

- "19 June FOMC Meeting Fed Governor Bernanke uses the expression "growth rate is strong enough to reduce bond-buying".

24.06.2013

70.641

08  
April 2013

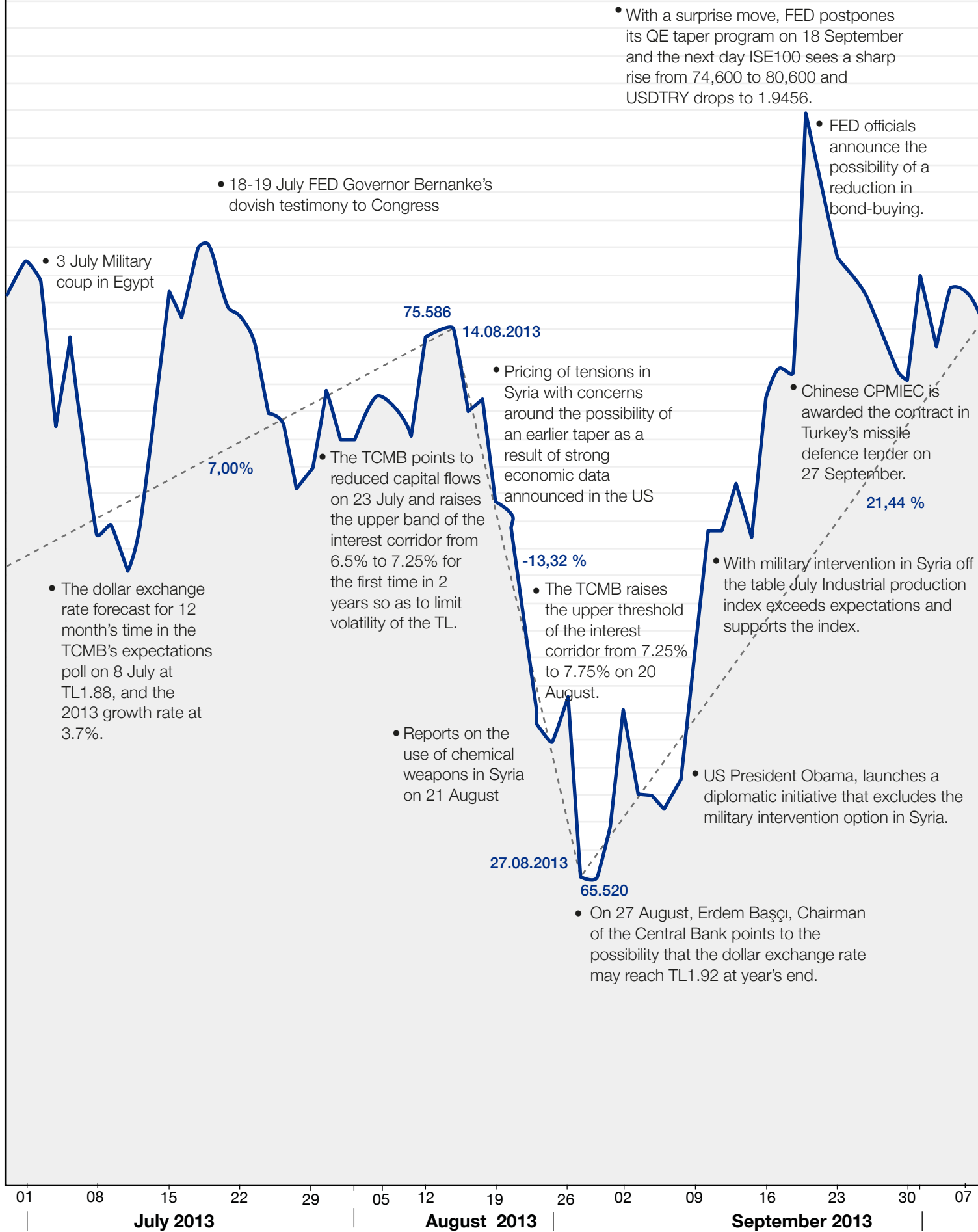
May 2013

June 2013

July 2013

0

# ISE 3<sup>rd</sup> Quarter



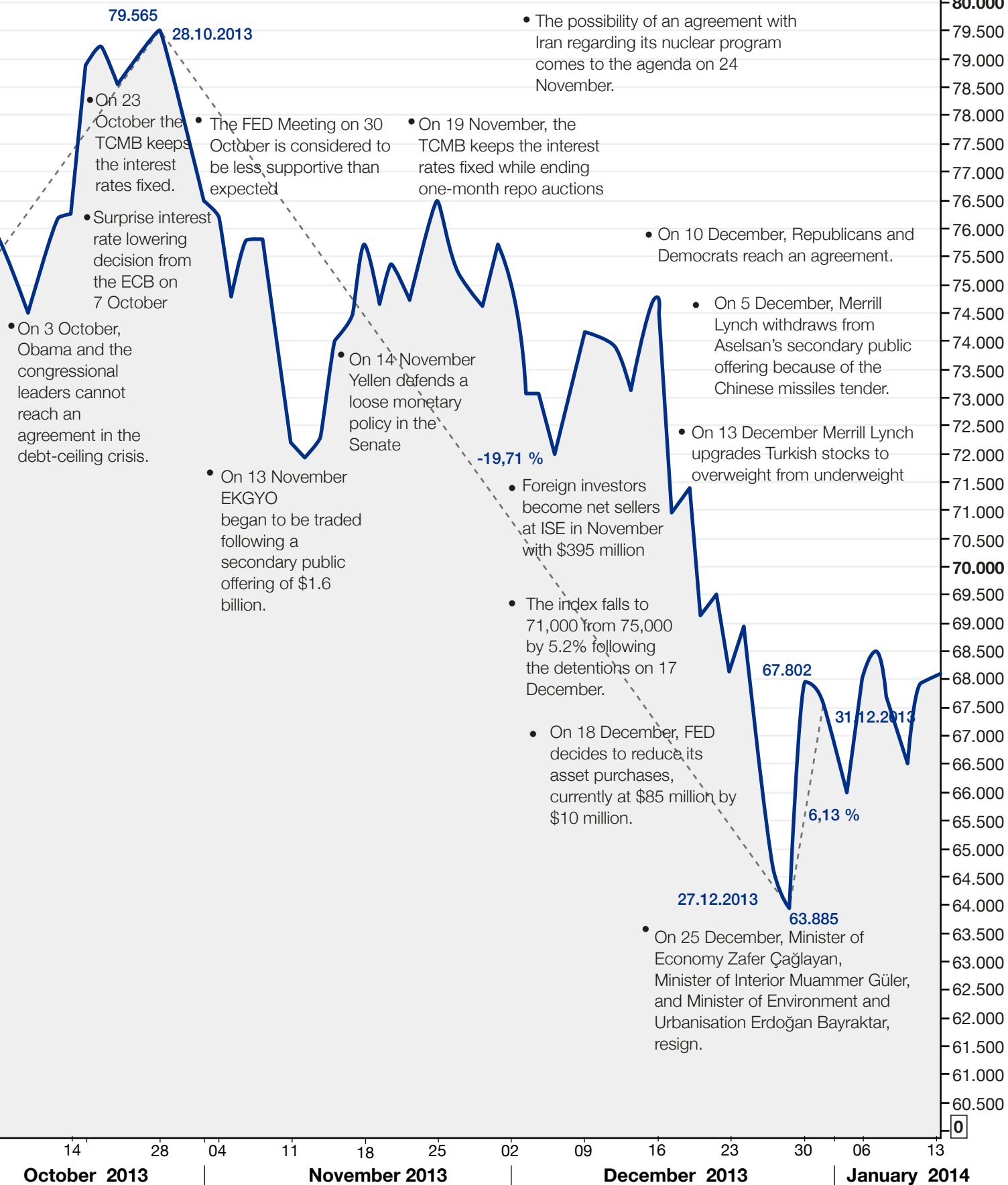


# ISE 4<sup>th</sup> Quarter

Index TRY

- Expectations that Janet Yellen, who will take office as FED Governor, will deliver a dovish statement play a role

**ISE100 Index completes 2013 at 67.801 with a 13.3% loss.**





# Message From The Chair of the Board of Directors

A major part of 2013 has been marked by the financial markets' attempt to try to absorb the fact that the period dominated by loose monetary policies of the past 5 years, abundant liquidity and low-interest rates, was slowly but surely changing. This change will be felt most in liquidity conditions, return rates and portfolio distribution preferences in the financial markets. The official forecasts predict the growth rate, which followed the 2012 figure closely with 3% in 2013, to attain the highest level since 2011 with 3.7% in 2014. On the other hand, the developed countries are observed to fill the growth rate gap, albeit slowly, between themselves and the developing countries.

Economic recovery is expected for the developed countries' economies, which were under pressure for a long time both because of the global financial crisis and the sovereign debt problems in the Eurozone. A new era will arrive for the capital markets with the normalisation of monetary policy preferences of the central banks of the developed countries despite the slow and gradual pace of this normalisation process. The first signal of a reduction in the pace of FED's asset purchases was given in May. FED took the first step in this direction by reducing its asset purchases on 18 December and it will continue to gradually tighten the global financial conditions.

The Turkish economy enters this new period following a growth performance that is relatively close to the 4% target in 2013. However inflation rates were well beyond the target with 7.4%; and increasing risks associated with a weak currency caused a sharp tightening reaction from the monetary policy with a significant rise in interest rates at the start of 2014. In parallel to reduced capital flows, this move can be expected to put additional strain on growth dynamics, which are already expected to lose momentum, as well as on the GDP growth rate. On the other hand, despite significant tightening inflation rate is expected to exceed the target once again this year due to continued cost-based pressure.

Turkish stock markets followed a positive course with expectations concerning positive macroeconomic conditions and an improvement in the country's credit rating to investment grade. However, from now on, the negative impact of FED's statements announcing reduced asset purchases makes a more visible negative impact on the markets and Turkey was also affected from capital outflows affecting the emerging economies across the world. In such a volatile environment, the Turkish Lira lost 20% of its value against the dollar and 23% against a basket of foreign currencies; in terms of fixed income securities, benchmark bond interest rates went up to 10.10% from 6.15%.

Meanwhile, the MSCI Turkey index shrank from its peak on 22 May by 38% completed the year with a 28% fall and significantly underperformed other emerging economies. In 2013, ISE-100 fell by 13.3% in TL and 27.7% in USD, which was particularly influenced by the loss in the value of the Turkish lira. Thus ISE became one the stock exchanges that performed the poorest globally. The net stock purchases by foreign investors, which totalled around \$3.5 billion in 2012, was reversed in 2013 with net sales by foreign investors totalling \$428 million.

As for brokerage houses, 2013 has been a year marked with a large transaction volume in the capital markets resulting from the fluctuations created by intensive news flows. However, the threat posed to profitability by increased competition in the sector remains a serious one. In the first 9 months of 2013, only 52 out of 95 intermediaries could make profits, while the top 20 agencies with the highest volume of transaction obtained 88% of the total net profits at the sectoral level.

2013 saw a drop in the rate of settlements by international investors at the Istanbul Stock Exchange. Yet, a significant increase in the stock market and futures transactions by international investors, as well as a drop in their transaction volume in the repo and bond markets marked the first 9 months of the year. This resulted in intermediary firms such as Yatırım Finansman Securities, which are able to provide services to both Turkish and international investors, attaining a more advantageous position in the market. Yatırım Finansman Securities continued on its sound growth path in the abovementioned context. Our business approach involves putting our clients above everything else, an innovative service concept, and delivering the best results, which helped us complete 2013 with successful results.

According to data from the first 9 months of 2013, Yatırım Finansman Securities comes in the second among top 20 organisations with the highest transaction volume and net profits. One of the leading brokerage houses in its sector with its strong equity structure, Yatırım Finansman Securities successfully increased the size of its total assets by 32% and preserved its net profits even under intense competition.

Holding all capital market authorisation certificates, Yatırım Finansman Securities focused on wealth management with the newly established Domestic Sales Department and restructured portfolio management products.

After the entry into force of the new communiqué regarding the Capital Markets Law on 1 July 2014, Yatırım Finansman Securities, will offer the entire range of capital market products and services to its clients in a wide-ranging network of branches.

I would like to thank on my behalf and on behalf of the Board of Directors to all colleagues and stakeholders for the growing size of client assets and their strong forecasts concerning capital markets; the transformation projects they carried out in 2013 and for all their contributions.

*Sincerely,*

**Özcan TÜRKAKIN**

*Chair of the Board of Directors*



# Message From The General Manager

## **Valuable Shareholders, Esteemed Business Partners, Dear Colleagues,**

Building on the know-how arising out of its place as the first intermediary firm of Turkey, Yatırım Finansman Securities has been offering capital market services to investors for the past 37 years.

The entire team and myself attach great significance to the trust that our clients have in us. Within an understanding of 'Investment in Happiness', we try to reflect our confidence and expertise to everyone that we serve. Our goal is to constantly increase the quality of the service that we have been offering to our clients.

To this end, we focus on addressing all kinds of needs of our clients by offering the highest quality and fastest services. While we pay attention to diversifying our products and services we also give momentum to opening new branches in the past two years so as to be closer to our clients, reaching new clients and guiding more effectively the investments of our clients through the strategies that we use. Following the opening of branches in Çankaya-Ankara and Konya in 2012, the total number of branches across the country reached 14 with the opening of the Findıklı branch in 2013. We continue to provide services to our clients in the Kızılay, Central, Antalya, Adana and Ataşehir branches.

We established new units in 2013 so as to attain a more functional and efficient organisational structure at Yatırım Finansman Securities, offer better a better service provision to our clients, and adopt more effective work processes. We also restructured some of the units. In this framework, the Domestic Sales Department was established with a view to generating value out of the assets of domestic clients and provide “Wealth Management” services in addition to investment consultancy.

We restructured the Portfolio Management Department by expanding the range of products and services. The Marketing Department was also restructured and commissioned to carry out efforts designed to reach new clients. The Financial Control and Operation Department was restructured as two separate Departments titled ‘Financial Control Department’ and ‘Operation Department’.

Again in 2013, in line with the innovative working principle based on continued development, we made huge investments in order to change our system infrastructure with a view to offering more efficient platforms to our clients for their transactions by reinforcing our technological infrastructure. We aim at increasing the service quality and offering user-friendly services to our clients with the new software infrastructure, which is to be commissioned in 2014.

We submit electronically the transaction orders submitted by clients to the ISE. Understanding that the speed of electronic submission of these orders to the ISE is of great importance, we invested in fiber line and unlimited exapi in 2013, which allowed us to increase the speed of order submission. Yatırım Finansman Securities is among few leading organisations in this area.

Trainings on “Sales Skills” and “Sales Performance Coaching”, and “Effective Sales Presentations” were organised so as to increase the quality of service provided to clients by contributing to our employees’ professional training and development.

While the Research Department guides our clients’ long-term investments the Strategy Department guides our clients with recommendations on dynamic and short-term investment on the basis of technical analysis.

We continue to keep the pulse of the markets for our clients with new reports published in 2013 such as the “Weekly Bulletin” and “Radar Istanbul” published by the Strategy Department.

Offering all types of financial intermediary services in the capital markets, Yatırım Finansman Securities adopted the objective of contributing to the growth of its clients’ assets as its main objective. Yatırım Finansman Securities believes that investment consists not only of efforts to increase assets but also those aimed at investing in the future and environment. We became the only and first intermediary to reach the “Zero Carbon” target in Turkey, which we consider to be first and foremost among the exciting developments of 2013. We aimed at setting an example in this area through our leading role among intermediaries and the sustainability approached edged in our DNA.

We are also aiming at raising awareness about these issues in order to be able to leave a habitable earth to future generations. Most particularly, through our Facebook application “Carbonmeter”, we have made significant progress in terms of raising awareness about the environment among the society at large, beyond our clients and investors.

We will continue our carbon footprint reduction efforts in 2014 with similar projects.

The Yatırım Finansman Securities family sees its success and objective of long-term growth as its main focus even in the face of intense competition or volatile market conditions. The financial results achieved in 2013 are the most significant indicator of the strong steps that we have been taking in this direction.

We attach great significance to the trust that our clients have in us. The best indicator is the growth in the size of client portfolio’s, which went up from TL1.273.579 thousand in late 2012 to TL 2.018.555 thousand at the end of 2013.

I would like to thank wholeheartedly to all colleagues, our valuable clients and shareholders who have contributed to our successful performance in 2013 for their constant support.

*Sincerely,*

**Şeniz Yarcan**  
*General Manager*



**YATIRIM  
FİNANSMAN**  
SECURITIES



**ÇİĞDEM İÇEL**  
TSKB EXECUTIVE VICE PRESIDENT



**VOLKAN KUBLAY**  
T. İŞ BANKASI A.Ş. DIRECTOR OF  
SUBSIDIARIES UNIT



**ÖZCAN TÜRKAKIN**  
TSKB CEO

# Board of Directors



**ECE B R **  
TSKB EXECUTIVE VICE PRESIDENT



**ASLI ZERRIN HANCI**  
TSKB DEPARTMENT  
HEAD, TREASURY



**HAKAN AYGEN**  
TSKB EXECUTIVE VICE PRESIDENT



**AY E NAZLICA**  
TSKB DEPARTMENT HEAD,  
BUDGET PLANNING AND  
INVESTOR RELATIONS

# Executive Management



**EMRE DURANLI**  
EXECUTIVE VICE PRESIDENT

Born in 1972, Emre Duranlı graduated from Hacettepe University Faculty of Economics and Administrative Sciences Department of Business Administration in English language. Duranlı entered the professional life at Türkiye İş Bankası Inspection Board in 1996 as an Assistant Inspector and continued his career as a Unit Director in Türkiye İş Bankası A.Ş. Department of Subsidiaries between 2008 and 2012. He also took up membership positions in the Executive Boards of İş Investment Securities, Yatırım Finansman Securities, Milli Reasürans T.A.Ş., Anadolu Insurance Company, Anadolu Life Insurance and Private Pension Company, İş Private Equity, İş Portfolio Management, İş Investment Trust, Efes Wealth Management, and Avea Communication Services.

Emre Duranlı was appointed to the position of Executive Vice President of Yatırım Finansman Securities on 31.07.2012.



**ŞENİZ YARCAN**  
GENERAL MANAGER

Born in 1965, Ms. Şeniz Yarcan studied at TED College's secondary school in Ankara and graduated from Boğaziçi University's Department of Business Administration in 1988. Ms. Yarcan started her career at the Türkiye Sınai Kalkınma Bankası, Treasury Department. After assuming various positions, Ms. Yarcan was appointed as Treasury Department Manager in 1998.

Ms. Yarcan was promoted to Executive Vice President in 2004. In addition to her role in the foundation of the Treasury Department, Ms. Yarcan also contributed to the establishment of Financial Institutions, Investor Relations, Portfolio Management and Research Departments. In the following years, she took up the position of "Executive Vice President for Investment Banking and International Relations", to which the Departments of Securities, Financial Institutions, Research and Corporate Financing reported. Having been appointed as Senior Executive Vice President in 2011, Ms. Şeniz Yarcan continued her position as Senior Executive Vice President for Treasury, Investment Banking and International Relations.

Ms. Yarcan was appointed as the General Manager of Yatırım Finansman Securities on January 1st, 2012.





**YATIRIM  
FİNANSMAN  
SECURITIES**



**EMRE BİRKAN**  
EXECUTIVE VICE PRESIDENT

Born in 1966, Emre Birkan graduated from Istanbul University Faculty of Economics in 1990 and received his master's degree in Economics at Western Michigan University. Birkan started the working life in 1992 and served in various positions in the fields of International Capital Markets, Research and Portfolio Management.

In 2009, Emre Birkan joined Yatırım Finansman Securities and is currently working as an Executive Vice President.



**DİLEK AKDEMİR**  
EXECUTIVE VICE PRESIDENT

Dilek Akdemir was born in 1965 and graduated from Istanbul University Faculty of Business Administration. Ms. Akdemir started her career in 1986, began to work for Yatırım Finansman Securities in 1990 and founded and managed the Research Department. Then, she worked in Customer Portfolio Management, Corporate Portfolio Management and was responsible for starting and managing the investment funds. She worked as Branch Manager of Çiftelavuzlar and Taksim branches and Main branch and continued her career as a Process Management Director after 2012.

Ms. Akdemir has been holding the Executive Vice President's position at Yatırım Finansman Securities since 01.01.2013.



**ÖZLEM CEVHER**  
EXECUTIVE VICE PRESIDENT

Born in 1972, Özlem Cevher graduated from Marmara University Faculty of Economics and Administrative Sciences Department of Business Administration. Ms. Cevher began her career in 1993, worked in the management of several intermediaries and joined Yatırım Finansman Securities in 2008. She continued to be a Branch Manager in Adana branch and Istanbul Main branch and was appointed as Coordinator for Domestic Sales Department, Marketing Department and Branches on 01.01.2013.

Ms. Cevher has been working as an Executive Vice President in Yatırım Finansman Securities since 01.01.2014.



YATIRIM  
FİNANSMAN  
SECURITIES



**1 İnciser Deniz**  
Department Head,  
Domestic Sales

**5 Didem Helvaciođlu**  
Department Head,  
Treasury

**9 Cenk Erdal**  
Department Head,  
International Sales

**2 Murat İman**  
Department Head,  
Portfolio Management

**6 Müzeyyen Çelik**  
Department Head,  
Operation

**10 Neslihan Çetin**  
Department Head,  
Marketing

**3 Zümrüt Can Ambarcı**  
Department Head,  
Research

**7 Zeki Davut**  
Department Head,  
Inspection Board

**4 Pervin Bakankuş**  
Department Head,  
Corporate Finance

**8 Levent Durusoy**  
Chief Economist

# Executives



**11 Feyza Koçyiğit Silahlı**  
Department Head,  
Human Resources and  
Corporate Communication

**15 İbrahim Cüneyt Tahtacı**  
Department Head,  
IT (acting)

**19 H. Taylan Vecdisoy**  
Department Head,  
Financial Control

**12 Murat Borucu**  
Department Head,  
International Operations

**16 Hakan Tezcan**  
Department Head,  
Strategy

**13 Emel Pala**  
Senior Manager,  
Risk Management

**17 Ayça Aktolga Öztürk**  
Department Head,  
Legal Affairs (acting)

**14 Kerim Uğurdur**  
Department Head, Internal  
Control (acting)

**18 Oya Altıngözlü Pekel**  
Department Head,  
Derivatives

# Branch Managers



**Ayşe Ceylan**  
Adana Branch Manager



**Erol Taşın**  
Ankara - Çankaya Branch Manager



**Aslı Köse**  
Ankara - Kızılay Branch Manager



**Anıl Alperat**  
Antalya Branch Manager



**Aylin Pişkinsoy**  
Bursa Branch Manager



**Gülay Çoruk**  
İstanbul - Bakırköy Branch Manager



**Deniz Gözendor**  
İstanbul - Çiftelhavuzlar Branch Manager



**Yavuz Özçiçek**  
İstanbul - Fındıklı Branch Manager



**Zerrin Öney**  
İstanbul - Ataşehir Branch Manager



**Çiğdem Mert Önder**  
İstanbul - Main Branch Manager



**Tuncay Fışkıрма**  
İzmir Branch Manager



**Cihat Kaymas**  
İzmit Branch Manager



**Yaşar Turgut**  
Konya Şube Branch Manager (acting)



**Ufuk Erkut**  
Samsun Branch Manager

## ECONOMIC PROSPECTS FOR TURKEY IN 2014

Change of direction in the global liquidity conditions as well as the increase in interest rates and the currency movements which have become far more prominent as of the last quarter of 2013 reveal that the pace of growth is hard to rise in 2014.

A significant part of other current risks regarding the growth, on which the size of capital flows is fundamentally a decisive factor, appears to be in a downward trend.

With the assumption that the amount of flows will remain far more limited compared to the past rather than an instant stagnation in the capital inflows, the growth is projected to recede to 2.8% in 2014 and remain below the official target once again. Even though an improvement is anticipated in the picture for internal-external demand compensation, a rebalancing process at the same scale as the one in 2012 is not expected. Performance of the Euro zone, which is predicted by international institutions to enter a growth period once again after a long break, will be decisive for the increase of external demand contribution while the progress of internal demand gets sensitive to the tight monetary policy implemented by the Turkish Central Bank, in particular.

Specifically, as the Central Banks of developed countries get closer to terminating their loose monetary policies and the uncertainties increase, the Turkish Central Bank has taken up a tighter position from the beginning of year in line with the Central Banks of other developing countries. Having brought about 2.5-3 points of tightening, this move may also be considered as a change of position against the risk of inflation running high.

However, both the tax adjustments taking place at the beginning of year and the ongoing volatility in currencies give rise to the thought that CPI will exceed the target once again in 2014.

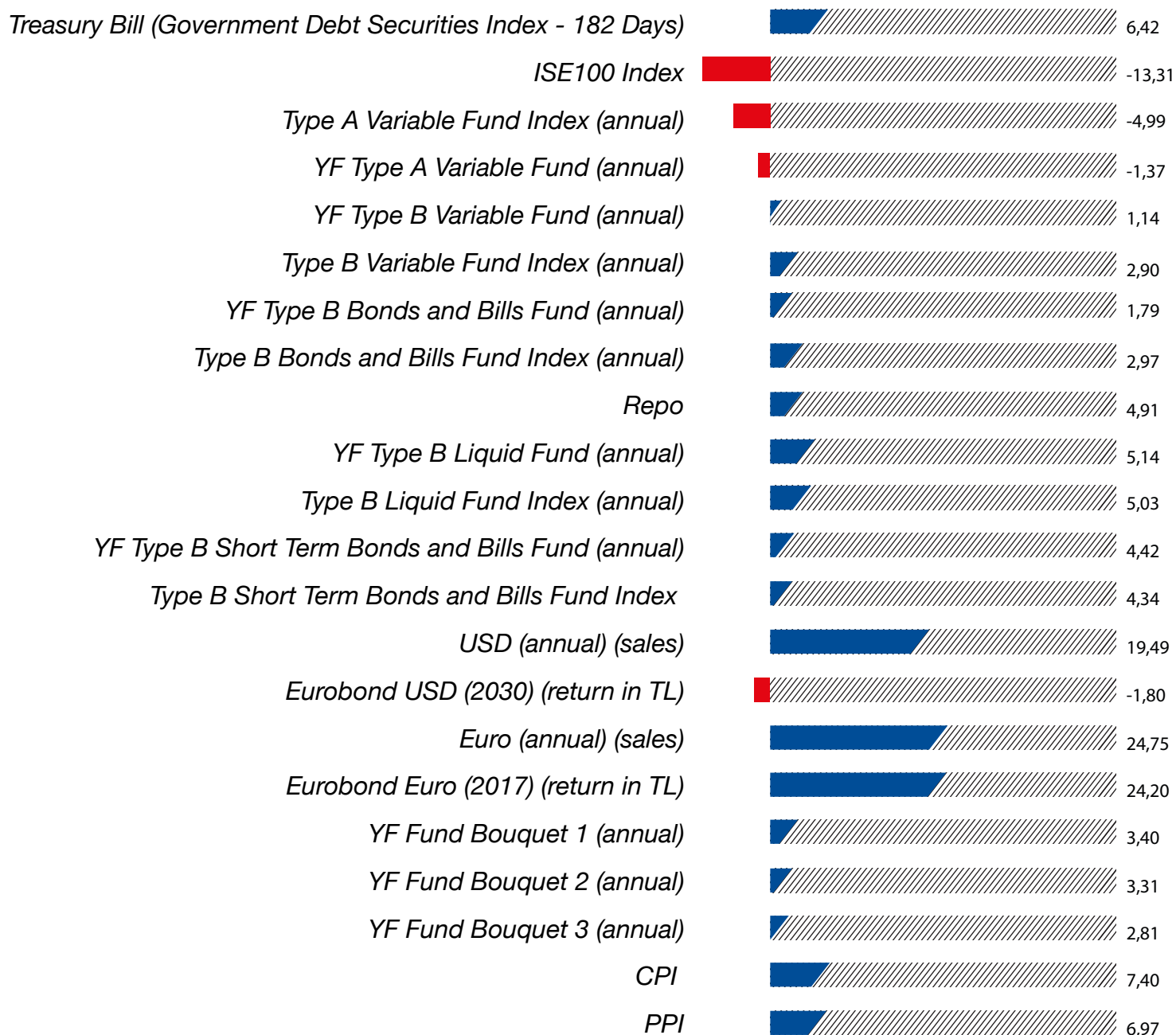
Upon the necessary steps to be taken by the Central Bank, it is forecast that the inflation which may rise after quite a fluctuating course within the year in parallel to the food prices will go into a decline again and finish the year at 7.5% level, i.e. once more over the target.

The targeted budget deficit of 33.2 billion lira demonstrates that loosening is projected in the monetary policy compared with 2013. Yet still, since it will be a repercussion of the lack of non-recurring income items from the previous year rather than a faster increase in development expenditures, the difference it will make in growth in terms of public contribution will remain more limited.

In line with the slow growth and tighter monetary conditions, the expected settle-down in import demand will bring along a drop upon alleviation of the influence from large scale gold imports on the total import figures. Assuming that the improving growth picture in Europe - although it is slow - should continue supporting the exports, it is expected that foreign trade deficit will fall to 85 billion dollars and current deficit to 46.4 billion dollars.

In parallel to the monetary tightening pointed out by the current circumstances and to the interest rates which should maintain their upward trend globally, the benchmark return will run its two-digit course and close the year at around 11.25%. It is thought that TL will partially recover the loss it underwent in the early year following the said policy choice and be able to close the year at 2.24 level against USD.

## Comparison of Returns from Investment Instruments % (31.12.2012 – 31.12.2013)



# HIGHLIGHTS OF 2013 OPERATIONS

The major part of 2013 customer assets came from stocks with 78.76%.

We maintained our strong performance in the variable international and national conjuncture of 2013, enhanced our market position and continued generating value for all our shareholders, particularly for our customers.

## Highlights of our 2013 performance

- ISE100 Index ended 2013 at 67.800 points with 13.3% depreciation.
- While we ranked the 18th in the Stock Market in 2012, we completed 2013 at the 14th place by taking 2.16% share from the market in which 95 active intermediaries traded.
- We continued our sustainable performance in the Debt Instruments Market. In 2013, our transactions amounted 20.1 billion TL. We got the 11th place in the market where 101 institutions traded in 2013. We maintained our top rank in the non-bank intermediaries list as in 2012.
- Portfolio size of the funds which we founded and for which we have been offering portfolio management service reached 160 million TL by the end of 2013.
- The size of our Type B Liquid Investment Fund reached 64.5 million TL with 12.064 participants.
- As an active player in the Futures and Options Market, we ranked the 7th in the market with 30.6 billion TL of trading volume in 2013.
- We continued offering our customers the chance of trading in Forex and International Derivatives Markets on 5/24 basis through YFTRADEFX and YFTRADEINT platforms.
- Our customer assets size exceeded 2 billion TL in 2013.
- In 2013, we joined the consortia for initial public offerings of Halk Real Estate Investment Trust, Pegasus and Royal Hali and the secondary offering of Emlak Real Estate Investment Trust.
- We were also involved in many bond supply operations in 2013. In the supply of Türkiye İş Bankası bonds issued by İş Investment, ING Bank bonds, Deva, Pakpen, Rönesans Holding, Boyner bonds, and the bonds of Koç Fiat Credit Financing and LBT Wealth Management companies issued by TSKB, we sold these products to our customers and took advantage of the group synergy. Additionally, we were a member in the consortium during bond supply of Net Holding.
- We drew up and delivered corporate valuation reports for two companies one being of public ownership in 2013.
- We added Fındıklı branch in our service network in line with our growth targets in 2013. We are committed to offering our innovative products, services and solutions that are fully compliant with the legislation through our service platforms which make best use of the current technology and to giving our customers the best service experience.



## ***The Domestic Sales was Established***

The Domestic Sales Department was established on 8 July 2013 to serve investors possessing high volume of assets who would like to diversify their investments by reaching all capital market instruments. The experts at the Department use various distinctive instruments on the market and help the clients generate value out of their investments with advantageous capital markets. With expansion of our product range, the size of customer assets under our Domestic Sales Department increased swiftly to 613 million TL.

We offer attractive options in the context of market conditions according to the assets, needs and expectations of our customers with our wealth management and we carry on our operations in the framework of a customer-oriented service concept.

As Yatırım Finansman Securities, we aim at intersection of wealth management and investment consulting, portfolio management, relationship management and advanced planning. We do our advanced financial planning with consideration to the risk profiles and liquidity needs of customers. We are striving for providing our customers with the most suitable products in parallel to the market expectations.

Besides our Investment Consulting and Portfolio Management services, we enable our customers to access a wide range of products in an easy and quick manner and help them get promptly informed of the market conditions by means of wealth management.

Our Domestic Sales Department provides services for corporate customers, as well. We aim at rendering liquidity provider services to our corporate customers as well as market maker services in the stock market via our wealth practices in 2014.

We aim to attack new improvements with our wealth management service in 2014



## **STOCK MARKET OPERATIONS ON YATIRIM FINANSMAN SECURITIES**

As of 05.04.2013, IMKB, VOB and Istanbul Altin Borsası (İ.A.B.) merged under one umbrella and have collectively been replaced by ISE.

The purpose of this change was to collect several stock exchanges with different contents under one umbrella in order to make them stronger, more efficient and to promote all these stock exchanges through a single representation at international fora. Borsa Istanbul reinforced its outward image by also using the acronym ISE.

Our company enables its customers to trade reliably at any moment in the stock markets through its 14 branches having central locations across Turkey, its online branch, YFTRADE trading platform and mobile applications.

In order to guide our domestic and foreign customers also in the stock market, we release our advices on short-, medium- and long-term stocks as formulated by our Research and Strategy Departments as well as our model portfolio advices that we continuously update by closely monitoring the markets. Further, we constantly inform our investors by means of our revised bulletins.

We also offer the opportunity to use securities credit with favorable terms for our customers trading stocks in the stock market. Thanks to the strong capital structure of our company, we quickly respond to the securities credit demands that are proportional to the customer's portfolio.

Additionally, we quickly forward the customer orders to ISE via the fiber line and unlimited exapi that we commissioned in 2013.

The size of customer assets managed under Portfolio Management has increased from 44 million TL to 148 million TL.

## **Securities Lending Market**

Our portfolio size has reached 2,018 million TL with the volume of portfolios that our customers have trusted with us on account of our strong capital structure and their confidence in the company. By virtue of our experts who inform our customers of the opportunities also when they are making long-term investments, we ranked the 4th among the capital market institutions with 5.12% market share with respect to the lending transactions performed at Takasbank

It is one of our objectives for 2014 to ensure that our customers benefit from the additional income opportunity by lending the stocks being available in their portfolios in turn for a certain commission and under Takasbank guarantee, similar to what our long-term stock investors do.

# VOB-VİOP merged in 2013

VOB-VİOP merger became the most important development of 2013. On 5 August 2013, the contracts transacted on VOB (Turkdex [Turkish Derivatives Exchange]) were moved under VİOP (Futures and Options Market) and began to be transacted within a single exchange along with the contracts which had originally been on VİOP. Thus, novelties like pre-order and post trade margining connected with the Clearing House and Standard Portfolio Analysis of Risk (SPAN) applications have been realized for all contracts.

Upon the merger, the following started to be traded on VİOP:

GARAN, ISCTR, AKBNK, VAKBN, YKBNK, THYAO, EREGL, SAHOL, TCELL, TUPRS, ISE 30 futures and options contracts,

TL / Dollar, TL / Euro, Euro / Dollar

Gold-TL / G, Gold- Dollar / Ounce

Electrics, Cotton, Wheat futures contracts.

Being a different alternative to conventional investment instruments, the Futures and Options Market allows transactions for hedging, investment and arbitrage purposes by means of the listed instruments. Both corporate and private investors are given the chance of taking or avoiding risks within a framework that define based on their own risk perception and return expectations in any instrument such as foreign exchange, index and gold. And the tax advantages offered by the market are preferable for many investors.

## **Strong infrastructure and continuous service concept**

As an active participant of VİOP starting from the very first day of VİOP going into service in Turkey, we have realized important investments in technological infrastructure and hardware particularly. Being an intermediary that has been rendering services in the said market since 2005, we continued being included among the preferable service providers with its fast, reliable and high-quality service understanding after VOB-VİOP merger.

We have offered our customers a broad alternative service network and put to service e-Broker, Matrix Trader programs, which enable our investors to trade on VİOP, stocks and warrants via Internet by using the same program out of our widespread network of branches.

In addition, we have provided our customers with the opportunity to give orders and make transactions on VİOP quickly through OMS and IDB platforms. Our strong infrastructure and continuous service understanding are also appreciated by our customers.

Our services are repaid by high ranks in terms of VİOP trading volume.

## **Total trading volume attained 833 billion TL level in the Futures and Options Market in 2013**

We got 3.7% market share with 30.6 billion TL trading volume in 2013 and were promoted to the 7th place among 80 institutions in the trading volume rating. Moreover, the number of our VİOP accounts at Takasbank has been rising steadily from the first year and become 2047.

## **An ambitious service provider in Foreign Derivatives Markets**

With the guarantee of long years, we present our investors the chance of trading on the leading exchanges of the world in a reliable, timely and direct fashion for Foreign Derivatives Markets, as well. Our private or corporate investors are able to

make their hedging or investment transactions on several products like exchange indices, gold, silver, copper, oil, natural gas, corn, bonds.

Our investors opening a foreign derivatives account can get their passwords, which are generated after personal security checks by such means as mobile phone confirmation system, from our website easily and start trading without losing any time.

Yatirim Finansman Securities customers can use YFTRADEINT platform, which supports Turkish language, to directly forward their orders to the exchange in a fast running and reliable medium and also to receive the aid of our expert staff. There is no lower limit for opening accounts in the Foreign Derivatives Markets transactions for the purpose of reaching out a broader target audience of investors.

In this market where we are offering competitive commission ratios for our customers, we are rendering services that make a difference in the industry by means of our enhanced technological infrastructure, our expert staff with wide experience in their field of specialization, and our Live Support team that instantly answers the questions raised on the web page.

## **ADVANTAGES OF YFTRADEINT PLATFORM**

- Turkish language support on dealing platform
- 5/24 access to the global exchanges
- Immediate trading on futures markets
- Easy access to portfolio details
- Immediate disinvestment feature
- Futures strategic orders
- A single key to trade
- A single key to halt, withdraw, cancel orders

## **Warrants and Certificates Market in 2013**

In the Warrants and Certificates Market, we offer our customers the chance to take advantage of the price movements that result on an underlying asset by a certain leverage ratio before buying or selling the underlying asset.



In 2013, 9.6 billion TL trading volume was achieved in total in ISE Warrants and Certificates Market. We attained 56 million TL trading volume in 2013 in this market. We are committed to increasing our trading volume in Warrant Market, as well, by using our expert staff and strong technological infrastructure.

### **Forex trading – A new field of business with high potential to improve**

Growing very fast with 5/24 trading availability, Forex markets are standing out as the biggest and the most liquid market in the world with 4 - 6 trillion dollars of daily trading volume.

Upon the Capital Markets Board regulation which took effect in August 2011, Forex trading can be practiced in Turkey through the platforms provided by the institutions which are granted a Leveraged Trading Operations Authorization Certificate by the Capital Markets Board and are subject to periodical inspection and supervision.

Since we completed the necessary legal procedures, we as Yatirim Finansman Securities have been rendering services for our investors in the Forex market as of 15 August 2012 with our strong technological infrastructure and specialized and experienced staff.

We avail our investors with the opportunity of continuous trading via Metatrader4 based YFTRADEFX platform being the most preferred trading platform. Conducting their Forex trading over YF, our investors can get their passwords, which are generated after personal security checks by such means as mobile phone confirmation system, from our website easily and start trading without losing any time.

We reflect the possibilities of technology on the service platforms in the most efficient way and reinforce our commitment and position in the Forex market thanks to the flexibility and comfort offered to our investors by our YFTRADEFX platform, iPhone and Android mobile applications.

### **Advantages of Forex trading with Yatirim Finansman Securities**

- Electronic order transmission without a dealing desk
- Free of charge account opening with no lower limit
- The most preferred Metatrader4 dealing platform
- Order transmission via iPhone, iPad and Android based mobile devices
- Account opening and trading on the same day
- Maximum 100:1 leverage ratio and tailor-made leverage ratios specific to the investor
- Trading in Mini and Micro Lots
- Spot gold and silver trading
- Trading on 5 days 24 hours basis
- Reliable spreads
- Advantageous and competitive spread ratios with the spread groups based on trading volume
- No trading commission
- Online live support

With our “Demo Accounts”, we keep introducing all the investors to the advantages, risks, opportunities and enthusiasm of the market in “Forex” and “Foreign Derivatives” in 2013.

We also inform our investors by means of our training videos on any topic ranging from the most fundamental terminology of Forex and Foreign Derivatives Markets to the functioning of the market and from theory to various investment strategies.

## DEVELOPMENTS IN THE DEBT INSTRUMENTS MARKET

### ***Enhanced service quality and wide range of products***

Our product range for Debt Instruments Market includes Treasury Bills, Government Bonds, Bank Bills, Private Sector Bonds and Eurobond. Moreover, we give our customers direct buying capability by submitting bids in the treasury tenders.

In the scope of Debt Instruments Market transactions, we also offer those customers who would like to take advantage of the short term price movements in the bills and bonds the chance to trade in ISE Debt Instruments Market.

### ***Placed at top of non-bank intermediaries***

In 2013, trading volume in the Debt Instruments Market decreased by 5% to 1,313 billion TL in 2013 from 1,377 billion TL in 2012.

While our trading volume in Debt Instruments Market was 20.9 billion TL in 2012, we had a volume of 20.1 billion TL in 2013. Our company ranked the 11th among the intermediaries of the market and the 1st among non-bank intermediaries, in 2013. Besides, our trading volume in Takasbank Money Market, which was 20.6 billion TL in 2012, reached 24.3 billion TL with 18% increase in 2013.

We act as an agent for our customers to exploit their short term investments in Takasbank Money Market and avail them with the opportunity to benefit from favorable ratios.

As Yatırım  
Finansman  
Securities, we  
continued our  
sustainable  
performance in the  
Debt Instruments  
Market.

# DEVELOPMENTS IN INVESTMENT FUNDS

## **Investment fund policy designed with the target of more competitive returns**

As YF, we offer choices that adapt to various risk-return preferences of our customers by means of the investments funds we have founded and have been managing, and we continue working with the objective of offering returns to investors at a more competitive level than the average of other funds from the same type and risk structure.

We make sure that the investment funds are managed by a strong team which is made up by fund and portfolio managers and the Company's top executives and works with the support of Research Department.

Portfolio size of the funds which we founded and for which we have been offering portfolio management service reached 160 million TL by the end of 2013.

Beside our funds, we are the authorized dealer of Türkiye İş Bankası funds. We are the founder and portfolio manager of Type A Resan Private Fund. Additionally, we intermediate in deposits and SWAP transactions of our customers.

<b>Type A Variable</b>	<b>2013</b>
Total Fund Value (k TL)	1.710
Annual Return (%)	-1,37
Fund Index Return (%)	-4,99

<b>Type B Bonds &amp; Bills</b>	<b>2013</b>
Total Fund Value (k TL)	8.856
Annual Return (%)	1,79
Fund Index Return (%)	2,97

<b>Type B Liquid</b>	<b>2013</b>
Total Fund Value (k TL)	64.566
Annual Return (%)	5,14
Fund Index Return (%)	5,03

<b>Type B Variable</b>	<b>2013</b>
Total Fund Value (k TL)	4.226
Annual Return (%)	1,14
Fund Index Return (%)	2,90

<b>Type A Private</b>	<b>2013</b>
Total Fund Value (k TL)	60.972
Annual Return (%)	2,19
Fund Index Return (%)	1,24

<b>Type B Short Term Bonds &amp; Bills</b>	<b>2013</b>
Total Fund Value (k TL)	19.742
Annual Return (%)	4,42
Liquid Fund Index Return (%)	4,34

<b>Investment Financing Investment Funds</b>	<b>Type A Variable</b>	<b>Type B Bonds &amp; Bills</b>	<b>Type B Liquid</b>	<b>Type B Variable</b>	<b>Type B Short Term Bonds &amp; Bills</b>	<b>Type A Private</b>
Total Fund Value (k TL)	1.710	8.856	64.566	4.226	19.742	60.972
Number of Investors	447	138	12.064	29	887	2

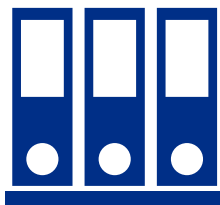
# 2013

## accomplishments



### Contract served at your door via UPS

We have made an agreement with UPS in order to facilitate the job of our branches in accessing the potential customers and, thus, to contribute to the sales force. We have initiated the practice of serving the contracts to our customers via courier. By means of this service, now we reach out to the potential customers at those locations where we do not have a branch.



### All archives in one center

We ensured that our entire archiving system is kept in a single center at international standards and in a safe environment.



### Documents are now in electronic media

We have shifted all the documents into electronic media except the ones which need to be kept in hardcopy according to the legislation. We have contributed not only to paper savings but also to the accelerated business processes.



# 2014

## accomplishment plans

Upon switching to “Central Operation” implementation, which is based on performance of all operational works at a single center, we intend contributing to the marketing and sales force and ensuring facilitated supervision and control.

We aim at making our business processes more effective by centralizing the operations to be performed.

Thus, certain critical operational processes will be handled by expert and focused central units, which should yield efficiency and productivity in the operations.



# Business line with high growth potential

Being one of the most experienced and competent nationwide service providers in corporate financing, our Company provides services in such fields as public offerings, bond and bill supplies and other debt instruments.

We have been a demanded participant in the public offerings since our foundation thanks to our knowledge, expertise and target-oriented professional approach. We both provide funds to the companies through initial and secondary public offerings and intermediate in participation of domestic and foreign private investors in the capital market through the domestic and foreign sales network.

As a company, we have a strong capacity in terms of corporate financing and we are actively involved in the market. With our capability to continue and complete multiple different projects concurrently, we make a difference and distinguish ourselves in the competition that is going on in the corporate financing business line.

It is a fundamental characteristic of our corporate financing strategy to carry out public offerings of small and medium scale enterprises (SMEs), in particular.

### **Emerging Companies Market (ECM)**

The Emerging Companies Market (ECM) which is set up as separate market within ISE in order to create a transparent and regulated environment where the securities to be issued the companies with development and growth potential can be traded for the purpose of funding those companies from the capital markets is standing out as a brand new formation. ISE and investment institutions are exerting intensive efforts to make it active and help it grow.

With the group synergy it will build up in this filed, our company aims at making reliable public offerings to yield the right prices and to guide both the issuer and the investor toward the desirable outcome.

### **Corporations are kept informed about public offerings.**

We offer our full support to the public offerings campaign that was been initiated three years ago in parallel to the growth potential of capital markets in Turkey.

Highlighting once again our pioneering and responsible corporate identity for increased demand in public offerings, we put our signature under the events which will raise awareness & information in this field.

In this context, our company has arranged many meetings and participated in many events in the last three years in order to promote ECM across the country, discuss the benefits of public offering and invite SMEs in ISE.

Besides, we had one-on-one meetings with a number of companies in the densely industrialized cities and informed them comprehensively about the capital markets and the opportunities they provide.

### ***Other fields of services for corporate financing...***

Our company also provides the services of intermediation in shareholder sales, takeover of shares, placing, dividend payout, capital increase of publicly owned companies through rights issues, share buyback, company valuation and capital market consultancy to the companies and shareholders.

#### **Highlights from 2013 realizations in corporate financing:**

- In 2013, we joined the consortia for initial public offerings of Halk Real Estate Investment Trust, Pegasus and Royal Hali and the secondary offering of Emlak Real Estate Investment Trust.
- We were also involved in many bond supply operations in 2013. In the supply of Türkiye İş Bankası bonds issued by İş Investment, ING Bank bonds, Deva, Pakpen, Rönesans Holding, Boyner bonds, and the bonds of Koç Fiat Credit Financing and LBT Wealth Management companies issued by TSKB, we sold these products to our customers and took advantage of the group synergy. Additionally, we were a member in the consortium during bond supply of Net Holding.
- We drew up and delivered corporate valuation reports for two companies one being of public ownership in 2013.

We have strongly advocated that the path to being a better corporate, more transparent and professional, finding the required financing and carrying your company to the feature goes through public offering for those companies which are growing and would like to grow. Further, we have attracted attention to the fact that the number of companies listed on the exchange and the market size in Turkey are smaller than the developed countries and other developing countries.

Corporate financing is a major sphere to expand the Turkish capital markets by using the existing potential through both public offerings and other alternative debt instruments.

# Developments in the research activities

### **Added value from research activities**

From the very first day of our incorporation, we are distinguishing ourselves by “investing in knowledge”. We successfully attain our target for providing correct guidance to our investors with the help of our research activities.

Under the scope of our research activities, we instantly share the significant developments at home and abroad and the news flows regarding the publicly owned companies along with memos. While providing dynamic guidance during the day, we render services with a broader perspective via the reports commenting on macroeconomic data flows and developments, “buy-hold-sell” advices for the companies and enriched products like model portfolio recommendations.

Our team, conducting the research activities, configures a model portfolio consisting of favorite companies and updates its recommendations based on the changing circumstances in time. Consequently, the return of our stocks in our model portfolio we recommend to our investors has overshoot the performance of ISE.

### **At the investor’s service with numerous reports**

Our analysts who carry out the research activities conduct in-depth analyses on their sectors of expertise and on companies and they share their resulting opinions with the investors by means of sector and company reports. They prepare periodic reports for companies, give investment recommendations based on the company valuation and conjuncture and constantly follow up the company performances to update their original recommendations.

### **Reporting Services on Sectors and Stocks**

- Daily bulletin in English language covering the sector, stocks ad macro developments
- Strategy, sector and company reports to guide our domestic and foreign investors in their investments
- Dynamic memos which present an analysis on the company/sector news of the day
- Balance Sheet Analysis Reports presenting an analysis of the quarterly financial performances of companies
- Model Portfolio Reports and model portfolio update reports advertising the portfolio entries/exits to the investors instantly
- Macroeconomic Outlook and Macro Reports giving economic data analyses

With our research activities, we monitor the basic macroeconomic indicators and markets in Turkey and give investment advices on the stock markets and traded stocks.

# SHORT TERM INVESTMENT STRATEGIES



In addition to our Daily, Technical, VIOP and 2nd Session Bulletins, which are prepared on daily basis, we introduce our short term strategies to our customers via the Weekly Bulletin and Radar Istanbul products that we launched in 2013. Every day we follow up our daily stock advices, which are based on technical analyses, and report the performances in the technical bulletin. For VIP customers, we provide “boutique” technical analysis service.

We have installed an interactive communication network within the company by means of the “YF Messaging” application, which was commissioned in 2013. Thus, we can share instant information and technical analysis advices more frequently during the day.

We follow the stock credit guarantee ratios in our system by a model we have generated and update them in the balance sheet periods. We also issue memos which do not include any “buy-sell” advices regarding the companies which are not covered in the scope of research.

We quickly analyze the disclosures from the Public Disclosure Platform (KAP) which are in a nature to influence the stock prices of companies (special cases, capital increases through rights/bonus issues, delisting, important transactions, mandatory tender offers) in accordance with the relevant communiqués of the Capital Markets Board (SPK) and put this information in the form of a memo within the same day.

We draw up foreign transactions, dividends and capital increase reports and the declared profits files periodically.

Our Strategy Department analyzes the constantly changing and evolving dynamic market conditions in the most efficient way and shares the outputs with our customers to provide guidance.

# International Sales and Trading: an innovative approach for Global Investors

Our widespread corporate investor base to which we provide services with a global approach comprises the leading global long term portfolio management companies, hedge funds and prominent funds which are known for their algorithmic trading.

Our marketing mission is to follow any news which could affect the stock strategies in Turkey for corporate fund managers, to provide simultaneous services that are supported by research products based on analysis, and to help our investors create their decision making mechanisms according to the market conditions. We reflect our service understanding into our operations by staying close to our investors via on-site visits and carefully delivering the value added products of our Research Department to the expanding customer base.

Furthermore, our mission in intermediation entails fulfillment of the orders from foreign corporate investors accurately with the best care and speed, development of solutions continuously for proper transmission of orders received through the electronic platform, and responding to the investor requests within the shortest time possible.

Our goals for 2014 include acceleration of our partnership works which began in 2013 upon invitation of Turkish companies to the conference of a corporate investor of ours that is located in Poland, and the secondary offerings of the publicly owned companies, on which we put weight in 2013. Our permanent goal is to add to the number of foreign corporate investors to whom we provide services as well as our trading volume.

# INTERNAL AUDIT AND RISK MANAGEMENT

In a competitive environment which scales up with globalization, the evolving economic and technological conditions have underlined the corporate risk management phenomenon in the companies which target sustainable growth and development.

In the companies adopting the new approach, risk concept is handled as a matter which needs management rather than avoidance; managing the risk in an effective and efficient way makes it possible to both preserve the existing assets and cherish new opportunities.

Developments in the capital markets have escalated the needs and expectations of shareholders, statutory regulators and other beneficiaries and have diverted the risk management efforts into a rapidly changing, evolving and internationally standardized track.

As the first intermediary institution in Turkey, Yatırım Finansman Securities, which reflects the deep rooted corporate culture of Türkiye İş Bankası and TSKB and has remained as a “symbol of trust” in the eye of the investors for ages, adopts an efficient risk management system that complies with the circumstances and requirements of the day.

Yatırım Finansman Securities Board of Directors have formulated the Risk Management Principles and Policies in line with the Consolidated Risk Policies which were identified by Türkiye İş Bankası to set out the principles for structuring and functioning of the risk management function in the Group companies.

In this framework, the applicable risk management system aims at the following:

- Continuous monitoring of the risk-return-capital balance
- Monitor and control the quality and level of operations and modify the same when required
- Establish and apply limits for these purposes, monitor and report the set limits
- Define the necessary decision making and implementation processes

The Risk Management Unit which reports to the Yatırım Finansman Securities Board of Directors for its operations works independently of the executive units for detecting and identifying credit risks, assets-liabilities management risks, market risks and operational risks as well as measuring, analysis, monitoring and reporting of these risks.

An effective internal audit system to comprise internal control and audit activities, has been established at Yatırım Finansman Securities. Under the internal control activities, the aim is to ensure; all of Company's businesses and transactions, including the non-centralized organizational units are conducted regularly, efficiently and effectively according to Company's management strategy and policies and in compliance with the existing laws and Company regulations; the integrity and reliability of the accounting and record keeping mechanism as well as accessibility of the information in the data system in a timely and accurate fashion and preventing and detecting errors, fraud and irregularities following all the principles and procedures in force in the Company organization.

Yatırım Finansman Securities Board of Inspectors, performs audit activities that encompasses all activities and units of the Company, with an emphasis on the operation of internal control system, for compliance with regulations and corporate policies based on the needs of the management independent of Company's day to day operations.

In this framework, the Board;

- fulfills the audit/assurance function that encompasses obtaining and reporting the evidence and findings through the systematic audit process that enable evaluations to be made on the company operations,
- contributes to the processes from design to realization of the projects for fulfillment of the advisory function in line with the international standards of internal audit.

# HUMAN RESOURCES and CORPORATE COMMUNICATION

## **INVESTMENT IN HUMAN and DEVELOPMENT**

As Yatırım Finansman Securities, we focused on our human resources, i.e. our most essential capital, again in 2013 in order to continue our pioneering role in the sector and to achieve our vision.

We hired 38 more colleagues joining our professional staff and we concentrated on growth with the aim of providing better services to our customers.

We have worked to guide investments and to offer better services to our customers with our team of 155 people as of the end of 2013. In our Company, 52% of the employees are female and 48% are male; 17.11% of all the employees are graduates and 73.03% are undergraduates.

## **TRAINING and DEVELOPMENT**

With the aim of contributing to the managerial competences of our management staff, we continued arranging the Efficient Human Management training sessions and post-training follow-up meetings in 2013.

To further improve our customer-oriented corporate culture; in the scope of our development project for the sales team, we have successfully completed,

- The Professional Sales Techniques Training sessions
- Effective Sales Presentations Training sessions
- Practical On-site Sales Works

and we have implemented the Sales Performance Coaching training sessions for our managers who direct the sales force. Furthermore, we have created favorable learning environments for the participants to actually implement their learning via our individual coaching programs.

We held about 30 man/hours of training per person in 2013 to develop the competencies of our expert staff along with the participation of our IT team as a part of our investment in technology. We are aiming at being one of the best brokerage house in Turkey where people would like to work. In this parallel, we are trying to create a dynamic and enjoyable working environment with the New Year parties, prize photography contests and various activities conducted for promoting the commitment and motivation of employees.



## **REMUNERATION and FRINGE BENEFITS**

At Yatırım Finansman Securities, pay rises are given once a year with consideration to the sector averages and inflation rate in the framework of job evaluation studies, contribution of employees to the Company objectives and their performances.

In 2013, we implemented the branch bonus system to reward the added value created by our branch employees and to support our business outcomes. We pay 12 wages a year and distribute meal cards to our employees. Additionally, we offer optional group health insurance package to the employees and their family members if they wish. We also have fringe benefits such as cars, phones depending on the position, location or title.

We are planning to have implemented our project for Skills Management and Development Planning, which we initiated in the last quarter of 2013, by 2014





**We attained our  
“Zero Carbon”  
target of leaving behind a  
healthier and more  
sustainable environment  
for future generations.**



**YATIRIM  
FINANSMAN  
SECURITIES**

*investment in happiness*

## CULTURE THAT APPRECIATES COMMUNICATION

### **CORPORATE COMMUNICATION**

As Yatirim Finansman Securities, we focused on the brand and product identity related works, ensuring efficient information transfer to our in-house and external target audience and social responsibility projects in the scope of our communication strategies for the Company's internal and external operations in 2013. In the framework of our "Investment in Happiness" philosophy, we have renewed our corporate identity and all our branches to accord with the Company identity as of January 2013.

In 2013, we improved our activity on digital media in order to disseminate the information that we produce concerning the capital market to our investors and customers in a faster and more extensive way.

### **SOCIAL RESPONSIBILITY**

We continued in 2013 our efforts to be a carbon-neutral organization, which had been initiated in 2012, and we became the first brokerage house to zero its carbon footprint. We launched our Facebook "Carbonmeter" application within the scope of the efforts we have been carrying out with the awareness of investing in our own future and nature. By "Carbonmeter", we aimed at raising awareness with not only the customers and investors but also all the circles with environmental sensibility and attract attention to the factors increasing carbon emission. Using our Carbonmeter application, we asked individuals questions about daily routines. We made sure that they estimate the amount of carbon they consume in a year and compare the results with the work averages.

In 2014, we will keep working for reducing the carbon footprint as a Company in the scope of our social responsibility.

### **EVENTS MANAGEMENT**

In 2013, we organized events in several locations across Turkey in order to convey our predictions concerning the capital markets, to raise awareness on Financial Literacy and to inform investors about both macroeconomic expectations and markets.

### **YATIRIM FINANSMAN SECURITIES ON SOCIAL MEDIA**

As a company, we believe in the power of digital communication which is gradually gaining more importance around the world.

We attach great importance to sharing information with our customers via Internet in a timely and accurate way.

The reports formulated by our Strategy and Research Departments are conveyed to our followers in a timely and proper manner via social media. We promptly communicate the instant company news, market figures, critical information and reports.



### Facebook

We communicate the sector developments, news and events through a Facebook account. We continue the years long support we have been providing to our customers on this media, as well, and we take into consideration their questions, recommendations and critics.



### Twitter

We communicate up-to-date information and announcements regarding our products and services to our followers through our Twitter account.



### LinkedIn

Through our LinkedIn account, we enhance and expand our network of available people and we access the best candidates, sector experts and business partners with links.



**We keep informing our  
followers about our company  
and sector through our  
Social Media network.**



**YATIRIM  
FINANSMAN  
SECURITIES**

*Investment in happiness*

# DISTRIBUTION CHANNELS

As the very first intermediary of Turkey, we have quite a wide network of investors with our well established, reliable and customer-oriented service understanding.

We also try to offer new products complemented with our information, experience and reliability to our investors who would like to appreciate their assets by domestic and foreign capital market instruments. We extend alternative services to our customers to be used either in our branches or on Internet or via applications.

For our medium and small scale customers, we particularly render services online, through mobile applications and via telephone branch.

## **Trading Platforms**

### **YFTRADE**

#### **Exchange excitement in Yatirim Finansman Securities...**

##### PRIVATE TRADING ROOMS

You can follow the market in the pleasant atmosphere of our private trading rooms located in our branches, on your private computer and data terminal; you can immediately forward your trading orders to the exchange by yourself through YFTRADE trading platforms.

##### RELIABLE AND QUICK TRADING

With YFTRADE, which can be installed on portable or desktop computers, you can trade reliably, directly and quickly.

At home, in the office, on vacation, in the airport, that is in any place with Internet connectivity, you can do your transactions reliably and quickly by using YFTRADE.

##### ADVANTAGES OF YFTRADE

- Ability to trade in any place with Internet connectivity
- Direct trading without agents
- Ability to send direct orders to ISE in a fast and reliable fashion
- A single key to trade
- Ability to trade on a single program for all your accounts

##### POSSIBLE TRANSACTIONS ON YFTRADE:

- Access your portfolio details
- Immediate trading of warrants and stocks
- Short selling
- Disinvestment transactions
- Make transactions on the same display for your other accounts (joint accounts, proxy accounts) connected with your specific account
- A single key to trade

For better,  
more  
efficient  
and faster  
service...

**We've led the  
investments  
into gains.**

**BRANCHES AND  
DOMESTIC SALES**

**YF.COM.TR**

**YFTRADEFX**

**YFTRADE**

**YFTRADEMOBILE**

**YFTRADEINT**

**TELEPHONE  
BRANCH  
4441144**



**YATIRIM  
FİNANSMAN  
SECURITIES**

*Investment in happiness*

# DISTRIBUTION CHANNELS

## YFTRADEMOBILE

### Carry your portfolio in your pocket!

With our YFTRADEMOBILE application, customers take advantage of fast, secure and easy trading on new generation smart devices.

By using this application on iPhone, iPad, Blackberry or Android-based smart devices, you can;

- Instantly access your portfolio
- Trade in a fast, secure and easy fashion (Stocks, Warrants, VIOP trading)
- Closely follow the markets, make analyses
- Access market news immediately
- Study charts of the investment instruments you are interested in
- Access statistical data like the instruments with the highest rise and drop
- Enter "Reminders" on the system to create your own warning system.

## YFTRADEINT

### Secure, fast and direct trading of foreign derivatives

YFTRADEINT is a platform designed to enable the users to access market information regarding the foreign derivatives and to trade in any place with Internet access in a secure, fast and direct fashion.

#### ADVANTAGES OF YFTRADEINT PLATFORM:

- Turkish language support on dealing platform
- Global exchanges are accessible on 5/24 basis
- Easy access to portfolio details
- Immediate trading on futures markets
- Immediate liquidation feature
- Future strategy orders
- A single key to trade
- A single key to halt, withdraw, cancel orders

## YFTRADEFX

### Forex market at your fingertips...

With YFTRADEFX, we grant our customers the advantage of trading on forex market through Internet on their own computers.

Designed to ensure secure, direct and fast trading, this special trading platform of our company offers the customers great convenience.

#### ADVANTAGES IN FOREX TRADING

- Electronic order transmission without a dealing desk
- Trading on 5 days 24 hours basis
- Free of charge account opening with no lower limit
- Order transmission via iPhone, iPad and Android based smart devices
- Advantageous and competitive spread ratios with the spread groups based on trading volume
- Tailor-made leverage ratios specific to the investor with maximum 100:1 leverage ratio
- Ability to trade in Micro Lots
- The most preferred dealing platform MetaTrader4
- Account opening and trading on the same day
- Online live support
- Spot gold and silver trading

# Our experts at your service!

## **Branches and Domestic Sales Department**

We are present at 15 different locations in 9 provinces. Via UPS, we reach out to our customers based in the cities where we do not have a Branch; we create several media and service alternatives for efficient, dynamic, easy and quick trading.



## **Web Site (YF.COM.TR)**

We offer our users the chance to benefit from supplementary aids and sources on our online branch that includes detailed, up-to-date, diversified data in the field of financing.



## **Marketing Department**

Our Marketing Department carries out new customer acquisition activities in line with the overall company strategies.

## **Telephone Branch (444 11 44)**

We forward the customer trading orders to ISE by virtue of our experts in the telephone branch.

## **Wherever you are, Yatırım Finansman Securities is there for you!**

Upon the agreement we have concluded with UPS, we could grant the chance of opening an account by no more than a phone call for those who live in a city with no Yatırım Finansman Securities branch but would like to be a customer. Our customers have grabbed the chance of creating an account at any place and at any time no matter in what place of Turkey they are located.



**Wherever you are, we'll be  
there at light speed.  
We can open accounts  
immediately for our  
potential customers who  
are located in places where  
we don't have a branch.**



**YATIRIM  
FINANSMAN  
SECURITIES**

*investment in happiness*



# CONTACTS

**Tradename:** Yatırım Finansman Securities

**Trade Registration Number:** 142163

**Website:** YF.COM.TR

**Address of General Directorate:** Nispetiye Cad. Akmerkez E3 Blok Kat: 4 Etiler-Beşiktaş / İSTANBUL

**Phone Number of General Directorate:** 0 212 317 69 00

## Adana Branch

Address: Cevat Yurdakul Cad. Sular Plaza No: 65 ADANA

Tel: (322) 458 77 55

Fax: (322) 458 84 83

## Ankara - Kızılay Branch

Address: Atatürk Bulvarı Celal Bayar İş Merkezi  
No: 211 - 23 Kat: 8 Kavaklıdere/ANKARA

Tel: (312) 417 30 46

Fax: (312) 417 30 52

## Ankara - Çankaya Branch

Address: Çankaya Cad. No: 8/7 Çankaya/ANKARA

Tel: (312) 438 14 37

Fax: (312) 438 45 35

## Antalya Branch

Address: Yeşilbahçe Mah. Metin Kasapoğlu Cad.  
Yorgancıoğlu Sitesi A Blok No: 27/4 Muratpaşa / ANTALYA

Tel: (242) 243 02 01

Fax: (242) 243 32 20

## Bursa Branch

Address: Atatürk Cad. İskender İş Merkezi No: 43 Kat: 5  
BURSA

Tel: (224) 224 47 47

Fax: (224) 225 61 25

## İstanbul - Ataşehir Branch

Address: Barbaros Mahallesi Sütçüyolu Cad. No: 72  
Tosyalı Holding Plaza Ataşehir/İSTANBUL

Tel: (216) 386 74 00

Fax: (216) 386 74 05

## İstanbul - Bakırköy Branch

Address: İstanbul Caddesi No: 47 Kat: 4/5  
Bakırköy/İSTANBUL

Tel: (212) 543 05 04

Fax: (212) 543 28 66

## İstanbul - Çiftelavuzlar Branch

Address: Bağdat Cad. No: 269 Şimşek Sok. Güngören  
Apt. No: 2 Kat: 1 D: 2 Caddebostan-Kadıköy/İSTANBUL

Tel: (216) 302 88 00

Fax: (216) 302 86 10

## İstanbul - Fındıklı Branch

Address: Meclis-i Mebusan Cad. 81 Fındıklı 34427 İstanbul

Tel: (212) 334 98 00

Fax: (212) 334 98 01

## İstanbul - Main Branch

Address: Adnan Saygun Cad. Uydu Sok. No: 2 Kat: 1 D: 1  
Saray Apt. Ulus-Beşiktaş/İSTANBUL

Tel: (212) 263 00 24

Fax: (212) 263 89 24

## İzmir Branch

Address: Cumhuriyet Bulvarı No: 99 Kat: 3 Kordon/İZMİR

Tel: (232) 441 80 72

Fax: (232) 441 80 94

## İzmit Branch

Address: Ömerağa Mah. Hürriyet Cad. Es Oray Apt.  
No: 113 Kat: 2 D: 6 İZMİR

Tel: (262) 325 40 30

Fax: (262) 325 90 67

## Konya Branch

Address: Feritpaşa Mah. Kule Cad. No: 2 Kat: 13  
Selçuklu/KONYA

Tel: (332) 237 76 77

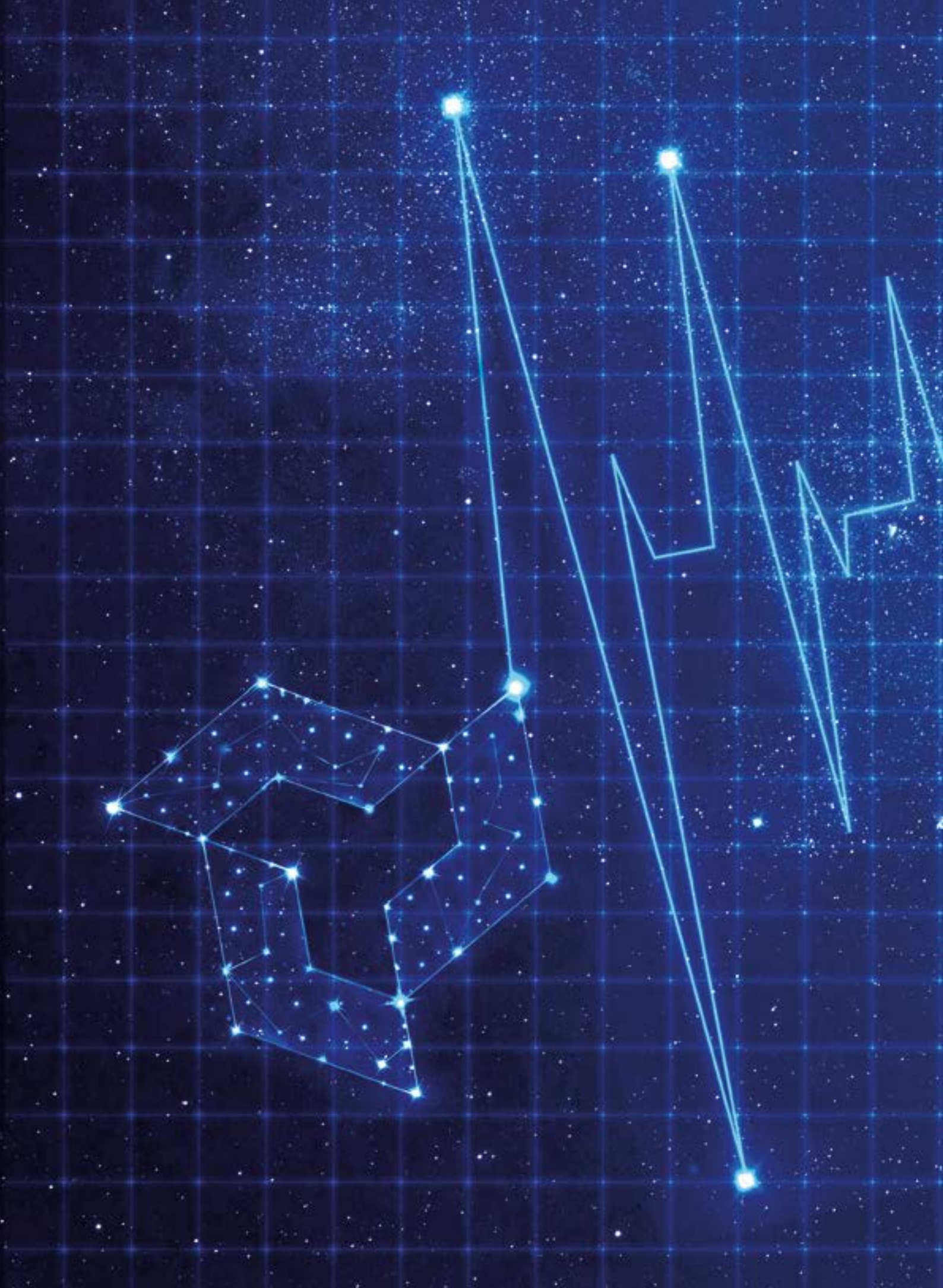
Fax: (332) 237 37 65

## Samsun Branch

Address: Kale Mahallesi Atatürk Bulvarı Çenesizler Han  
No: 584 55030 İlkadım/SAMSUN

Tel: (362) 431 46 71

Fax: (362) 431 46 70



The background is a dark blue field filled with numerous small white stars. A light blue grid is overlaid on the entire scene. A white line graph with several data points is positioned in the upper left quadrant. The text 'FINANCIAL INFORMATION' is written in a bold, white, sans-serif font, tilted upwards from left to right, and is centered in the right half of the image.

**FINANCIAL  
INFORMATION**

# INDEPENDENT AUDITORS' REPORT

## **To the Board of Directors of Yatırım Finansman Menkul Değerler Anonim Şirketi,**

We have inspected the summaries and footnotes of the consolidated statement of financial position issued on 31 December 2013, the consolidated profit-loss statement and other comprehensive income statement, the consolidated statement of changes in equity, the consolidated cash flow statement pertaining to the year ending on the given date as well as important accounting policies, all of which belong to Yatırım Finansman Menkul Değerler Anonim Şirketi ("the Company") and affiliates thereof (collectively "the Group") and are attached hereto.

## **Responsibility of the Company Management as to Financial Statements**

The company management is responsible for issuing the financial statements pursuant to the Turkish Accounting Standards ("TMS") published by the Public Oversight Accounting and Auditing Standards Authority ("KGG") and for presenting the same in consistence with the reality and for the internal controls required by the management to ensure that the financial tables are prepared without any major inaccuracies in the content due to irregularities or errors.

## **Responsibility of the Independent Audit Body**

Our responsibility is to give our comments on the aforementioned financial statements based on the independent audit we have made. Our independent audit has been conducted in compliance with the independent audit standards published by the Capital Markets Board. Those standards require that the ethical principles are observed and that the independent audit is planned and conducted in a way to provide reasonable assurance as to whether the financial statements are reflecting the reality truly and fairly.

Our independent audit includes use of independent audit techniques for the purpose of collecting independent audit evidences regarding the amounts and footnotes in the financial statements. The independent audit techniques have been selected on the basis of our professional judgment to cover a risk assessment as to whether the financial statements include any material misstatement with consideration to the fact that they stem from errors and/or fraud and irregularity. The risk assessment considers the internal auditing system of the entity. However, our intention is not to comment on efficiency of the internal audit system but to reveal the relationship between the financial statements issued by entity's management and the internal audit system so that the independent audit techniques could be designed according to the circumstances. Our internal audit also includes compliance assessment regarding integral presentation of the essential accounting estimations made and of the financial statements as well as the accounting policies adopted by the entity's management.

We believe that the audit evidences we have collected during the independent audit are sufficient and appropriate to provide a basis for our opinion.

## **Opinion**

We are of the opinion that the financial statements attached hereto demonstrate the consolidated financial position of Yatırım Finansman Menkul Değerler Anonim Şirketi and affiliates thereof as of 31 December 2013 as well as the consolidated financial performance and consolidated cash flows of the same for the year ending on the given date truly and fairly under TMS (Note 2).

## **Report on the Obligations of Independent Auditors Imposed by Other Relevant Legislation**

As per Article 402 of the Turkish Code of Commerce ("TTK") no. 6102, Board of Directors of the Company has provided us with the required clarifications in the scope of audit; furthermore, no major issues have been found out to infer that the book keeping system of the Company throughout the period ending on 31 December 2013 does not comply with TTK and the provisions in the Company's articles of association regarding financial reporting.

Istanbul, 4 February 2014

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ



Orhan Akova, CPA  
Responsible Partner, Chief  
Auditor

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# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

		<b>Audited</b>	<b>Audited</b>
	<i>Notes</i>	<b>31 December 2013</b>	<b>31 December 2012</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>		<b>709,840,083</b>	<b>545,223,511</b>
Cash and cash equivalents	3	386,116,967	380,931,703
Financial investments	4	19,499,337	17,055,000
Trade receivables	7	303,658,217	143,947,154
- Trade receivables from related parties	22	155,833	178,783
- Other trade receivables		303,502,384	143,768,371
Other receivables	8	245,918	169,648
Current tax assets	20	-	2,997,498
Other current assets	13	319,644	122,508
<b>NON-CURRENT ASSETS</b>		<b>24,127,528</b>	<b>13,089,801</b>
Financial investments	4	16,026,801	10,243,810
Tangible assets	9	3,633,847	1,502,360
Intangible assets	10	608,552	412,225
Deferred tax assets	20	3,858,328	931,406
<b>TOTAL ASSETS</b>			<b>24,127,528</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>		<b>659,464,836</b>	<b>488,706,502</b>
Financial liabilities	5	381,695,212	368,809,917
- Bank borrowings (from related parties)	22	60,014,700	-
- Bank borrowings (from third parties)		74,260,530	120,818,789
- Payables to Stock Exchange Money Market		247,419,982	247,991,128
Derivative liabilities	6	17,073,112	167,928
Trade payables	7	256,936,214	117,264,490
Other payables	8	1,465,951	1,070,146
Current tax liabilities	20	130,897	6,644
Employee benefits	12	1,352,958	1,199,182
Other current liabilities	13	810,492	188,195
<b>NON-CURRENT LIABILITIES</b>		<b>1,307,537</b>	<b>1,436,180</b>
Employee benefits	12	1,307,537	1,436,177
Other non-current liabilities	13	--	3
<b>EQUITY</b>		<b>73,195,238</b>	<b>68,170,630</b>
<b>Equity owned by Parent Company</b>		<b>73,181,915</b>	<b>68,158,547</b>
Paid-in capital	14	61,000,000	61,000,000
Inflation adjustment to share capital		3,795	3,795
Accumulated other comprehensive income that will never be reclassified to profit or loss			
-Other gains/(losses)		(197,717)	--
Accumulated other comprehensive income that are or may be reclassified to profit or loss			
-Fair value reserves	14	3,120,926	822,374
Restricted reserves	14	2,243,715	2,243,715
Retained earnings	14	4,088,663	1,238,783
Profit for the year		2,922,533	2,849,880
<b>Non-controlling interest</b>		<b>13,323</b>	<b>12,083</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>733,967,611</b>	<b>558,313,312</b>

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

**YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013**

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

		<b>Audited</b>	<b>Audited</b>
	Notes	<b>1 January - 31 December 2013</b>	<b>1 January - 31 December 2012</b>
<b>CONTINUING OPERATIONS</b>			
Sales revenue	15	<b>2,032,910,106</b>	<b>2,163,345,409</b>
Cost of sales	16	(2,006,654,494)	(2,143,784,374)
<b>GROSS PROFIT</b>		26,255,612	19,561,035
Selling and marketing expenses	17	(2,574,670)	(2,059,551)
General administrative expenses	17	(30,146,580)	(25,550,861)
Other operating income (from operating activities)	18	1,998,626	1,250,837
Other operating expenses (from operating activities)	18	(14,350)	(136)
<b>RESULT FROM OPERATING ACTIVITIES</b>		<b>(4,481,362)</b>	<b>(6,798,676)</b>
Finance income from other than operating activities (from investing activities)	19	72,499,608	63,727,559
Finance costs from other than operating activities (from investing activities)	19	(64,885,038)	(53,669,754)
<b>PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS</b>		<b>3,133,208</b>	<b>3,259,129</b>
<b>Tax expense from continuing operations</b>			
- Current income tax expense	20	(3,168,656)	(6,644)
- Deferred tax income/(expense)	20	2,959,221	(401,542)
<b>TAX EXPENSE</b>		<b>(209,435)</b>	<b>(408,186)</b>
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>2,923,773</b>	<b>2,850,943</b>
<b>DISCONTINUED OPERATIONS</b>			
Profit for the period from discontinued operations		-	-
<b>PROFIT FOR THE PERIOD</b>		<b>2,923,773</b>	<b>2,850,943</b>
<b>Other comprehensive income:</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Remeasurement of reserve for employee benefits		(247,147)	-
Deferred tax benefit/charge for items never be reclassified to profit or loss		49,430	-
<b>Items that are or may be reclassified to profit or loss</b>			
Net change in fair value reserve of financial assets		2,380,281	458,682
Income tax (expense)/ income on other comprehensive income		(81,729)	(200,757)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX</b>		<b>2,100,835</b>	<b>257,925</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>5,024,608</b>	<b>3,108,868</b>
<b>Total profit for the period attributable to:</b>			
Equity holders of the parent		2,922,533	2,849,880
Non controlling interest		1,240	1,063
<b>Profit for the period</b>		<b>2,923,773</b>	<b>2,850,943</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		5,023,368	3,107,805
<b>Non controlling interest</b>		<b>1,240</b>	<b>1,063</b>
<b>Total comprehensive income</b>		<b>5,024,608</b>	<b>3,108,868</b>

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

# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

				Items that will never be reclassified to profit or loss
	Notes	Paid-in capital	Adjustment to share capital	Other gains/ losses
<b>Balances at 1 January 2012</b>		53,500,000	3,795	--
<b>Total comprehensive income</b>				
Profit for the period		--	--	--
- Other comprehensive income				
Net change in fair value of available-for-sale financial investments		--	--	--
<b>Total comprehensive income</b>		--	--	--
<b>Transactions with owners, recognised directly in equity</b>				
Transfer to retained earnings		--	--	--
Transfer to legal reserves		--	--	--
Share capital increase	14	7,500,000	--	--
<b>Balances at 31 December 2012</b>		61,000,000	3,795	--
<b>Balances at 1 January 2013</b>		61,000,000	3,795	--
<b>Total comprehensive income</b>				
Profit for the period		--	--	--
- Other comprehensive income				
Net change in fair value of available-for-sale financial investments		--	--	--
Remeasurement of reserve for employee benefits' gain/(loss)		--	--	(197,717)
<b>Total comprehensive income</b>		--	--	(197,717)
<b>Transactions with owners, recognised directly in equity</b>				
Transfer to retained earnings		--	--	--
<b>Balances at 31 December 2013</b>		61,000,000	3,795	(197,717)



### Attributable to equity holders of the parent

	Items that are or may be reclassified to profit or loss	Restricted reserve		Retained earnings		Total equity owned by parent company	Non-controlling interest	Total
		Legal reserves	Special reserves	Retained earnings	Profit for the year			
	Fair value reserve							
	564,449	1,802,802	804	3,204,557	5,974,335	65,050,742	11,020	65,061,762
	--	--	--	--	2,849,880	2,849,880	1,063	2,850,943
	257,925	--	--	--	--	257,925	--	257,925
	<b>257,925</b>	--	--	--	<b>2,849,880</b>	<b>3,107,805</b>	<b>1,063</b>	<b>3,108,868</b>
	--	--	--	5,974,335	(5,974,335)	--	--	--
	--	440,109	--	(440,109)	--	--	--	--
	--	--	--	(7,500,000)	--	--	--	--
	<b>822,374</b>	<b>2,242,911</b>	<b>804</b>	<b>1,238,783</b>	<b>2,849,880</b>	<b>68,158,547</b>	<b>12,083</b>	<b>68,170,630</b>
	<b>822,374</b>	<b>2,242,911</b>	<b>804</b>	<b>1,238,783</b>	<b>2,849,880</b>	<b>68,158,547</b>	<b>12,083</b>	<b>68,170,630</b>
	--	--	--	--	2,922,533	2,922,533	1,240	2,923,773
	2,298,552	--	--	--	--	2,298,552	--	2,298,552
	--	--	--	--	--	(197,717)	--	(197,717)
	<b>2,298,552</b>	--	--	--	<b>2,922,533</b>	<b>5,023,368</b>	<b>1,240</b>	<b>5,024,608</b>
	--	--	--	2,849,880	(2,849,880)	--	--	--
	<b>3,120,926</b>	<b>2,242,911</b>	<b>804</b>	<b>4,088,663</b>	<b>2,922,533</b>	<b>73,181,915</b>	<b>13,323</b>	<b>73,195,238</b>

# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

	Notes	Audited 1 January - 31 December 2013	Audited 1 January - 31 December 2012
<b>Cash flows provided from operating activities</b>			
<b>Profit for the period</b>		<b>2,923,773</b>	<b>2,850,943</b>
<b>Adjustments for:</b>			
Depreciation	9	711,941	400,905
Amortisation	10	138,025	109,334
Adjustments related to provisions			
- Provision for severance pay liability	12	230,592	432,818
- Provision for vacation pay liability	12	215,687	150,060
- Bonus provision	12	715,656	648,444
Adjustments related to financing income and expense	15	(5,231,989)	(3,258,744)
- Interest received from loan customers		(23,185,853)	(63,727,559)
- Finance income from other operating activities (excluding foreign exchange gains)		64,885,038	30,729,583
- Finance costs from other operating activities (excluding foreign exchange losses)		(11,616,350)	(210,922)
Unrealised foreign exchange (gains)/losses			
Adjustments related to tax expense			
- Income tax expense	20	3,168,656	6,644
- Deferred tax (income)/expense	20	(2,959,221)	401,542
<b>Cash generated from (used in) operating activities before changes in equity</b>		<b>29,995,955</b>	<b>(31,466,952)</b>
Change in financial assets except for held-to-maturity		(5,296,653)	(6,874,943)
Change in trade receivables		(154,569,795)	30,645,602
Change in other assets and other receivables		(290,847)	(27,506)
Change in trade payables		138,523,447	(45,672,486)
Change in customer assets in cash and cash equivalents	3	(4,015,354)	(16,914)
Change in other liabilities and other payables		1,018,099	(109,164)
Net cash outflow from derivative transactions		(20,885,151)	36,619,910
Taxes paid		(46,905)	(1,337,085)
Payment of bonus premium		(648,444)	(625,000)
Payment of severance pay liability	12	(606,379)	(373,394)
Payment of vacation pay liability	12	(129,123)	(235,152)
<b>Net cash used in operating activities</b>		<b>(16,951,150)</b>	<b>(19,473,084)</b>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets	9	(2,843,428)	(1,020,134)
Proceeds from the sale of tangible fixed assets		17,441	19,942
Acquisitions of intangible assets	10	(334,352)	(118,205)
Interest and similar income received		22,027,379	24,939,990
Dividend received	19	608,080	683,235
<b>Net cash provided from investment activities</b>		<b>19,475,120</b>	<b>24,504,828</b>
<b>Cash flows from financing activities</b>			
Financial liabilities, net		11,407,039	49,456,394
Commission paid		(857,351)	(1,020,237)
Interest and similar expenses paid		(24,759,096)	(28,863,035)
<b>Net cash flows (used in)/provided from financing activities</b>		<b>(14,209,408)</b>	<b>19,573,122</b>
<b>Net change in cash and cash equivalents</b>		<b>(11,685,438)</b>	<b>24,604,866</b>
Effect of change in exchange rate fluctuations on cash and cash equivalents		13,652,772	254,471
Cash and cash equivalents at the beginning of the period	3	376,299,001	351,439,664
<b>Cash and cash equivalents at the end of the period</b>	3	<b>378,266,335</b>	<b>376,299,001</b>

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

# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

## 1. ORGANISATION AND OPERATIONS OF THE GROUP

Yatırım Finansman Menkul Değerler Anonim Şirketi (the "Company") operates in Turkey and the address of the registered head office is Nispetiye Caddesi Akmerkez Floor E 3-4, Etiler/İstanbul. The Company started its operations on 25 October 1976. Türkiye Sınai Kalkınma Bankası Anonim Şirketi ("TSKB") owns 95,78% of the Company's shares and it has been operating under Türkiye İş Bankası Anonim Şirketi Group.

The Company's shares are not traded in the Istanbul Stock Exchange.

The Company performs capital market activities in accordance with the Articles of Association and Capital Markets Law numbered 2499. The purpose of the Company is to perform capital market activities in accordance with the Articles of Association and Capital Markets Law numbered 2499. In this respect, the Company performs the following services for its clients; brokerage activities of the capital market instruments that were offered to the public before or sales to investors of the initially offered capital markets instruments and the trading of such securities during public offering, trading of marketable securities with repurchase or sale commitments, portfolio management, investment advisory, margin trading short-selling, borrowing-lending and acting as an intermediary and custodian for the purchase and sale of derivative instruments.

### The Company has the following certificates of authorisation from Capital Market Boards of Turkey ("CMB"):

- Intermediation for public offering
- Intermediation for trading in securities
- Portfolio management
- Investment advisory
- Certificate for purchase and sales of derivative transactions
- Repurchase agreements and reverse repo
- Leveraged trading transactions

As per the Board of Directories' resolution no. 1494 dated on 18 March 2011, the Company participates in the establishment of Sürdürülebilir Danışmanlık Anonim Şirketi (the "Subsidiary") with a paid in capital

of TL 230,400 representing 96% of all subsidiary's shares. The Subsidiary was registered at Turkey Trade Registry with a capital of TL 240,000 for operating in evaluation of energy projects, sustainable environment management, environmental analyses and started its operations on 1 April 2011.

The Company and the Subsidiary are together referred to as "the Group" herein and after. As at 31 December 2013, the Group operates with 14 branches and 1 agency

(31 December 2012: 13 branches and 1 agency). As at 31 December 2013, the Group has 157 employees (31 December 2012: 147).

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

### 2.1. Basis of presentation

#### 2.1.1. Statement of compliance

The accompanying financial statements are prepared in accordance with the Communiqué Serial II, No: 14.1, "Basis for Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards ("TAS") which is published by Public Oversight Accounting and Auditing Standards Authority ("POA"). TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

As per the 17 March 2005 dated resolution of the CMB, it was decided that the application of inflation accounting is no longer required for the companies operating in Turkey and preparing the financial statements in accordance with the CMB Accounting Standards beginning from 1 January 2005. Therefore, starting from 1 January 2005, TAS 29: "Financial Reporting in Hyperinflationary Economies", has not been applied in the financial statements.

### Approval of consolidated financial statements

The consolidated financial statements were approved by the Company management for the presentation to the Board of Directors on 4 February 2014.

# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

The power to change the consolidated financial statements after the issuing of the consolidated financial statements is held by the General Assembly and the related governmental institutions.

## 2.1.2. The preparation of consolidated financial statements

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments at fair value through profit and loss, derivative financial instruments and available-for-sale financial assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

## 2.1.3. Functional and presentation currency

The accompanying consolidated financial statements are presented in the Group's functional and presentation currency, which is Turkish Lira ("TL"), in full unless otherwise stated.

## 2.1.4. Comparative information

The accompanying consolidated financial statements are presented comparatively to determine the tendency in the financial position, performance and cash flows of the Group. If the presentation and reclassification of the consolidated financial statement items change, the prior year financial statements are reclassified accordingly to conform to the current year's presentation and the restatement is explained in the notes.

## 2.2. Changes in accounting policies, estimates and errors

The material changes in accounting policies are applied on a retrospective basis and the comparative financial statements have been restated where applicable. The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013:

- TFRS 13 Fair value measurement (see note (i))
- TAS 1 Presentation of financial statements (Amendments) (see note (ii))
- TAS 19 Employee benefits (2011) (see note (iii))

The nature and effects of the changes are explained below.

### (i) Fair value measurement

TFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other TFRSs.

It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other TFRSs, including TFRS 7 Financial Instruments: Disclosures.

In accordance with the transitional provisions of TFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Company's assets and liabilities.

### (ii) Presentation of items of other comprehensive income

As a result of the amendments to TAS 1, the Company has modified the presentation of items of other comprehensive income in its statement of profit or loss and other comprehensive income, to present separately items that would be reclassified to profit or loss from those that would never be. Comparative information has been re-presented accordingly.

The amendments to TAS 1 had no significant impact on the total profit or loss and other comprehensive income and assets and liabilities.

### (iii) Employee benefits

As a result of the amendments to TAS 19 (2011), all actuarial gains and losses are recognised in other comprehensive income.

Prior to these amendments, all actuarial gains and losses had been recognised in profit or loss. As the change in accounting policy does not have

# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

a significant impact on the comparative financial statements for the year ended 31 December 2012, they have not been restated.

## **2.3. Changes in accounting policies, estimates and errors**

The preparation of the consolidated financial statements in conformity with accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## **The significant estimates and judgments used by the Group are included in the following notes:**

Note 4 – Financial investments

Note 6 – Derivative liabilities

## **Fair value measurement**

The Group's accounting policies and disclosures of financial and non-financial assets and liabilities measured at fair value requires.

Fair value, according to valuation techniques used is classified into the following levels:

Level 1: Registered (unadjusted) prices of identical assets or liabilities in active markets;

Level 2: Data which can be observed by directly (through prices) or indirectly (derived from prices) and which excludes the registered prices described in Level 1;

Level 3: Data that is not based on observable market data related to assets and liabilities (non-observable data).

Classification requires the utilisation of observable market data, if available.

## **Fair value measurements that use the notes are as follows:**

Note 3 – Cash and cash equivalents

Note 4 – Financial investments

Note 6 – Derivative liabilities

## **2.4. New standards and interpretations not yet adopted as at 31 December 2013**

### **2.4.1. Standards, amendments and interpretations to existing standards effective in 2013**

The Group applied all of the relevant and required standards promulgated by POA and the interpretations of POA as at 31 December 2013.

### **2.4.2. New standards and interpretations not yet adopted as at 31 December 2013**

As at 31 December 2013, there are new standards, amendments and interpretations which are not yet effective and are not early adopted by the Group in preparing the accompanying consolidated financial statements. Except for the below mentioned standards and interpretations, these new standards and interpretations do not cause significant effect on the accompanying consolidated financial statements.

TFRS 9, "Financial instruments", published as part of a broad project to replace TAS 39 "Financial Instruments: Recognition and measurement", deals with classification and measurement of financial assets. Per TFRS 9, the first phase of this project, aims to provide useful and relevant information to provide the parties using of the financial statements to make their own assessment about the uncertainty, terms and amount of the future cash flows of businesses by forming the principles related to reporting financial assets. TFRS 9 contains two primary measurement categories for financial assets: financials assets at amortised cost and financial assets at fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows that are solely the payments of principal and interest on principal outstanding. All other financial assets would be measured at fair value. It is noticed that the applications in TAS 39 for the hedge accounting and impairment of the financials assets will be retained.

TFRS 9 Financial Instruments could change the classification and measurement of financial assets and becomes effective for annual periods beginning on or after 1 January 2015.

# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

## 2.5. Summary of significant accounting policies

The significant accounting policies used in preparing the consolidated financial statements are described below.

### 2.5.1. Basis of consolidation

#### **Subsidiaries**

Subsidiaries are entities controlled by the Company that has control authority on the transaction of those entities directly or indirectly. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The net asset of the consolidated subsidiary attributable to the non controlling interests is determined separately from those attributable to parent company. Each component of the profit or loss and comprehensive income are allocated to parent company and non controlling interests. Losses are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The accounting policies of subsidiary have been changed when necessary to align them with the policies adopted by the Company.

#### **Transactions eliminated on consolidation**

The statement of financial position and comprehensive income of the company included to the consolidation are consolidated based on the "full consolidation method" and the investment recognised in the company's assets has been netted off with its interest in equity of the subsidiary. The interests in the net assets of the subsidiary, that are not attributable to the parent company directly or indirectly, are classified as "non controlling interest" in the consolidated statement of financial position. Similarly, the net income or loss for the period, that is not attributable to the parent company directly or indirectly, is classified as "non controlling interest" in the consolidated statement of comprehensive income. Intra-group balances and transactions are eliminated in preparing the consolidated financial statements.

### 2.5.2. Accounting of revenue and expenses

#### **Sales revenue and financial income**

##### **-Brokerage services in capital markets:**

The income obtained from the brokerage services is recognised in profit or loss at the transaction date. The brokerage services income are recorded daily to the profit or loss on an accrual basis until there is an estimate of the Group's management occurs related to the uncertainty of the collection.

**-Interest income:** Interests received from customers are presented in "Sales revenue" (Note 15), interests received from time deposits are presented in "Finance income from other operating activities" (Note 19).

**-Trading income on securities:** Trading income/ expenses on securities are recognised in the profit or loss on the same date of sale/purchase order given.

**-Funds lent under reverse repurchase agreements:** The terms of funds lent under repurchase agreements are short term and are comprised of government bonds and treasury bills obtained with resale commitments at an agreed term. The difference between purchase and resale price is treated as interest income and accrued over the life of the reverse repurchase agreement.

#### **Service income**

**-Commission income:** Commission income is comprised of the commissions received from the financial services provided and recognised as income when the service is rendered.

#### **Other**

The Group recognises the dividend and similar revenues when the right to receive payment have been established.

Interest expenses are recognised according to accrual basis in profit or loss.

Other revenue and expenses are recognised on accrual basis.

For the year ended on 31 December 2013, the Subsidiary's income from its operations during the year is recognised under "other operating income".

# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

## 2.5.3. Tangible assets

Tangible assets acquired before 1 January 2005 are carried at restated cost for the effects of inflation in TL units current at 31 December 2004 less accumulated depreciation and impairment losses, and tangible assets acquired after 1 January 2005 are carried at acquisition cost less accumulated depreciation and impairment losses.

Costs refer to expenditures directly related to acquisition of assets.

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price and recognised in the other operating income of the related period.

### Depreciation

Tangible assets are depreciated over the estimated useful lives of the related assets from the date of acquisition or the date of installation, on a straight-line basis.

### The estimated useful lives of tangible assets are as follows:

Tangible asset	Estimated useful life (Year)	Depreciation rate (%)
Vehicles	5	20%
Furniture and fixtures	4-5	20% - 25%
Leasehold improvements	Shorter of 5 years or lease term	

### Subsequent expenditure

Expenditure incurred to replace a component of an item of tangible assets that is accounted for separately, including major inspection and overhauls costs, are capitalised. Other subsequent expenditures are capitalised only when it increases the future economic benefits embodied in the item of tangible assets. All other expenditures are recognised in profit or loss as an expense as incurred.

Profit or loss resulting from disposal of tangible assets is determined by comparing the difference of

proceeds from sales and net book value of tangible asset and recognised to the relevant income or loss items.

## 2.5.4. Intangible assets

Intangible assets are comprised of information technologies and computer software. Intangible assets are carried at restated cost for the effects of inflation in TL units current at 31 December 2004 for the intangible assets acquired before 1 January 2005, and intangible assets acquired after 1 January 2005 are carried at acquisition cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over their estimated useful lives for a period not exceeding 3-5 years from the date of acquisition.

## 2.5.5. Financial instruments

The Group's financial assets consist of cash and cash equivalents, financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity financial assets and trade and other receivables; and financial liabilities consist of financial liabilities, trade and other payables.

### Financial assets

The Group recognises its trade and other receivables on the date that they are originated. All other financial assets are recognised on the transaction date that is becomes a party for related financial agreements. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset and liability.

Except for those financial assets classified as fair value through profit or loss, non derivative financial assets are initially measured at fair value including the directly attributable transaction costs. Subsequent to initial recognition, the financial assets are measured as follows:

# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

## **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments which their maturities are three months or less from date of acquisition, reverse repurchase agreements, and Type B liquid funds that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Time deposits at banks are initially measured at fair value and then, subsequently measured at amortised cost using the effective interest method. The carrying amount of these assets is close to their fair values.

## **Financial assets at fair value through profit or loss**

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designed as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. On initial recognition, attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. Derivative financial instruments which are not designed as effective hedging instruments for the financial risks, are also classified as financial assets at fair value through profit or loss. These financial assets are classified as short term.

## **Available-for-sale financial assets**

Available-for-sale financial assets are the financial assets other than assets held for trading purposes, financial assets at fair value through profit or loss, held-to-maturity financial assets and loans and receivables (trade receivables). Available-for-sale financial assets are recognised at the date of realisation of the purchase commitment of these financial assets. Gains or losses derived from the difference between the cost and discounted values calculated per effective interest rate method of the available-for-sale financial assets are recorded in profit

or loss whereas their fair value and the discounted value calculated per effective interest rate method are recorded in "Fair value reserve" under shareholders' equity. When the available-for-sale financial assets are derecognised, the gain or losses accumulated in equity under fair value reserves are reclassified to profit or loss.

Quoted equity investments and quoted certain debt securities held by the Group that are traded in an active market are classified as available-for-sale financial assets and are measured at fair value. The Group also has investments in unquoted equity investments that are not traded in an active market but are also classified as available-for-sale financial assets and measured at cost since their fair value may not be measured reliably.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

## **Held-to-maturity financial assets**

Held-to-maturity financial assets consist of such financial assets held by the Group with the positive intent and ability to hold debt securities with fixed or determinable payments and fixed maturity to maturity. Held-to-maturity financial assets are recognised at the settlement date. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method less and impairment losses. Premiums and discounts including the initial transaction costs are recognised in the cost of the relevant financial instrument and discounted using the effective interest rate.

## **Trade and other receivables**

Trade and other receivables are recognised initially at fair value. At the reporting date, subsequent to



# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

initial recognition, trade and other receivables are measured at amortised cost using the effective interest method. When a trade receivable becomes uncollectible, it is written off against the allowance account. The amount of the allowance account is the difference between the carrying amount of the receivables and the collectible amount. Changes in the carrying amount of the allowance account are recognised in profit or loss. The Group's management believes that value of trade and other receivables at statement of financial position is approaching to their fair value.

#### **Financial liabilities**

Financial liabilities are initially measured at fair value, net of transaction costs, at the transaction date and then, subsequently measured at amortised cost using the effective interest method.

#### **Derivative financial instruments**

At the reporting date, the Group's derivative financial instruments consist of forward foreign exchange and currency swap transactions. The Group makes forward foreign currency purchase-sales and financial instrument backed forward transactions in order to gain economic benefit. At the reporting date, all derivative transactions are made for trading purposes and measured at their fair values and the foreign exchange gain or loss resulting from such derivative transactions is recognised in profit or loss.

#### **Capital**

##### **Common stock**

Common stocks are classified as equity capital. Costs directly related with issuance of common stock and equity securities options are recognised as decrease in equity capital, after deducting tax effect.

#### **2.5.6. Impairment of assets**

##### **Financial assets**

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

For financial assets and loans carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The Group assesses the impairment on its financial assets individually.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, any increase in fair value subsequent to an impairment loss is recognised directly in the equity.

##### **Non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value of the time value of money and the disposal of asset. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined; if no impairment loss had been recognised.

# YATIRIM FİNANSMAN MENKUL DEĞERLER ANONİM ŞİRKETİ AND ITS SUBSIDIARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

## 2.5.7. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 2.5.8. Borrowing costs

All borrowing costs are recognised in profit or loss in the period they incur.

## 2.5.9. Foreign currency transactions

Transactions in foreign currencies have been translated into TL at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the reporting date. Exchange gains or losses arising from such transactions are included in profit or loss.

## 2.5.10. Earnings per share

According to TAS 33 - "Earnings per Share", companies whose shares are not traded at stock exchange, do not have to declare earnings per share. Since, the shares of the Group are not traded at stock exchange, earnings per share is not calculated in the accompanying consolidated financial statements.

## 2.5.11. Subsequent events

Subsequent events represents the events after reporting date comprising any event between the reporting date and the date of authorisation for the financial statements' issue to the benefit or loss of the entity. Conditions of subsequent events are as follows:

- to have new evidences of subsequent events as of reporting date (adjusting events after reporting date); and
- to have evidences of showing related subsequent events occurred after reporting date (non adjusting events after reporting date).

The Group adjusts its consolidated financial statements according to the new condition if

adjusting subsequent events arise subsequent to the reporting date. If it is not necessary to adjust the consolidated financial statements according to subsequent events, these subsequent events must be disclosed in the notes to the consolidated financial statements.

## 2.5.12. Provisions, contingent liabilities and assets

According to "TAS 37 – Turkish Accounting Standards on provisions, contingent liabilities and assets" a provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Group discloses the related issues in the accompanying notes.

Contingent assets are disclosed in the notes and not recognised unless it is realised.

## 2.5.13. Leasing transactions

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operational leasing. Whole leasing transactions of the Group are operational leasing.

### The Group as lessor

There are not any transactions of the Group as lessor.

### The Group as lessee

Operational lease expense is recognised in the profit or loss on a straight-line basis for the whole lease period in the agreement. Start-up costs for the realisation and optimisation of the operational lease agreement are added to the cost of the leased asset and amortised through the leased time on a straight line basis method.

## 2.5.14. Related parties

For the purpose of the consolidated financial statements, the shareholders, key management personnel and the Board members, and in each

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case, together with their families and companies controlled by/affiliated with them; and associates, investments and joint ventures are considered and referred to as the related parties. Shareholders and board of directors are also included in the related parties. Related party transactions are explained as the transfer of the asset and liabilities between institutions with or without a charge.

## **2.5.15. Segment reporting**

An operating segment is a component of the Group and its parts that engage in business activities from which it may earn income and incur expenses, including income and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The management of the Group has not identified any segments, that financial performances of each are followed up separately, and has not presented segment reporting information accordingly.

## **2.5.16. Income tax**

Taxes on income comprise current and deferred taxes. Current taxes on income comprise tax payable calculated based on the expected taxable income for the year using the tax rates existing at the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are presented in the consolidated financial statements as net. However, deferred tax asset and liabilities originating from the consolidated subsidiaries are presented separately in the assets and liabilities of the consolidated financial statements on gross basis.

If transactions and other occurrences are accounted at profit or loss; current year corporate tax, deferred tax income/expense which are related to these transactions and other occurrences are also accounted at profit or loss. If transactions and other occurrences are directly accounted at equity balances; tax effects which are related to these transactions and other occurrences are also accounted at equity accounts.

## **2.5.17. Employee benefits**

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

The Group recognizes employee benefits in accordance with TAS 19 (2011).

Prior to these amendments, all actuarial gains and losses had been recognised in profit or loss. As the change in accounting policy does not have significant impact on the comparative financial statements for the year ended 31 December 2012, they have not been restated.

As a result of the amendments to TAS 19 (2011), all actuarial gains and losses are recognised in other comprehensive income.

Furthermore, in accordance with the existing social legislation, the Group is required to make payment against the unused vacation days of the employees. Short term liabilities of the employee benefits are expensed in profit or loss without discounting.

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## 2.5.18. Statement of cash flows

The Group presents statement of cash flows as an integral part of other consolidated financial statements to inform the users of consolidated financial statements about the changes in its net assets, its financial structure and its ability to manage the amount and timing of its cash flows under new conditions.

In statement of cash flows, cash flows are classified according to operating, investment and financing activities. Cash flows from operating activities reflect cash flows mainly generated from main operations of the Group. Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group. Cash flows relating to financing activities express sources of financial activities and payment schedules of the Group. Cash and cash equivalents comprise cash on hand and demand deposits, investment funds, reverse repo receivables and other bank deposits which their maturities are three months or less from date of acquisition. Customer assets directed to an investment and customer assets dominated in a foreign currency that are followed in the Group's bank accounts are excluded from the sum of the cash and cash equivalent in the statement of cash flows.

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**3. CASH AND CASH EQUIVALENTS**

As at 31 December 2013 and 2012, cash and cash equivalents are as follows:

	31 December 2013	31 December 2012
Cash on hand	71,424	52,705
Banks-Demand deposits	8,640,056	3,410,188
Banks-Time deposits	377,095,146	377,224,979
Receivables from reverse repurchase agreements	241,488	199,296
Investment funds (Type B liquid)	68,853	44,535
<b>Cash and cash equivalents on statement of financial position</b>	<b>386,116,967</b>	<b>380,931,703</b>
Interest accruals on cash and cash equivalents	(832,484)	(1,629,908)
Customer assets	(7,018,148)	(3,002,794)
<b>Cash and cash equivalents statement of cash flows</b>	<b>378,266,335</b>	<b>376,299,001</b>

As at 31 December 2013 and 2012, there is no blockage on bank deposits.

***Banks-Time deposits***

The details of time deposits as of 31 December 2013 and 2012 are as follows:

	Amount	Interest rate (%)	Maturity
<b>31 December 2013</b>			
TL	91,651	9.15	31 January 2014
US Dollar	258,711,062	3.15 – 3.50	2 – 28 January 2014
Euro	118,292,433	3.20 – 3.35	8 January – 21 February 2014
<b>31 December 2012</b>			
TL	352,471,613	8.00 – 8.65	2 January – 21 March 2013
Euro	24,753,366	3.10 – 3.90	10 – 11 January 2013

***Receivables from reverse repurchase agreements***

As at 31 December 2013 and 2012, receivables from reserve repurchase agreements are as follows:

	Interest rate (%)	Maturity	Cost	Carrying value
<b>31 December 2013</b>				
TL	7.05	2 January 2014	241,442	241,488
<b>31 December 2012</b>				
TL	4.75	2 January 2013	199,270	199,296

See note 23 "Nature and level of risks related to financial instruments" for analysis of the nature of the risk and the level of cash and cash equivalents.

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## 4. FINANCIAL INVESTMENTS

As at 31 December 2013 and 2012, details of financial investments are as follows:

	31 December 2013	31 December 2012
<b>Current financial assets</b>		
Financial assets at fair value through profit or loss	19,499,337	17,055,000
<b>Non-current financial assets</b>		
Available-for-sale financial assets	16,026,801	10,243,810
<b>Total</b>	<b>35,526,138</b>	<b>27,298,810</b>

### *Financial assets at fair value through profit or loss*

As at 31 December 2013 and 2012, details of financial assets at fair value through profit or loss are as follows:

	Nominal value	Carrying value	Interest rate (%)
<b>31 December 2013</b>			
Private sector bonds	8,827,000	8,938,629	10.06-14.66
Government bonds	8,349,655	8,710,605	7.38-9.15
Equity securities	217,027	985,163	--
Commercial papers	720,000	725,234	14.69
Investment funds	335,729	139,706	--
<b>Total</b>	<b>18,449,411</b>	<b>19,499,337</b>	

	Nominal value	Carrying value	Interest rate (%)
<b>31 December 2012</b>			
Private sector bonds	4,967,000	5,114,738	10.10-12.04
Government bonds	7,529,586	7,553,639	5.94-7.99
Equity securities	422,067	2,570,044	--
Commercial papers	1,000,000	935,850	9.09
Investment funds	353,479	150,433	--
Foreign securities	320,000	730,296	7.00
<b>Total</b>	<b>14,592,132</b>	<b>17,055,000</b>	

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As at 31 December 2013, the government bond and treasury bills with a carrying value of TL 8,667,161 (31 December 2012: TL 7,964,982) and with a nominal value of TL 8,505,004 (31 December 2012: TL 7,525,004) are pledged as collateral as detailed below:

	Nominal value	Carrying value
<b>31 December 2013</b>		
Central Bank of the Republic of Turkey	7,075,000	7,199,932
Istanbul Stock Exchange Stock and Bonds and Bills Market	1,430,004	1,467,229
<b>Total</b>	<b>8,505,004</b>	<b>8,667,161</b>
<b>31 December 2012</b>		
Central Bank of the Republic of Turkey	6,190,000	6,221,868
Istanbul Stock Exchange Stock and Bonds and Bills Market	1,000,004	997,939
Stock Exchange Money Market	320,000	730,296
Turkish Derivatives Exchange ("TDE")	15,000	14,879
<b>Total</b>	<b>7,525,004</b>	<b>7,964,982</b>

**Available-for-sale financial assets**

As at 31 December 2013 and 2012, available-for-sale financial assets are as follows:

	31 December 2013	31 December 2012
<b>Long term</b>		
Equity securities	16,026,801	10,243,810
<b>Total</b>	<b>16,026,801</b>	<b>10,243,810</b>

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As at 31 December 2013 and 2012, equity investments are as follows:

	Ownership rate (%)	31 December 2013	Ownership rate (%)	31 December 2012
<i>Listed entities</i>				
İş B Tipi Yatırım Ortaklığı AŞ(*)	1.13	1,762,597	1.13	2,089,677
TSKB Gayrimenkul Yatırım Ortaklığı AŞ(**)	1.33	1,480,000	1.33	1,540,000
<i>Unlisted entities</i>				
İş Portföy Yönetimi AŞ	4.90	2,025,892	4.90	2,025,892
İstanbul Takas ve Saklama Bankası AŞ	1.80	10,593,800	1.80	4,583,440
Borsa İstanbul AŞ(***)	0.04	159,711	--	--
Terme Metal Sanayi Ticaret AŞ	0.94	931,948	0.94	931,948
TSKB Gayrimenkul Değerleme AŞ	0.00	1	0.00	1
Tasfiye Halinde TSKB Gayrimenkul Danışmanlık Hizmetleri AŞ	1.00	4,800	1.00	4,800
Yıfaş Yeşilyurt Tekstil Sanayi ve Ticaret AŞ	0.23	159,987	0.23	159,987
		<b>17,118,736</b>		<b>11,335,745</b>
Impairment on financial assets(***)		(1,091,935)		(1,091,935)
<b>Total</b>		<b>16,026,801</b>		<b>10,243,810</b>

(\*) Following the completion of registry procedures in regards to the merger of TSKB Yatırım Ortaklığı AŞ and İş Yatırım Ortaklığı AŞ, all of the shares of TSKB Yatırım Ortaklığı AŞ held by the Company have been converted into İş Yatırım Ortaklığı AŞ shares (1 unit TSKB Yatırım Ortaklığı AŞ share is equal to 0.892287 İş Yatırım Ortaklığı AŞ share merger ratio). As at the reporting date, the shares held in İş Yatırım Ortaklığı AŞ are recognised as financial assets available-for-sale at the fair value of as of 31 December 2013.

(\*\*) On the Board of Directors resolution of TSKB Gayrimenkul Yatırım Ortaklığı AŞ dated 2 February 2010, the paid in capital has been increased by TL 50,000,000 to TL 150,000,000 and the shares representing TL 50,000,000 of these capital increase has been subject to the public offering by limiting the preference right of the existing shareholders. The initial public offered shares classified as C Group with a nominal value of TL 50,000,000 (TL 57,500,000 with additional sale) as a result of the capital increase of TSKB Gayrimenkul Yatırım Ortaklığı AŞ by 50% have been registered by CMB with a number GYO 60/250 on 25 March 2010. The public offering of these shares has been occurred on 1 and 2 April 2010 and the shares are traded in Istanbul Stock Exchange from the date on 9 April 2010.

(\*\*\*) According to 6362 numbered Capital Markets Board of Turkey's ("CMB") 138th clause's a article, "After registration and announcement of main agreement, 4% of shares of Borsa İstanbul distributed to Borsa İstanbul's member, 0.4% of shares of Borsa İstanbul distributed to Precious Metals and Diamond Markets of İstanbul's member without charge and 1% of shares of Borsa İstanbul distributed to Turkish Capital Market's Association" and regarding to this clause, 15.971.094 of shares has distributed without charge to the Company by Borsa İstanbul's 4 July 2013 dated and 2013/17 numbered decision of Board of Directory.

(\*\*\*\*) As at 31 December 2013, the Group has made an impairment provision amounting to TL 1,091,935 (31 December 2012: TL 1,091,935) for its investments in Terme Metal Sanayi Ticaret AŞ and Yıfaş Yeşilyurt Tekstil Sanayi ve Ticaret AŞ, respectively.

## Financial assets measured at cost that are not traded in an active market

Investments in equity securities amounting to TL 2,190,404 (31 December 2012: TL 2,030,693) are measured at cost less impairment, if any, as these equity securities are not traded in stock exchange and have no quoted market price, and their fair value may not be estimated as their expected value interval is wide and the probability of the expected values of these financial assets may not be measured reliably.

## Held-to-maturity financial assets

As at 31 December 2013, the Company does not hold any held-to-maturity assets. Since the Company has sold a significant portion of its securities classified in held-to-maturity portfolio in 2011, the Group cannot classify its financial assets as held-to-maturity securities for two reporting periods for requirements of the TAS 39 – Financial Instruments: Accounting and Valuation Standard. The Company can classify its financial investments as held-to-maturity from 1 January 2014 since two reporting period has just been completed.



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**5. FINANCIAL LIABILITIES**

As at 31 December 2013 and 2012, financial liabilities of the Group are as follows:

	31 December 2013	31 December 2012
<b>Current financial liabilities:</b>		
Short term bank loans	134,275,230	120,818,789
Payables to Stock Exchange Money Market	247,419,982	247,991,128
<b>Total financial liabilities</b>	<b>381,695,212</b>	<b>368,809,917</b>

As at 31 December 2013 and 2012, bank loans and payables to Stock Exchange Money Market are as follows:

31 December 2013			
Currency	Interest rate (%)	Amount (TL)	Maturity
<b>Payables to Stock exchange money market</b>			
TL	7.90–8.80	247,419,982	2 – 31 January 2014
<b>Bank loans</b>			
TL	8.40	60,014,700	2 January 2014
TL	8.50	19,004,710	2 January 2014
TL	10.25	27,493,669	18 February 2014
TL	10.30	17,995,358	21 February 2014
TL	10.40	9,766,793	21 February 2014
<b>Total bank loans</b>		<b>134,275,230</b>	
<b>Total financial liabilities</b>		<b>381,695,212</b>	

31 December 2012			
Currency	Interest rate (%)	Amount (TL)	Maturity
<b>Payables to Stock exchange money market</b>			
TL	5.70 – 6.45	247,991,128	2 January–4 February 2013
<b>Bank loans</b>			
TL	6.25	10,001,823	2 January 2013
TL	6.75	82,678,664	2 January 2013
TL	7.10	14,078,277	9 January 2013
TL	7.00	14,060,025	11 January 2013
<b>Total bank loans</b>		<b>120,818,789</b>	
<b>Total financial liabilities</b>		<b>368,809,917</b>	

See note 23 for analysis of the nature and level risks in financial liabilities “Nature and level of risks related to financial instruments”.

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**6. DERIVATIVE LIABILITIES**

As at 31 December 2013 and 2012, derivative liabilities of the Group are as follows:

	31 December 2013	31 December 2012
<b>Assets from derivative financial instruments</b>	--	--
Assets from futures agreement	--	--
<b>Total</b>	--	--
	31 December 2013	31 December 2012
Liabilities from derivative financial instruments	17,073,112	167,928
<b>Total</b>	<b>17,073,112</b>	<b>167,928</b>

As at 31 December 2013, the Group's commitments for the derivative transactions are as follows:

31 December 2013								
Derivative instrument description	Short position				Long position			
	Nominal amount	Type	Nominal (TL)	Fair value (TL)	Nominal amount	Type	Nominal (TL)	Fair value (TL)
<b>TL / Foreign currency</b>								
Forward agreement	5,000,000	Euro	14,682,500	(858,762)	--	--	--	--
Currency swap agreement	5,000,000	Euro	14,682,500	(699,644)	--	--	--	--
Currency swap agreement	5,000,000	Euro	14,682,500	(673,518)	--	--	--	--
Currency swap agreement	5,000,000	Euro	14,682,500	(686,115)	--	--	--	--
Currency swap agreement	5,000,000	Euro	14,682,500	(1,052,292)	--	--	--	--
Forward agreement	5,000,000	Euro	14,682,500	(1,046,994)	--	--	--	--
Forward agreement	134,716	Euro	395,593	(26,986)	--	--	--	--
Forward agreement	6,500,000	Euro	19,087,250	(1,233,840)	--	--	--	--
Forward agreement	3,500,000	Euro	10,277,750	(586,815)	--	--	--	--
Forward agreement	132,446	Euro	388,927	(25,773)	--	--	--	--
Forward agreement	5,000,000	US Dollar	10,671,500	(469,807)	--	--	--	--
Forward agreement	5,000,000	US Dollar	10,671,500	(580,676)	--	--	--	--
Forward agreement	5,000,000	US Dollar	10,671,500	(532,510)	--	--	--	--
Forward agreement	5,000,000	US Dollar	10,671,500	(532,510)	--	--	--	--
Forward agreement	10,000,000	US Dollar	21,343,000	(902,265)	--	--	--	--
Forward agreement	7,000,000	US Dollar	14,940,100	(700,102)	--	--	--	--
Forward agreement	5,000,000	US Dollar	10,671,500	(496,546)	--	--	--	--
Forward agreement	2,500,000	US Dollar	5,335,750	(223,881)	--	--	--	--
Forward agreement	4,500,000	US Dollar	9,604,350	(389,230)	--	--	--	--
Forward agreement	6,000,000	US Dollar	12,805,800	(504,910)	--	--	--	--
Forward agreement	11,000,000	US Dollar	23,477,300	(1,016,020)	--	--	--	--
Forward agreement	3,500,000	US Dollar	7,470,050	(324,508)	--	--	--	--
Forward agreement	3,000,000	US Dollar	6,402,900	(222,944)	--	--	--	--
Forward agreement	13,000,000	US Dollar	27,745,900	(1,116,712)	--	--	--	--
Forward agreement	5,000,000	US Dollar	10,671,500	(421,816)	--	--	--	--
Forward agreement	1,000,000	US Dollar	2,134,300	(83,901)	--	--	--	--
Forward agreement	9,000,000	US Dollar	19,208,700	(755,108)	--	--	--	--
Forward agreement	14,000,000	US Dollar	29,880,200	(612,104)	--	--	--	--
Forward agreement	6,500,000	US Dollar	13,872,950	(296,823)	--	--	--	--
<b>Total</b>			<b>376,494,820</b>	<b>(17,073,112)</b>	--	--	--	--

As at 31 December 2013, there is not any the fair value increase resulting from derivative instruments (31 December 2012: None) and the fair value decrease difference resulting from derivative instruments amounting to TL 17,073,112 (31 December 2012: TL 167,928) is recognised within derivative liabilities resulting from derivative instruments in the accompanying consolidated financial statements.

As at 31 December 2012, the Group's commitments for the derivative transactions are as follows:

31 December 2012								
Derivative instrument description	Kısa pozisyon				Uzun pozisyon			
	Nominal amount	Type	Nominal (TL)	Fair value (TL)	Nominal amount	Type	Nominal (TL)	Fair value (TL)
<b>TL / Foreign currency</b>								
Foreign currency swap agreement	5,500,000	Euro	12,934,350	(143,503)	--	--	--	--
Foreign currency swap agreement	5,500,000	Euro	11,758,500	(24,425)	--	--	--	--
<b>Total</b>	<b>10,500,000</b>		<b>24,692,850</b>	<b>(167,928)</b>	--	--	--	--

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## 7. TRADE RECEIVABLES AND PAYABLES

### Trade receivables

#### Short term trade receivables

As at 31 December 2013 and 2012, short term trade receivables of the Group are as follows:

	31 December 2013	31 December 2012
<b>Receivables from customers</b>	244,542,687	112,214,987
Receivables from loan customers	52,999,219	30,783,495
Receivables from clearing and settlement services ("Takasbank")(*)	5,872,286	732,651
Doubtful trade receivables	11,778	413,249
Provision for doubtful trade receivables	(11,778)	(413,249)
Receivables from related parties(**)	155,833	178,783
Other trade receivables	88,192	37,238
<b>Total</b>	<b>303,658,217</b>	<b>143,947,154</b>

(\*) The trade order of the Company's customer, Lehman Brothers International Europe, has been performed by the Company as at 12 September 2008 as Lehman Brothers Holding Company filed for bankruptcy. Lehman Brothers Holding Company filed for bankruptcy on 15 September 2008 and was not able to fulfill its settlement obligation on the settlement date which was 16 September 2008. As a result, cash debts from purchase transactions and stock debts from sales transactions had occurred in the customer's accounts. Due to the non-performance of fulfilling the settlement obligation by the customer, the Company made sales at the falling market prices on the same day in order to recover its cash debts and made purchases in order to recover its stock debts. As a result of these transactions, legal action has been taken for the loss of TL 542,873 which incurred in the customer account and provision for this loss has been made and recognised under other operating expenses. The Company received GBP 57,136 return in equivalent to TL 163,836 as at 3 December 2012, GBP 98,173 return in equivalent to TL 287,649 as at 28 June 2013, GBP 53,735 return in equivalent to TL 177,056 as at 29 November 2013, GBP 70,286 return in equivalent to TL 240,082 which is totally TL 868,623 return.

GBP 52,601 in equivalent to TL 179,659 generated from GBP 226,729 of receivables from Lehman Brothers International Europe's transfer to Seaport Group was recorded as receivable from doubtful receivables commerce income (see Note 15).

The Group's receivables from MF Global related to the non-collectable commission income amounting to US Dollar 18,112 (equivalent to TL 34,212) is reclassified to the doubtful receivables account with its allowance. Regarding to this doubtful receivable, the Company received, GBP 4,743 return in equivalent to TL 14,709 as at 23 August 2013 and TL 7,726 as at 21 October 2013 which is totally TL 22,435 return.

(\*\*) Receivables from related parties consist of the management fee accruals of the investment funds managed by the Group and agency commission receivables from the investment funds managed by TSKB.

As at 31 December 2013, the average interest rate applied to the loan customers is 14.90% (31 December 2012: 15.92%).

As at 31 December 2013 and 2012, short term customer receivables of the Group are as follows:

	31 December 2013	31 December 2012
Receivables from customers for the purchases of equity shares and warrant transactions(*)	147,073,136	62,211,215
Receivables from Stock Exchange Money Market transactions	84,167,000	43,785,000
Customer receivables from TDE	11,350,503	5,810,576
Receivables related to leveraged transactions	1,064,522	213,806
Other receivables from customers(**)	887,526	194,390
<b>Total</b>	<b>244,542,687</b>	<b>112,214,987</b>

(\*) Consists of clearing receivables from marketable security transactions of the Company's customers made on 30 and 31 December (31 December 2012: 28 and 31 December).

(\*\*) Other receivables from customers consist of commissions of customer transactions and default receivables.

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## **Long term trade receivables**

As at 31 December 2013 and 2012, the Group has not any long term trade receivables.

## **Trade payables**

### **Short term trade payables**

As at 31 December 2013 and 2012, short term trade payables of the Group are as follows:

	<b>31 December 2013</b>	<b>31 December 2012</b>
Payables to customers	256,936,214	117,264,490
<b>Total</b>	<b>256,936,214</b>	<b>117,264,490</b>

As at 31 December 2013 and 2012, the details of the Group's short term customer payables are as follows:

	<b>31 December 2013</b>	<b>31 December 2012</b>
Payables to customers for the equity share and warrant transactions(*)	151,841,083	62,211,215
Payables to customers related to the Stock Exchange Money Market transactions	84,167,000	43,785,000
Customer clearing payables for forward transactions	11,350,503	5,810,576
Other payables to customers	2,559,480	2,454,905
Customer accounts	7,018,148	3,002,794
<b>Total</b>	<b>256,936,214</b>	<b>117,264,490</b>

(\*) Consists of clearing payables from marketable securities transactions of the Company's customers made on 30 and 31 December (31 December 2012: 28 and 31 December).

## **Long term trade payables**

As at 31 December 2013 and 2012, the Group has not any long term trade payables.

See note 23 "Nature and level of risks related to financial instruments" for analysis of the nature of the risk and the level of trade receivables and payables.

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## 8. OTHER RECEIVABLES AND PAYABLES

### Short term other receivables

As at 31 December 2013 and 2012, short term other trade receivables of the Group are as follows:

	31 December 2013	31 December 2012
Deposits and guarantees given	245,918	169,648
<b>Total</b>	<b>245,918</b>	<b>169,648</b>

As at 31 December 2013 and 2012, the deposits and guarantees given consist of guarantees given by the Group for its brokerage activities in TDE.

### Long term other receivables

As at 31 December 2013 and 2012, the Group has not any long term other receivables.

### Short term other payables

As at 31 December 2013 and 2012, short term other payables of the Group are as follows:

	31 December 2013	31 December 2012
Taxes and dues payable(*)	1,200,782	873,049
Social security premiums payable	265,169	197,097
<b>Total</b>	<b>1,465,951</b>	<b>1,070,146</b>

(\*) Consists of withholding tax paid amounting to TL 345,138 on behalf of customers (31 December 2012: TL 410,661).

### Long term other payables

As at 31 December 2013 and 2012, the Group has not any long term other payables.

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**9. TANGIBLE ASSETS**

For the years ended 31 December 2013 and 2012, the movement of the tangible assets are as follows:

	<b>Vehicles</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b>Cost</b>				
Opening balance, 1 January 2012	128,002	5,515,353	4,402,763	10,046,118
Additions	119,150	339,351	561,633	1,020,134
Disposals	(108,782)	--	--	(108,782)
<b>Ending balance, 31 December 2012</b>	<b>138,370</b>	<b>5,854,704</b>	<b>4,964,396</b>	<b>10,957,470</b>
Opening balance, 1 January 2013	138,370	5,854,704	4,964,396	10,957,470
Additions	285,280	1,172,590	1,385,558	2,843,428
Disposals	(19,218)	(6,956)	(962,955)	(989,129)
<b>Ending balance, 31 December 2013</b>	<b>404,432</b>	<b>7,020,338</b>	<b>5,386,999</b>	<b>12,811,769</b>
<b>Accumulated depreciation</b>				
Opening balance, 1 January 2012	108,061	4,909,033	4,125,951	9,143,045
Current year charge	19,858	217,400	163,647	400,905
Disposals	(88,840)	--	--	(88,840)
<b>Ending balance, 31 December 2012</b>	<b>39,079</b>	<b>5,126,433</b>	<b>4,289,598</b>	<b>9,455,110</b>
Opening balance, 1 January 2013	39,079	5,126,433	4,289,598	9,455,110
Current year charge	52,358	263,814	395,769	711,941
Disposals	(19,218)	(6,956)	(962,955)	(989,129)
<b>Ending balance, 31 December 2013</b>	<b>72,219</b>	<b>5,383,291</b>	<b>3,722,412</b>	<b>9,177,922</b>
<b>Net book value</b>				
1 January 2012	19,941	606,320	276,812	903,073
31 December 2012	99,291	728,271	674,798	1,502,360
31 December 2013	332,213	1,637,047	1,664,587	3,633,847

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## 10. INTANGIBLE ASSETS

For the years ended 31 December 2013 and 2012, the movement of the intangible assets are as follows:

	<b>Software</b>
<b>Cost</b>	
Opening balance, 1 January 2012	619,918
Additions	118,205
<b>Ending balance, 31 December 2012</b>	<b>738,123</b>
Opening balance, 1 January 2013	738,123
Additions	334,352
<b>Ending balance, 31 December 2013</b>	<b>1,072,475</b>
<b>Accumulated amortisation</b>	
Opening balance, 1 January 2012	216,564
Current year charge	109,334
<b>Ending balance, 31 December 2012</b>	<b>325,898</b>
Opening balance, 1 January 2013	325,898
Current year charge	138,025
<b>Ending balance, 31 December 2013</b>	<b>463,923</b>
<b>Net book value</b>	
1 January 2012	403,354
31 December 2012	412,225
31 December 2013	608,552

## 11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2013 and 2012, letters of guarantee and promissory notes given by the Group are as follows:

	<b>31 December 2013</b>	<b>31 December 2012</b>
Stock Exchange Money Market	312,100,000	312,100,000
Istanbul Stock Exchange	11,463,500	8,963,500
Capital Markets Board of Turkey	2,101,776	2,101,776
TDE	--	500,000
Other letters of guarantee	102,757	54,819
<b>Total</b>	<b>325,768,033</b>	<b>323,720,095</b>

As at 31 December 2013 and 2012, commitments of reverse repurchase agreements are as follows:

	<b>31 December 2013</b>	<b>31 December 2012</b>
Commitments of reverse repurchase agreements	241,488	199,654
<b>Total</b>	<b>241,488</b>	<b>199,654</b>



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**12. EMPLOYEE BENEFITS**

As at 31 December 2013 and 2012, the details of employee benefits are as follows:

**Short term employee benefits**

	<b>31 December 2013</b>	<b>31 December 2012</b>
Vacation pay liability	637,302	550,738
Bonus provision	715,656	648,444
<b>Total</b>	<b>1,352,958</b>	<b>1,199,182</b>

In accordance with the existing social legislation, the Group is required to make payment against the unused vacation days of the employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct through the end of the contract day's fee. Vacation pay liability is the total undiscounted liability amount that is calculated from the unused vacation days of all employees at the reporting date.

Movements in the provision for vacation pay liability during the year were as follows:

	<b>1 January- 31 December 2013</b>	<b>1 January- 31 December 2012</b>
Balance at the beginning of the period	550,738	635,830
Provision provided during the period	215,687	150,060
Paid during the period	(129,123)	(235,152)
<b>Balance at the end of the period</b>	<b>637,302</b>	<b>550,738</b>

**Long term employee benefits**

	<b>31 December 2013</b>	<b>31 December 2012</b>
Reserve for employee severance pay liability	1,307,537	1,436,177
<b>Total</b>	<b>1,307,537</b>	<b>1,436,177</b>

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. Reserve for severance pay liability, as at 31 December 2013 the ceiling amount is TL 3,254.44 (31 December 2012: TL 3,033.98), is calculated over the gross wage per 30 days and other benefits for each year. The basic assumption behind the calculation of the total liabilities is that the maximum liability will be increased by the inflation rate at each six month period.

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TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees and presented in the accompanying consolidated financial statements. Accordingly, the following actuarial assumptions are used in the calculation of the total liability as at 31 December 2013 and 2012:

	31 December 2013	31 December 2012
Net discount rate	%3.00	%2.86
Turnover rate to estimate the probability of retirement	%89.81	%89.91

As at 31 December 2013 and 2012, movements in the employee severance pay liability during the year were as follows:

	1 January- 31 December 2013	1 January- 31 December 2012
Balance at the beginning of the period	1,436,177	1,376,753
Service cost	114,907	148,861
Interest cost	115,685	61,795
Payments during the period	(606,379)	(373,394)
Actuarial losses	247,147	222,162
<b>Balance at the end of the period</b>	<b>1,307,537</b>	<b>1,436,177</b>

## 13. OTHER CURRENT/NON-CURRENT ASSETS AND LIABILITIES

### Other current assets

As at 31 December 2013 and 2012, other current assets are as follows:

	31 December 2013	31 December 2012
Prepaid expenses	312,756	111,441
Advances given	2,884	--
Other	4,004	11,067
<b>Total</b>	<b>319,644</b>	<b>122,508</b>

### Other non-current assets

As at 31 December 2013 and 2012, the Group has not any other non-current assets (31 December 2012: None).

### Other current liabilities

As at 31 December 2013, the Group's other current liabilities is TL 810,492 that consist of expense accruals amounting TL 243,117 and liabilities arising from margin trading short-selling transactions amounting TL 567,375 (31 December 2012: TL 188,195).

### Other non-current liabilities

As at 31 December 2013, the Group has not any other non-current liabilities (31 December 2012: the remaining past difference obligation amounting TL 3).

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## 14. EQUITY

### 14.1. Paid in capital

As at 31 December 2013 and 2012, the capital structure of the Group is as follows:

		31 December 2013		31 December 2012	
		Share %	Share amount	Share %	Share amount
T. Sınai Kalkınma Bankası AŞ	A	28.55	17,415,957	28.55	17,415,957
T. Sınai Kalkınma Bankası AŞ	B	15.50	9,459,765	15.50	9,459,765
T. Sınai Kalkınma Bankası AŞ	C	14.28	8,707,717	14.28	8,707,717
T. Sınai Kalkınma Bankası AŞ	D	13.14	8,011,246	13.14	8,011,246
T. Sınai Kalkınma Bankası AŞ	E	10.96	6,688,306	10.96	6,688,306
T. Sınai Kalkınma Bankası AŞ	F	13.35	8,143,498	13.35	8,143,498
		<b>95.78</b>	<b>58,426,489</b>	<b>95.78</b>	<b>58,426,489</b>
TSKB Gayrimenkul Değerleme AŞ	E	1.71	1,046,793	1.71	1,046,793
TSKB Gayrimenkul Değerleme AŞ	F	0.14	83,946	0.14	83,946
		<b>1.85</b>	<b>1,130,739</b>	<b>1.85</b>	<b>1,130,739</b>
Şekerbank TAŞ	E	0.58	350,908	0.58	350,908
Şekerbank TAŞ	F	0.02	16,624	0.02	16,624
		<b>0.60</b>	<b>367,532</b>	<b>0.60</b>	<b>367,532</b>
T. Garanti Bankası AŞ	E	0.74	448,770	0.74	448,770
T. Garanti Bankası AŞ	F	0.03	21,260	0.03	21,260
		<b>0.77</b>	<b>470,030</b>	<b>0.77</b>	<b>470,030</b>
Yapı Kredi Bankası AŞ	B	0.10	66,683	0.10	66,683
Yapı Kredi Bankası AŞ	F	0.01	3,159	0.01	3,159
		<b>0.11</b>	<b>69,842</b>	<b>0.11</b>	<b>69,842</b>
Arap Türk Bankası AŞ	B	0.09	52,249	0.09	52,249
Arap Türk Bankası AŞ	F	0.00	2,475	0.00	2,475
		<b>0.09</b>	<b>54,724</b>	<b>0.09</b>	<b>54,724</b>
Anadolu Hayat Emeklilik AŞ	F	0.68	411,980	0.68	411,980
İş Faktoring Finansman Hizmetleri AŞ	F	0.06	34,332	0.06	34,332
İş Yatırım Menkul Değerler AŞ	F	0.06	34,332	0.06	34,332
		<b>0.80</b>	<b>480,644</b>	<b>0.80</b>	<b>480,644</b>
<b>Total</b>		<b>100.00</b>	<b>61,000,000</b>	<b>100.00</b>	<b>61,000,000</b>

The Group's capital consists of 6.100.000 shares of each having a nominal value of Kuruş. 1.741.595.716 shares are classified as Group A shares, 957.869.705 shares are classified as Group B shares, 870.771.733 shares are classified as Group C shares, 801.124.626 shares are classified as Group D shares, 853.477.623 shares are classified as Group E shares and 875.160.597 shares are classified as Group F shares. Two members of the Board of Directors are selected from Group A shareholders' nominees, one is selected from Group B shareholders' nominees, one is selected from Group C shareholders' nominees, one is selected from Group D shareholders' nominees, and two members are selected from Group E shareholders' nominees. The shareholders do not have any preference except for this.

As per the resolution of General Assembly held on 20 March 2012, the Group nominal share capital increased with the amount of TL 7,500,000 from extraordinary reserves and profit of the year 2011, this decision was registered at Turkey Trade Registry Gazette No. 8036 on 28 March 2012.

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## 14.2. Fair value reserves

As at 31 December 2013, the total difference, net of tax effect, amounting to TL 3,120,926 between the fair value and acquisition cost of the financial instruments held in available-for-sale portfolio has been presented in the fair value reserve as a separate item within equity (31 December 2012: TL 822,374).

## 14.3. Restricted reserves

As at 31 December 2013 and 2012, restricted reserves consist of legal reserves and gains on sale of properties and equity participations to be transferred to capital.

	31 December 2013	31 December 2012
Legal reserves	2,242,911	2,242,911
Gains on sale of equity participations to be transferred to the capital	804	804
<b>Total</b>	<b>2,243,715</b>	<b>2,243,715</b>

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5%, until the total reserve reaches 20% of the Group's paid-in share capital. The second legal reserve is appropriated at the rate of 10% of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

## 14.4. Retained earnings

As at 31 December 2013 and 2012, retained earnings of the Group are as follows:

	31 December 2013	31 December 2012
Extraordinary reserves	1,534,390	1,498,890
Retained earnings	2,849,880	35,500
Accumulated deficits	(295,607)	(295,607)
<b>Total</b>	<b>4,088,663</b>	<b>1,238,783</b>

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**15. SALES REVENUE**

For the years ended 31 December 2013 and 2012, sales revenue is as follows:

	<b>1 January - 31 December 2013</b>	<b>1 January - 31 December 2012</b>
Investment fund sales	1,811,258,997	1,455,285,189
Equity security sales	102,126,346	601,320,042
Government bond sales	85,419,416	82,583,851
Service income	20,358,232	15,454,295
Interest from loan customers	5,231,989	3,258,744
Foreign currency bond sales	3,246,805	916,018
Bank bond sales	3,012,632	3,165,842
Private sector bond sales	1,338,017	1,345,717
Commercial bond sales	917,672	13,999
Warrant sales	--	1,712
<b>Total</b>	<b>2,032,910,106</b>	<b>2,163,345,409</b>

**Service income**

For the years ended 31 December 2013 and 2012, the details of the service income are as follows:

	<b>1 January - 31 December 2013</b>	<b>1 January - 31 December 2012</b>
Commission income	17,318,315	12,878,965
- Brokerage fee income	12,748,838	9,375,566
- Commission income on trading of derivative transactions	2,890,937	2,610,055
- Other commission income	1,498,881	893,344
- Doubtful receivables sales income	179,659	--
Corporate finance income	3,039,917	2,575,330
<b>Total</b>	<b>20,358,232</b>	<b>15,454,295</b>

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## 16. COST OF SALES

For the years ended 31 December 2013 and 2012, cost of sales are as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Investment fund sales	(1,811,237,277)	(1,455,058,655)
Equity security sales	(101,854,037)	(600,754,185)
Government bond sales	(85,324,526)	(82,532,555)
Bank bond sales	(3,012,356)	(3,164,235)
Foreign currency bond sales	(2,971,444)	(913,999)
Private sector bond sales	(1,337,978)	(1,344,842)
Commercial bond sales	(916,876)	(13,915)
Warrant sales	--	(1,988)
<b>Total</b>	<b>(2,006,654,494)</b>	<b>(2,143,784,374)</b>

## 17. OPERATING EXPENSES

### *Research and development expenses*

For the year ended 31 December 2013, the Group has not any research and development expenses (31 December 2012: None).

### *Selling and marketing expenses*

For the years ended 31 December 2013 and 2012, selling and marketing expenses are as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Contribution for the transactions in stock exchange money market	(1,848,525)	(1,510,163)
Advertising and marketing expenses	(629,479)	(448,397)
Other marketing, sales and distribution expenses	(96,666)	(100,991)
<b>Total</b>	<b>(2,574,670)</b>	<b>(2,059,551)</b>

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**General administrative expenses**

For the years ended 31 December 2013 and 2012, general administrative expenses are as follows:

	<b>1 January - 31 December 2013</b>	<b>1 January - 31 December 2012</b>
Personnel expenses	(17,213,232)	(13,965,887)
Rent expenses	(2,148,284)	(2,008,788)
Computer program rent expenses	(1,721,890)	(1,348,124)
Depreciation and amortisation charges	(849,966)	(510,239)
Taxes and duties	(846,889)	(589,258)
Communication expenses	(746,359)	(544,160)
Cleaning expenses	(573,260)	(466,972)
General administrative expenses	(522,060)	(550,830)
Meal expenses	(480,416)	(458,929)
Paid Banking and Insurance Transaction Tax ("BITT")	(270,877)	(249,262)
Other general administrative expenses	(4,773,347)	(4,858,412)
<b>Total</b>	<b>(30,146,580)</b>	<b>(25,550,861)</b>

**Personnel expenses**

	<b>1 January - 31 December 2013</b>	<b>1 January - 31 December 2012</b>
Salaries and wages	(14,731,190)	(9,557,143)
Social security employer's contribution expenses	(1,766,386)	(3,048,344)
Bonus expenses	(715,656)	(1,360,400)
<b>Total</b>	<b>(17,213,232)</b>	<b>(13,965,887)</b>

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**18. OTHER OPERATING INCOME / (EXPENSES)**

***Other operating income***

For the years ended 31 December 2013 and 2012, other operating income is as follows:

	<b>1 January - 31 December 2013</b>	<b>1 January - 31 December 2012</b>
Recoveries of provisions for doubtful receivables	547,543	163,836
Annual transaction charges	440,380	343,507
Income from operations of the Subsidiary	346,273	261,470
Takasbank custody commissions recharged to customers	130,645	99,537
Customers' share order cancelation charges	115,417	34,747
Delivery expenses recharged to customers	34,960	64,260
Money order commissions recharged to customers	28,747	20,792
Other income	354,661	262,688
<b>Total</b>	<b>1,998,626</b>	<b>1,250,837</b>

***Other operating expenses***

For the year ended 31 December 2013, other operating expenses consist of expenses and losses amounting to TL 14,350 (31 December 2012: TL 136).



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**19. FINANCE INCOME / COSTS FROM OTHER THAN OPERATING ACTIVITIES**

As at and for the year ended 31 December 2013 and 2012, finance income and costs from other operating activities are as follows:

<b>Finance income from other than operating activities</b>	<b>1 January - 31 December 2013</b>	<b>1 January - 31 December 2012</b>
Foreign exchange gains (net)	49,313,755	--
Interest income on time deposits	18,883,791	21,509,967
Income from rebate of BITT(*)	2,251,683	--
Interest on government debt securities	1,214,944	1,039,249
Dividend income	608,080	683,235
Available-for-sale financial assets income	159,711	545,106
Income from the collaterals given to TDE	46,437	41,678
Interest income on money market transactions	8,611	18,439
Revaluation income from the financial assets at fair value through profit or loss	--	391,399
Net gain from derivative financial instruments	--	39,492,567
Other finance income	12,596	5,919
<b>Total</b>	<b>72,499,608</b>	<b>63,727,559</b>

(\*) The Company has paid BITT for income generated from time deposits between the years 2008 – 2011 even if this tax was not an obligation for the Company. The Company objected for BITT paid to related tax office in 2013. The application for return of BITT paid by Company has been approved and repaid.

<b>Finance costs from other than operating activities</b>	<b>1 January - 31 December 2013</b>	<b>1 January - 31 December 2012</b>
Net loss from derivative transactions	(37,790,335)	--
Interest expense on borrowings	(13,247,396)	(3,258,813)
Interest expense on money market transactions	(12,425,304)	(26,448,113)
Letter of guarantee commissions	(857,351)	(1,020,237)
Revaluation loss from the financial assets at fair value through profit or loss	(550,394)	--
Losses from TDE transactions	(14,258)	(2,420)
Foreign exchange loss (net)	--	(22,940,171)
<b>Total</b>	<b>(64,885,038)</b>	<b>(53,669,754)</b>

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## 20. TAXATION

As at 31 December 2013, the corporate tax rate is 20% under the Article 32 of Corporate Tax numbered 5520, published at Official Gazette dated 21 June 2006 and with number 26205.

Companies calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.

The transfer pricing provisions has been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If the tax payers have transactions like service taking or product and goods buying or selling with related parties which are not in accordance with the counterpart principle it will be adjudge that disguised profit distribution via transfer pricing. This kind of disguised profit distribution via transfer pricing will not be deducted from the corporate tax.

In accordance with the tax legislation, losses can be carried forward for offset against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices in the fourth month following the accounting closing date of the related year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. Corporation tax rate is applied to the income after adding the non deductible expenses and deducting the tax exempts (like income of the participants). There is no addition tax to be paid unless the profit is distributed.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years which are 20%. Corporations give tax declarations and paid income taxes quarterly. Income tax declarations are given on the 14th and paid on the 17th day of the second following month of the each quarter. The prepaid taxes can be deducted from the annual corporate tax calculated for the whole year earnings. If there is a surplus after the deduction of the prepaid taxes, this surplus can be returned to the tax payer or the can be deducted from other financial liabilities to the tax office.

Components of income tax expense for the year ended 31 December 2013 and 2012 are as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Current income tax expense	(3,168,656)	(6,644)
Deferred tax income/(expense)	2,959,221	(401,542)
<b>Total tax expense</b>	<b>(209,435)</b>	<b>(408,186)</b>

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A reconciliation of income tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate as at and for the year ended 31 December 2013 and 2012, are as follows:

	31 December 2013	Rate (%)	31 December 2012	Rate (%)
Profit before tax	3,133,208		3,259,129	
Corporate tax computed with statutory tax rate	(619,291)	(20.00)	(651,826)	(20.00)
Effects of undeductible expenses	(32,398)	(1.03)	(62,884)	(1.93)
Tax exempt income	442,254	14.11	306,524	9.41
<b>Tax expense</b>	<b>(209,435)</b>	<b>(6.91)</b>	<b>(408,186)</b>	<b>(12.52)</b>

As at 31 December 2013 and 2012, the corporate tax payable is as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Current income tax expense	3,037,759	2,997,498
Prepaid taxes	(3,168,656)	(6,644)
<b>Income tax asset, net</b>	<b>(130,897)</b>	<b>2,990,854</b>

As at 31 December 2013, the current income tax provision amounting to TL 3,168,656 (31 December 2012: TL 6,644) and the current tax assets amounting to TL 3,037,759 (31 December 2012: TL 2,997,498) which makes TL 130,897 in total, are presented in the "Current tax liabilities" at consolidated financial statements (31 December 2012: Current tax assets TL 2,997,498, Current tax income: TL 2,990,854).

**Deferred tax assets and liabilities**

Deferred tax is determined by calculating the tax effect for the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Such deferred tax assets and liabilities are recognised in the accompanying consolidated financial statements using the the tax rate effective at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

If the valuation differences of the financial assets are recognised in the profit or loss, the relevant current tax expense or deferred tax expense/income origination from this valuation differences are recognised in the profit or loss. If the valuation differences of the financial assets are recognised directly in the equity, the relevant current tax expense or deferred tax expense/income origination from this valuation differences are recognised directly in the equity.

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As at 31 December 2013 and 2012, assets and liabilities bearing deferred tax assets and liabilities are as follows:

	31 December 2013		31 December 2012	
	Temporary differences	Deferred tax	Temporary differences	Deferred tax
Provision for severance pay liability	1,307,537	261,507	1,436,177	287,235
Deferred tax assets on current year loss	--	--	1,228,327	245,665
Bonus provision	715,656	143,131	648,444	129,689
Provision for unused vacation	637,302	127,461	550,738	110,148
Financial investments	(39,644)	(7,929)	463,381	32,907
Provision for doubtful receivables	11,778	2,356	413,249	82,650
Derivative financial instruments held for trading	17,073,112	3,414,622	167,928	33,586
Tangible and intangible assets	(414,103)	(82,820)	47,630	9,526
<b>Deferred tax assets, net</b>	<b>19,291,638</b>	<b>3,858,328</b>	<b>4,955,874</b>	<b>931,406</b>

## Deferred tax balances movement during the period

	1 January 2012	Recognized in profit and loss	Recognized in other comprehensive income	31 December 2012	Recognized in profit and loss	Recognized in other comprehensive income	31 December 2013
Provision for severance pay liability	275,351	11,884	--	287,235	(75,158)	49,430	261,507
Deferred tax assets on current year loss	--	245,665	--	245,665	(245,665)	--	--
Bonus provision	125,000	4,689	--	129,689	13,442	--	143,131
Provision for unused vacation	127,166	(17,018)	--	110,148	17,313	--	127,461
Financial investments	249,757	(16,093)	(200,757)	32,907	40,893	(81,729)	(7,929)
Provision for doubtful receivables	115,417	(32,767)	--	82,650	(80,294)	--	2,356
Derivative financial instruments held for trading	608,117	(574,531)	--	33,586	3,381,036	--	3,414,622
Tangible and intangible assets	32,897	(23,371)	--	9,526	(92,346)	--	(82,820)
<b>Deferred tax assets, net</b>	<b>1,533,705</b>	<b>(401,542)</b>	<b>(200,757)</b>	<b>931,406</b>	<b>2,959,221</b>	<b>(32,299)</b>	<b>3,858,328</b>

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## 21. EARNINGS PER SHARE

According to TAS 33 – Earnings per Share Standard, companies whose shares are not traded at stock exchange, do not have to declare earnings per share. Since, the shares of the Group are not traded at stock exchange, earnings per share is not calculated in accompanying consolidated financial statements.

## 22. RELATED PARTY DISCLOSURES

In this consolidated financial statements, the shareholders of the Group and Türkiye İş Bankası Anonim Şirketi Group companies and all of its subsidiaries having indirect shareholding relation with the Group are referred to as related parties.

### Related party balances

	31 December 2013	31 December 2012
<b>Receivables from related parties</b>		
<i>Trade receivables</i>		
- Receivables from investment fund management	155,833	177,589
- Receivables from investment funds of TSKB	--	1,194
<b>Total (Note 7)</b>	<b>155,833</b>	<b>178,783</b>
<b>Payables to related parties</b>		
<i>Financial liabilities</i>		
Türkiye Sınai Kalkınma Bankası AŞ	60,014,700	--
<b>Total</b>	<b>60,014,700</b>	<b>--</b>

### Related party transactions

	1 January - 31 December 2013	1 January - 31 December 2012
<b>Services taken from related parties</b>		
<i>Letter of guarantee commission</i>		
- Türkiye Sınai Kalkınma Bankası AŞ	--	137
<i>Finance costs</i>		
- Türkiye Sınai Kalkınma Bankası AŞ	1,823,079	360,797
<b>Total</b>	<b>1,823,079</b>	<b>360,934</b>
<b>Services given to related parties</b>		
- Türkiye Sınai Kalkınma Bankası AŞ(*)	232,704	275,366
- Yatırım Finansman Securities Investment Funds(**)	2,043,706	1,789,423
<b>Total</b>	<b>2,276,410</b>	<b>2,064,789</b>

(\*) Consist of investment fund commissions.

(\*\*) Consist of agency, derivative transactions and fund management commissions.

For the year ended 31 December 2013, the total amount of the remuneration and similar benefits provided to the Group's general manager, vice general managers and members of the board of directors is TL 2,207,096 (31 December 2012: TL 1,934,920).

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## 23. NATURE VE LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

This note presents information about the Group's exposure to each of the below risks, the Group's objectives, policies and processes for measuring and managing risks. The Group has exposure to the following risks from its use of financial instruments:

- credit risk,
- liquidity risk
- market risk,
- operation risk,

### 23.1. Credit risk

The Group conducts brokerage services on behalf of corporate and individual investors and provides advisory services. The Group also makes trading of various marketable securities. The Group may be exposed to the risk that counterparty may default on its contractual obligations resulting in financial loss to the Group. In order to control or mitigate such risks, the Group wants its customers to hold cash or cash equivalents or marketable securities in their accounts. Loan risk management is performed by following daily values ve liquidity of collaterals, by setting daily limit for counterparty risk ve by following adequacy of collaterals received for loans ve receivables. The credit risk are mainly originating from Turkey where the Group conducts it's mainly operations.

As at 31 December 2013 and 2012, credit risk exposure by the Group in terms of financial instruments are as follows:

	Receivables							Total
	Trade receivables			Other receivables			Financial investments <sup>(**)</sup>	
	Related party	Other party	Related party	Other party <sup>(*)</sup>	Cash at banks, reverse repurchase agreements ve investment funds	Other		
<b>31 December 2013</b>								
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	155,833	303,502,384	--	--	386,045,543	18,514,174	--	708,217,934
- Guaranteed part of maximum credit risk with collaterals etc.	--	(52,999,219)	--	--	(241,488)	--	--	(53,240,707)
A. Net carrying value of financial assets which are neither impaired nor overdue	155,833	303,502,384	--	--	386,045,543	18,514,174	--	708,217,934
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	--	--	--	--	--	--	--	--
C. Net carrying value of financial assets which are overdue but not impaired	--	--	--	--	--	--	--	--
- Guaranteed part of risk with collaterals	--	--	--	--	--	--	--	--
D. Net carrying value of impaired assets	--	--	--	--	--	--	--	--
- Overdue (Gross book value)	--	11,778	--	--	--	--	--	11,778
- Impairment	--	(11,778)	--	--	--	--	--	(11,778)
- Guaranteed part of net value with collaterals	--	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--	--
- Impairment	--	--	--	--	--	--	--	--
- Guaranteed part of net value with collaterals	--	--	--	--	--	--	--	--

(\*) Deposits and guarantees given and collaterals given to Turkish Derivatives Exchange are excluded since they are not financial assets.

(\*\*) Equity securities are excluded since they do not expose any credit risk.

	Receivables								Total
	Trade receivables				Other receivables				
	Related party	Other party	Related party	Other party(*)	Cash at banks, re-verse repurchase agreements ve investment funds	Financial investments(**)	Other		
<b>31 December 2012</b>									
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	178,783	143,768,371	--	--	380,878,998	14,484,956	--	--	539,311,108
- Guaranteed part of maximum credit risk with collaterals etc.	--	(30,783,495)	--	--	(199,296)	--	--	--	(30,982,791)
A. Net carrying value of financial assets which are neither impaired nor overdue	178,783	143,768,371	--	--	380,878,998	14,484,956	--	--	539,311,108
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	--	--	--	--	--	--	--	--	--
C. Net carrying value of financial assets which are overdue but not impaired	--	--	--	--	--	--	--	--	--
- Guaranteed part of risk with collaterals	--	--	--	--	--	--	--	--	--
D. Net carrying value of impaired assets	--	--	--	--	--	--	--	--	--
- Overdue (Gross book value)	--	413,249	--	--	--	--	--	--	413,249
- Impairment	--	(413,249)	--	--	--	--	--	--	(413,249)
- Guaranteed part of net value with collaterals	--	--	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--	--	--
- Impairment	--	--	--	--	--	--	--	--	--
- Guaranteed part of net value with collaterals	--	--	--	--	--	--	--	--	--
E. Off statement of financial position items with credit risk	--	--	--	--	--	--	--	--	--

(\*) Deposits and guarantees given and collaterals given to Turkish Derivatives Exchange are excluded since they are not financial assets.

(\*\*) Equity securities are excluded since they do not expose any credit risk.

As at 31 December 2013 and 2012, the Group has not any financial assets which are overdue but not impaired.



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**23.2. Liquidity risk**

Liquidity risk is the Group's default in meeting its net funding liabilities. Events causing a decrease in funding resources such as; market deteriorations or decrease in credit ratings are major reasons of liquidity risk. The Group manages its liquidity risk by allocating its resources to obtain adequate reserves for recovering its current and potential liabilities.

As at reporting date, the undiscounted contractual cash outflows of the Group are as follows:

31 December 2013	Carrying value	Contractual cash outflows	3 months or less	3-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Financial liabilities	(381,695,212)	(382,870,804)	(382,870,804)	--	--	--
Trade payables	(256,936,214)	(256,936,214)	(256,936,214)	--	--	--
<b>Derivative financial liabilities</b>						
Forward and swap agreements						
Cash outflow	(17,073,112)	(376,494,820)	(376,494,820)	--	--	--
Cash inflow	--	112,093,694	112,093,694	--	--	--
<b>Total financial liabilities</b>	<b>(655,704,538)</b>	<b>(904,208,144)</b>	<b>(904,208,144)</b>	--	--	--

31 December 2012	Carrying value	Contractual cash outflows	3 months or less	3-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Financial liabilities	(368,809,917)	(369,255,534)	(369,255,534)	--	--	--
Trade payables	(117,264,490)	(117,264,490)	(117,264,490)	--	--	--
<b>Derivative financial liabilities</b>						
Forward and swap agreements						
Cash outflow	(167,928)	(24,692,850)	(24,692,850)	--	--	--
Cash inflow	--	24,557,230	24,557,230	--	--	--
<b>Total financial liabilities</b>	<b>(486,242,335)</b>	<b>(486,655,644)</b>	<b>(486,655,644)</b>	--	--	--

	31 December 2013	31 December 2012
Current assets (A)	709.011.809	541.463.739
Short term liabilities (B)	662.463.072	488.688.482
<b>Current assets / short term liabilities (A/B)</b>	<b>1.07</b>	<b>1.11</b>

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## 23.3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The market risk is managed by balancing the assets and liabilities exposed to the interest rate change risk.

### **Foreign currency risk**

The Group is exposed to foreign currency risk due to the changes in foreign exchange rates while having assets, liabilities or off statement of financial position items denominated in foreign currencies.

The foreign exchange rates used by the Group for translation of the transactions in foreign currencies as at 31 December 2013 and 31 December 2012 as follows:

	US Dollar	EUR	GBP	CAD	AUD
31 December 2013	2.1343	2.9365	3.5114	1.9898	1.8886
31 December 2012	1.7826	2.3517	2.8708	1.7919	1.8477

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As at 31 December 2013 and 2012, the table below summarises the foreign currency position of the Group by presenting the carrying amounts of the assets and liabilities denominated in foreign currency in TL as follows.

31 December 2013	TL equivalent (Functional currency)	US Dollar	EUR	GBP	CAD	AUD
Cash and cash equivalents	384,435,139	123,865,221	40,576,971	4,297	452,369	60
Financial investments	--	--	--	--	--	--
<b>Total assets</b>	<b>384,435,139</b>	<b>123,865,221</b>	<b>40,576,971</b>	<b>4,297</b>	<b>452,369</b>	<b>60</b>
Trade payables	(7,142,211)	(2,525,292)	(288,937)	(4,297)	(446,737)	--
<b>Total liabilities</b>	<b>(7,142,211)</b>	<b>(2,525,292)</b>	<b>(288,937)</b>	<b>(4,297)</b>	<b>(446,737)</b>	<b>--</b>
Foreign currency assets in the financial position table	377,292,928	121,339,929	40,288,034	--	5,632	60
Foreign currency liabilities in off balance sheet items	(376,494,820)	(121,000,000)	(40,267,162)	--	--	--
<b>Net foreign currency assets</b>	<b>798,108</b>	<b>339,929</b>	<b>20,872</b>	<b>--</b>	<b>5,632</b>	<b>60</b>

31 December 2012	TL equivalent (Functional currency)	US Dollar	EUR	GBP	CAD	AUD
Cash and cash equivalents	27,788,237	1,237,123	10,864,902	226	17,469	--
Financial investments	730,296	409,680	--	--	--	--
<b>Total assets</b>	<b>28,518,533</b>	<b>1,646,803</b>	<b>10,864,902</b>	<b>226</b>	<b>17,469</b>	<b>--</b>
Trade payables	(3,002,792)	(1,224,889)	(339,067)	(76)	(12,112)	--
<b>Trade payables</b>	<b>(3,002,792)</b>	<b>(1,224,889)</b>	<b>(339,067)</b>	<b>(76)</b>	<b>(12,112)</b>	<b>--</b>
Foreign currency assets in the financial position table	25,515,741	421,914	10,525,835	150	5,357	--
Foreign currency liabilities in off balance sheet items	(24,692,850)	--	(10,500,000)	--	--	--
<b>Net foreign currency assets</b>	<b>822,891</b>	<b>421,914</b>	<b>25,835</b>	<b>150</b>	<b>5,357</b>	<b>--</b>

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## Exposure to foreign currency risk

A strengthening/weakening of the TL against the other currencies below would have increased/(decreased) the comprehensive income and profit/loss (excluding the tax effect) as of 31 December 2013 and 2012 as follows:

31 December 2013	Profit / (Loss)		Equity(*)	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
<b>Increase/(decrease) 10% of US Dollar parity</b>				
1-US Dollar net asset / liability	72,551	(72,551)	72,551	(72,551)
2-Hedged portion of US Dollar amounts(-)	--	--	--	--
<b>3-Net effect of US Dollar (1+2)</b>	<b>72,551</b>	<b>(72,551)</b>	<b>72,551</b>	<b>(72,551)</b>
<b>Increase/(decrease) 10% of EUR parity</b>				
4-EUR net asset / liability	6,129	(6,129)	6,129	(6,129)
5-Hedged portion of EUR amounts(-)	--	--	--	--
<b>6-Net effect of EUR (4+5)</b>	<b>6,129</b>	<b>(6,129)</b>	<b>6,129</b>	<b>(6,129)</b>
<b>Increase/(decrease) 10% of other parities</b>				
7-Other foreign currency net asset / liability	1,131	(1,131)	1,131	(1,131)
8-Hedged portion of other foreign currency amounts(-)	--	--	--	--
<b>9-Net effect of other foreign currencies (7+8)</b>	<b>1,131</b>	<b>(1,131)</b>	<b>1,131</b>	<b>(1,131)</b>
<b>TOTAL (3+6+9)</b>	<b>79,811</b>	<b>(79,811)</b>	<b>79,811</b>	<b>(79,811)</b>

31 December 2012	Profit / (Loss)		Equity(*)	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
<b>Increase/(decrease) 10% of US Dollar parity</b>				
1-US Dollar net asset / liability	75,210	(75,210)	75,210	(75,210)
2-Hedged portion against US Dollar amounts(-)	--	--	--	--
<b>3- Net effect of US Dollar (1+2)</b>	<b>75,210</b>	<b>(75,210)</b>	<b>75,210</b>	<b>(75,210)</b>
<b>Increase/(decrease) 10% of EUR parity</b>				
4-EUR net asset / liability	6,076	(6,076)	6,076	(6,076)
5-Hedged portion of EUR amounts(-)	--	--	--	--
<b>6-Net effect of EUR (4+5)</b>	<b>6,076</b>	<b>(6,076)</b>	<b>6,076</b>	<b>(6,076)</b>
<b>Increase/(decrease) 10% of other currencies</b>				
7-Net other foreign currency asset / liability	1,003	(1,003)	1,003	(1,003)
8-Hedged portion of other foreign currency amounts(-)	--	--	--	--
<b>9-Net effect of other foreign currencies (7+8)</b>	<b>1,003</b>	<b>(1,003)</b>	<b>1,003</b>	<b>(1,003)</b>
<b>TOTAL (3+6+9)</b>	<b>82,289</b>	<b>(82,289)</b>	<b>82,289</b>	<b>(82,289)</b>

(\*) Profit /loss effect included.

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**Interest rate risk**

The Group is exposed to interest rate risk due to effects of the changes in market interest rates on the interest rate sensitive assets and liabilities.

The Group's interest rate sensitive financial instruments' allocation on 31 December 2013 and 2012 are presented below:

	31 December 2013	31 December 2012
<b>Fixed rate financial instruments</b>		
<b>Financial assets</b>		
Time deposits	377,095,146	377,224,979
Receivables from reverse repurchase agreements	241,488	199,296
Financial investments	1,825,467	5,990,102
<b>Financial liabilities</b>		
Bank borrowings	134,275,230	120,818,789
Payables to Stock Exchange Money Market	247,419,982	247,991,128
<b>Floating interest rate financial instruments</b>		
<b>Financial assets</b>		
Financial investments	16,549,001	8,344,421
Receivables from loan customers		
- Trade receivables	52,999,219	30,783,495

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## Interest sensitivity of assets:

The Group's debt securities classified as financial assets at fair value through profit or loss are exposed to price risk depending upon interest rate changes in the market. Based on the analysis calculated by the Group, if the interest rate for TL were increased/decreased by 100 bp with the assumption of keeping all other variables constant, the effect on the fair value of fixed income financial assets and net profit/loss and the effect on equity for the year ended As at 31 December 2013 and 2012 would be as follows.

	Profit / (Loss)		Equity(*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 December 2013</b>	<b>(75,671)</b>	<b>77,028</b>	<b>(75,671)</b>	<b>77,028</b>
31 December 2012	(80,800)	84,447	(80,800)	84,447

(\*) Profit /loss effect included.

## Risk of change in marketable securities

If the Istanbul Stock Exchange Index were increased/(decreased) by 20% with the assumption of keeping all other variables constant, the effect on the fair value of equity shares and profit and loss and comprehensive income of the Group for the year ended as at 31 December 2013 and 2012 would be as follows:

	Profit / (Loss)		Equity(*)	
	20% increase	20% decrease	20% increase	20% decrease
<b>31 December 2013</b>				
<b>Financial assets at fair value through profit/loss</b>				
- Equity security	83,558	(83,558)	83,558	(83,558)
<b>Available-for-sale financial assets</b>				
- Equity security(**)	--	--	648,519	(648,519)
<b>Total</b>	<b>83,558</b>	<b>(83,558)</b>	<b>732,077</b>	<b>(732,077)</b>

	Profit / (Loss)		Equity(*)	
	20% increase	20% decrease	20% increase	20% decrease
<b>31 December 2012</b>				
<b>Financial assets at fair value through profit/loss</b>				
- Equity security	514,009	(514,009)	514,009	(514,009)
- Warrant	--	--	--	--
<b>Available-for-sale financial assets</b>				
- Equity security(**)	--	--	725,935	(725,935)
<b>Total</b>	<b>514,009</b>	<b>(514,009)</b>	<b>1,239,944</b>	<b>(1,239,944)</b>

(\*) Profit / loss effect included.

(\*\*) Available-for-sale financial assets include quoted equity securities.

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## **23.4. Operational risk**

Operational risk is the risk that is not inherent in financial, systematic or market-wide risk. It is the risk remaining after determining financing and systematic risk, and includes risks resulting from breakdowns in internal procedures, people and systems. Operational risk that summarises the risks a company or firm undertakes when it attempts to operate within a given field or industry.

The Group manages its operational risks to avoid financial losses. In this respect, the Group has identified the following issues within the company processes and controls;

- Appropriate task distribution with transactions' independent responsibility,
- The reconciliation and control of operations,
- Compliance with statutory obligations and other regulators,
- Documentation of processes and controls,
- Periodical assessment of encountered operational risks and the adequacy of generated controls and procedures to meet scheduled risks,
- Development of emergency plans,
- Education and professional development,
- Ethics and business standards,
- Effective risk reduction measures by the possibility of including insurance.

## **23.5. Capital management and capital adequacy management**

The Company manages its financial risk in accordance with the Communiqué Serial: V, No: 34 "Communiqué on Capital and Capital Adequacy of Brokerage Companies" ("Communiqué 34") promulgated by CMB. Accordingly, total minimum capital amounts to TL 4,655,000 (31 December 2012: TL 4,583,000). The Company's minimum capital amounts 31 December 2013 and 2012 in order of dates are TL 73,079,030 and TL 67,785,808.

The minimum capital adequacy basis that has to be attained by the Company in accordance with the measurement principles of Communiqué 34 is the amount calculated by deducting the following items from shareholder's equity:

a) Non-current assets;

- 1) Tangible assets (net),
- 2) Intangible assets (net),
- 3) Non-current financial assets after deducting impairment and capital commitments except financial assets traded at stock exchange and other organised markets,
- 4) Other non-current assets,

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b) Unsecured receivables from personnel, shareholders, subsidiary, subsidiaries, individuals or entities related with directly or indirectly even if they are customers, and marketable securities issued by these individuals or entities and are not traded at stock exchange or other organised markets.

Brokerage companies' capital has to be increased by the company for each stock exchange money market transaction certificates of authorisation in accordance with following rates.

a) For intermediation in public offering, 50% of the initial capital amount required for intermediation in trading.

b) For the sale and purchase of securities through repurchase and reverse repurchase agreements, 50% of the initial capital amount shall be required for intermediation in secondary trading.

c) For portfolio management activity, 40% of the initial capital amount shall be required for intermediation in secondary trading.

d) For investment advisory activity, 10% of the initial capital amount shall be required for intermediation in secondary trading.

As at 31 December 2013 and 2012, the Company should have a minimum capital adequacy base amounting to TL 55,682,023 and TL 58,866,058, respectively in accordance with the certificates of authorization in the scope of Communiqué 34 Paragraph 8. Capital adequacy basis requirement cannot be less than the minimum share capital addressed by their certificates of authorization, risk provision and operating expenses of the three month period before the valuation day.

As at 31 December 2013 and 2012, the Company fulfils its capital adequacy requirements.

## **Risk provision**

The Company calculates risk provision for both statements of financial position and off-statement of financial position items by using the rates stated in Communiqué 34. Risk provision is the sum of position risk, counter party risk, concentration risk and foreign currency risk amounts which calculated in accordance with the regulations of Communiqué 34.

As at 31 December 2013 and 31 December 2012, the risk provision amounts calculated in accordance with the regulations of Communiqué 34 are as follows:

	31 December 2013	31 December 2012
Position risk	27,632,248	19,326,102
Counter party risk	19,606,980	19,217,988
Foreign currency risk	--	--
Concentration risk	--	--
<b>Total risk provision</b>	<b>47,239,228</b>	<b>38,544,090</b>



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## 24. FINANCIAL INSTRUMENTS

### **Fair value of financial instruments**

Fair value is the amount for which an asset could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

Financial assets and liabilities have to be recognised with their fair values for both accounting policies and presentation of notes.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate fair value.

### **Financial assets**

It is estimated that the fair values and carrying amounts of the bank deposits, receivables from reserve repurchase agreements and other monetary receivables are close to each other, since they have short term maturities.

Investment funds and securities measured at the fair values are measured using the market prices.

### **Financial liabilities**

It is estimated that the fair values and carrying amounts of the financial liabilities, trade payables and other monetary liabilities are close to each other due to their short term maturities.

### **Classification relevant to fair value information**

"IFRS 7 – Financial Instruments: Disclosures" Standard necessitates the demonstration of a classified data sorted according to its importance and relevancy while determining the fair value of financial instruments. This classification depends on quality of related data observability. Observable data means the usage of market data received from independent sources and non-observable data means the usage of Group's estimates and assumptions about the market. This distinction reveals the following classifications.

Level 1: Registered (unadjusted) prices of identical assets or liabilities in active markets.

Level 2: Data which can be observed by directly (through prices) or indirectly (derived from prices) and which excludes the registered prices described in Level 1.

Level 3: Data that is not based on observable market data related to assets and liabilities (non-observable data).

Classification requires the utilisation of observable market data, if available.

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In this context, fair value classification of assets and liabilities which are measured over their fair values is as follows:

31 December 2013	Level 1	Level 2	Level 3	Total
<b>Cash and cash equivalents</b>				
- Investment funds	68,853	--	--	68,853
<b>Financial investments</b>				
- Investment funds	139,706	--	--	139,706
- Marketable securities	4,227,760	--	10,593,800	14,821,560
- Debt securities	18,374,468	--	--	18,374,468
<b>Derivative liabilities</b>				
- Financial liabilities from derivative transactions	--	(17,073,112)	--	(17,073,112)
<b>Total financial assets</b>	<b>22,810,787</b>	<b>(17,073,112)</b>	<b>10,593,800</b>	<b>16,331,475</b>

31 December 2012	Level 1	Level 2	Level 3	Total
<b>Cash and cash equivalents</b>				
Investment funds	44,535	--	--	44,535
<b>Financial investments</b>				
- Investment funds	150,433	--	--	150,433
- Marketable securities	6,199,721	--	4,583,440	10,783,161
- Debt securities	14,334,523	--	--	14,334,523
<b>Derivative liabilities</b>				
- Financial liabilities from derivative transactions	--	(167,928)	--	(167,928)
<b>Total financial assets</b>	<b>20,729,212</b>	<b>(167,928)</b>	<b>4,583,440</b>	<b>25,144,724</b>

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in Level 3 of the fair value hierarchy for financial instruments of unlisted entities:

	1 January – 31 December 2013	1 January – 31 December 2012
Balance at 1 January	4,583,440	4,583,440
Additions	2,405,778	--
Disposals	--	--
<b>Total comprehensive income</b>		
Net change in fair value of available-for-sale financial assets	3,604,582	--
<b>Total</b>	<b>10,593,800</b>	<b>4,583,440</b>

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**25. SUBSEQUENT EVENTS**

NA.

**AFFILIATED COMPANIES REPORT - CONCLUSION**

There are no legal actions between our Company and Türkiye Sınai Kalkınma Bankası A.Ş. being our parent company and other affiliated companies to result in;

- Transfer of receivables, payables or assets,
- Creation of liability such as providing surety, guarantee or endorsement,
- Transfer of profit.

The commercial transactions our Company realized in 2013 together with the parent company and other affiliated companies as detailed in the report are the transactions required by the Company operations and realized at the value of equals being applicable on the market.

There is no decision made against the Company or any action to cause damage to the Company that was led by the parent company or the companies we are affiliated to.

In the Shareholders' Extraordinary General Assembly of our Company held on 30.04.2013, the Articles of Association version which was approved by the RoT Prime Ministry Capital Markets Board and the RoT Ministry of Customs and Trade Directorate General of Domestic Trade was submitted to the General Assembly for approval and adopted unanimously upon voting.



**YATIRIM  
FİNANSMAN  
SECURITIES**

*investment in happiness*

**2013  
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